



The Educational Employees' Supplementary  
Retirement System of *Fairfax County*

## MEETING MINUTES

Approved December 15, 2023

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An in-person meeting of the ERFC Board of Trustees was held on October 27, 2023, in the ERFC conference room located at 3110 Fairview Park Drive, Suite 300, Falls Church, VA 22042.

Trustees present:

Kathie Pfeffer-Hahn, *Vice Chairperson and Trustee*  
Leigh Burden, *Treasurer and Trustee*  
Ducchi Quan, *Trustee*  
Adam McConagha, *Trustee*  
Sherry Scott, *Trustee*

Trustees absent:

Kimberly Adams, *Chairperson and Trustee*  
Marty Smith, *Trustee*

Also present:

Srikumar Bala, *Deputy Executive Director of IT, Member Services and Communication (departed 12:44pm)*  
Wendy Zhi, *Acting Deputy Executive Director, Finance and Investment (departed 12:44pm)*  
Melissa O'Neal, *Coordinator, Communications & Operations (departed 12:44pm)*  
Basil AlQudwa, *Investment Specialist (departed 12:44pm)*  
Adolphus Tarty, *Functional Applications Specialist (departed 12:46pm)*  
Jenifer Cromwell, *Member, Bredhoff & Kaiser*  
Ernest Zhu, *Associate, Bredhoff & Kaiser*  
John Haggerty, *CFA, Managing Principal/Director of Private Market Investments, Meketa Investment Group (departed 12:44pm)*  
Balaj Singh, *CFA, Private Markets Analyst, Meketa Investment Group (departed 12:44pm)*  
Sabrina Ciampa, *Investment Associate, Meketa Investment Group (via video conference) (11:02am-11:43am)*  
Rosemary Elly Guillette, *Senior VP and Senior Consultant, Segal Marco Advisors (via video conference) (departed 12:00pm)*  
Christian Sevier, *Vice President and Senior Consultant, Segal Marco Advisors (departed 12:44pm)*  
Christopher Doll, *Client Coverage Director, CEM Benchmarking (via video conference) (departed 10:42am)*  
Lauren Albanese, *Reporter, Financial Investment News (via video conference) (departed 12:00pm)*

## **Meeting**

### **Call to Order**

Ms. Pfeffer-Hahn called the meeting to order at 10:06am.

### **Announcement of Agenda Changes**

Ms. Pfeffer-Hahn announced that a closed session would be added to the agenda at the end of the meeting.

Mr. McConagha **moved to approve the October 27, 2023 Board of Trustees Meeting Agenda, as revised**. Mr. Quan seconded the motion. The Trustees voted unanimously to approve the agenda.

The October 27, 2023, Board of Trustees Meeting Agenda was posted to BoardDocs.

## **Consent Agenda**

### **Approval of Minutes of the September 29, 2023 Board of Trustees Meeting**

Mr. McConagha **moved to approve the minutes of the September 29, 2023 Board of Trustees Meeting, as presented**. Mr. Quan seconded the motion. The Trustees voted unanimously to approve the minutes.

The September 29, 2023 Board of Trustees Meeting Minutes were posted to BoardDocs.

## **Unfinished Business**

### **December All-Virtual Meeting**

Ms. Zhi presented the updated Board of Trustees meeting schedule, which was approved at the September 29, 2023, Board of Trustees Meeting, and noted that the December 15, 2023, meeting could be an all-virtual meeting.

Mr. Quan **moved that the Board of Trustees hold the December 15, 2023, Board of Trustees meeting as an all-virtual public meeting**. Mr. McConagha seconded the motion. The Trustees voted unanimously to approve the motion.

The presentation was posted to BoardDocs.

## Consultants

### CEM Benchmark

Mr. Doll reviewed the CEM Investment Benchmarking Report for 2022. Mr. Doll noted that the focus of the report is solely on ERFC's investments, specifically costs and the performance of ERFC's investments. He noted further that the report is a snapshot in time, and as a one-year report, is best read and understood in comparison to prior years. He observed that ERFC is a smaller pension fund with assets of approximately \$2.9 billion, as compared to most of the other pension funds in CEM's pension database with the median pension fund having assets of \$10.2 billion. He noted that smaller pension funds ordinarily have higher investment costs than larger pension funds.

