Retirement News Highlights

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Retiring CIO Mansco Perry reflects on his long career

By Christine Williamson

Pensions & Investments

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After 27 years at the Minnesota State Board of Investment, St. Paul, and an additional five years at two other institutional investors, Mansco Perry III, executive director and chief investment officer, is retiring Oct. 11 from an industry that he has seen grow exponentially.

In an interview, Mr. Perry said "the amount of pension fund assets under management (in the industry) is phenomenal."

Mr. Perry noted that the SBI's total assets — including pension fund and state funds — grew from $16.3 billion when he joined the board for the first time in 1990 to $124.7 billion as of June 30. Over the same period, pension fund assets grew from $12.4 billion to $81.3 billion.

Mr. Perry said that as the pension fund investment industry moves forward, the way portfolios are managed "will become increasingly important because of the challenges CIOs and their investment staff face given predictions of turbulent markets and lower returns."

Another challenge for pension fund CIOs is that they frequently are responsible for operations of the fund in addition to managing the portfolio, including employee management, financial management, technology and engagement with boards of trustees, he said.

"The big picture view of managing pension funds is that it is very important and underappreciated," Mr. Perry said.

He noted that "managing a pension fund is like managing a business with many moving parts but often without enough resources. If the ratio of assets under management vs. resources is lacking, it can be problematic. You need to have the acumen to recognize that you are running a business."

"A lot of what it takes to manage pension funds boils down to having appropriate resources. You need to be well-staffed on both the investment side as well as the operational side of the business," he said, noting "many smaller public pension funds are under-resourced and often have a more difficult time managing the portfolio given that their investment teams may only have a few members to manage the portfolio."

The SBI employs 34 people, of which 15 are on the investment side, Mr. Perry said, which translates to each investment staffer being responsible for oversight of between $8 billion to $9 billion.

The best part of Mr. Perry's current job has been focusing on managing the SBI's portfolios and working with the board's external money managers, he said.

Mr. Perry is finishing his second tour of duty at the St. Paul-based board.

Previously, he served as deputy assistant executive director and deputy CIO at the SBI for 18 years ending in 2008, and returned to the board in 2013 in his current roles.

He also served as CIO of St. Paul-based Macalester College's $891 million endowment from 2010 to 2013 and was CIO of the $64.6 billion Maryland State Retirement and Pension System, Baltimore, from 2008 to 2010.

Mr. Perry's successor is Jill E. Schurtz, chief investment officer and executive director of the $1.2 billion St. Paul Teachers' Retirement Fund Association.

She was appointed by the board of trustees at an Aug. 24 board meeting and was not available for comment.

As for Mr. Perry's retirement plans, he intends to focus on his health and spend more time with his family. He doesn't intend to find a new job, although he may end up serving on boards of companies, he said.

"I don't want to be a CIO or manage money," he stressed.

Mr. Perry, a baseball fanatic, said he specifically chose Oct. 11 as his departure date to coincide with watching baseball's World Series.

He may also revive his baseball memorabilia home business selling baseball souvenirs and liquidate some of his large inventory, he said.

Of the $124.7 billion in total assets the SBI managed as of June 30, $81.3 billion was in the state's combined defined benefit plans, $8.9 billion was in defined contribution plans and $34.5 billion was in other state funds.

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Baltimore County bill would eliminate cap on size of council members’ pensions

By Alison Knezevich

Baltimore Sun

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A long-standing cap on Baltimore County Council members’ pensions could be lifted under legislation set for a vote Tuesday.

Current county rules cap council pensions at 60% of a member’s salary. If the measure is passed, a council member could retire with a pension equal to their full salary after serving 20 years.

The pension limit was enacted more than a decade ago amid criticism that a council member who served five four-year terms could collect retirement benefits equal to their full salary for life.

But now some council members say the cap is unfair.

Council Chairman Julian Jones introduced the measure removing the cap and said in an interview, ”It should have never been there in the first place.”

“It doesn’t affect me anytime soon, but it’s an issue of fairness,” said Jones, a Woodstock Democrat seeking reelection this fall to a third term. “It’s just one of the things that needed to be cleaned up.”

Jones said the cap is one item in a list of county retirement issues he wanted to address. A few months ago, the council passed legislation dealing with retirement benefits for Orphans’ Court judges and public safety employees.

The council is considered a part-time job, though some members say they work full-time hours.

Council members receive retirement benefits equal to 5% of their salary for each year they serve.

Removing the 60% limit would affect members who serve four or more four-year terms. Someone who serves four terms would get retirement benefits equal to 80% of their salary.

There are no term limits for the County Council.

Councilman David Marks, a Perry Hall Republican, is the only council member running for a fourth term.

The pension limit was proposed in 2009 by Kevin Kamenetz, then a councilman. At the time, Kamenetz was considering a run for county executive — a position to which he was first elected the next year — and there was public criticism that then-Councilman Vince Gardina could retire at age 54 with a pension equal to his full salary. With five terms, Gardina was the longest-serving member in the council’s history.

When the council passed the pension cap in 2010, the bill was written in a way that it would affect only future members.

At a recent work session where the bill was discussed, Jones said the change would bring council pensions in line with county employees, who don't have caps.

But council members receive a much higher percentage of their salary for each year of service than county employees do. For instance, the pension of a general government employee hired after 2007 is equal to 1.43% of the worker's salary for each year of service, compared with the 5% for elected officials.

"This legislation would basically say after 20 years that a council member can get 100% of his or her salary," Councilman Wade Kach, a Cockeysville Republican, said at the work session. "Regular county employees in the new system would have to work 70 years to get 100%."

Kach, a former state delegate, said he did not support removing the county limit on council pensions. He noted General Assembly retirement benefits are capped.

Maryland caps a state lawmaker's pension at two-thirds of an active legislator's salary, according to the most recent report of the General Assembly Compensation Commission. Their pensions equal 3% of that salary for each year of service.

Baltimore City caps pensions at 60% of salary for elected officials who joined the retirement system on or after Dec. 6, 2016. For each year of service, they receive 2.5% of the current salary for the highest office they held.

In Baltimore County, council members and other elected officials contribute 13.85% of their salaries to their retirement benefits.

Contributions vary for county workers, depending on when they were hired and other factors. For instance, department heads hired after 2007 contribute 10.5% of their salary, while many general government employees contribute 7%.

The removal of the council's pension cap is included in legislation that would boost council members' pay by about 10%, to $69,000. The chairperson's salary would increase to $77,000.

Council salaries were last increased about eight years ago.

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