Mr. Doll reported that ERFC's 2022 net total return was -14.2%, which was 220 basis points above the U.S. median of -16.4. In 2022, ERFC's investment cost of 86.7 basis points was above the U.S. median of 52.8 basis points, however, ERFC's investment costs decreased compared to the prior year, which costs were approximately 93 basis points. Segal Marco and Meketa reminded the Trustees that ERFC's private markets program is new, and that investment costs are higher at the beginning of private markets program.

Mr. Doll responded to questions from the Trustees. Ms. Guillette and Mr. Haggerty also responded to questions from Trustees.

CEM's presentation was posted to BoardDocs.

## New Business

### Professional Investment Consultant Services RFP

Ms. Zhi reviewed the service agreement between ERFC and its current investment consultant, Segal Marco, and noted that the agreement will expire on February 28, 2024.

Mr. Quan **moved that the Board of Trustees authorize ERFC staff and legal counsel to negotiate with Segal Marco to extend their current contract with ERFC for an additional year.** Dr. Scott seconded the motion. The Trustees voted unanimously to approve the motion.

The presentation was posted to BoardDocs.

## Investment Consultants

### Investment Performance

Mr. Sevier reviewed current market conditions, the flash report on portfolio performance, and asset allocations for the period ending September 30, 2023. He noted that except for domestic fixed income, all asset allocations are within long-term target ranges. He reported that ERFC's total return for the one month ending September 30, 2023, was -2.8% compared to the benchmark return of -2.7% for the same period. ERFC's total return for the fiscal year-to-date was -2.9% compared to the benchmark return of -2.4% for the same period, and the year-to-date return was 2.4% compared to the benchmark return of 3.3% for the same period. He reported that the returns for the three-, five-, and ten-year periods, and since inception, were strong and outperformed the policy index. He reported that there are no managers on the watch list. Ms. Guillette noted that ERFC outperformed in 2022 by about 2%, which is significant outperformance.

Segal Marco's Monthly Report was posted to BoardDocs.

### **Private Market Performance Report**

Ms. Ciampa reviewed the private markets program as of September 30, 2023. Mr. Singh reviewed a recent commitment made to Falfurrias Growth Partners I, LP.

Mr. Haggerty and Mr. Singh reviewed the quarterly report of the private markets program as of June 30, 2023, including reviewing the capital calls and commitments made during the quarter.

Mr. Haggerty, Mr. Singh, and Ms. Ciampa answered questions from the Trustees.

Meketa's quarterly and monthly reports and investment memorandum were posted to BoardDocs.

Mr. Quan **moved to receive and file the reports of the investment consultants**. Mr. McConagha seconded the motion. The Trustees voted unanimously to receive and file the reports.

### **Staff Reports**

#### **Operations and Communications Report**

Ms. O'Neal reviewed retirements for September 2023, retirements by calendar year, retirement totals for the last three calendar years, and ERFC *Direct* account statistics.

The WAR Summary Report was posted to BoardDocs.

### **Investment Discussion**

Dr. AlQudwa reported that all managers are currently in compliance with ERFC guidelines. Dr. AlQudwa also reported that asset allocation rebalancing is being completed.

### **Educational Resource List**

The Educational Resource List was posted to BoardDocs.

The Staff Reports presentation was posted to BoardDocs.

Mr. Quan **moved to receive and file the reports of ERFC staff**. Mr. McConagha seconded the motion. The Trustees voted unanimously to receive and file the reports.

### **Closed Session**

Mr. Quan **moved that the Board of Trustees go into Closed Session, including legal counsel, to discuss matters regarding the award of a public contract, specifically a service agreement with the investment consultant, according to Virginia Code Sections 2.2-3711.A.29**. Mr. McConagha seconded the motion. The Trustees voted unanimously to go into Closed Session at 12:45pm.

Mr. Quan **moved that the Board of Trustees come out of Closed Session**. Mr. McConagha seconded the motion. The Trustees voted unanimously to come out of Closed Session at 1:14pm.

Mr. Quan **moved to certify that only matters relating to the award of a public contract were discussed or considered by the Board of Trustees while in Closed Session**. Mr. McConagha seconded the motion. The Trustees voted unanimous approval.

### **Adjournment**

Mr. Quan **moved to adjourn the Board of Trustees meeting**. Ms. Burden seconded the motion. The Trustees voted unanimously to adjourn the meeting.

The meeting was adjourned at 1:15pm.

**Next Meeting – December 15, 2023  
(Board of Trustees Meeting)  
(All-virtual)**