



The Educational Employees' Supplementary
Retirement System of Fairfax County

MEETING MINUTES

Approved June 27, 2025

An in-person meeting of the ERFC Board of Trustees was held on May 9, 2025, in the ERFC conference room located at 3110 Fairview Park Drive, Suite 300, Falls Church, VA 22042.

Trustees present:

Kimberly Adams, *Chairperson and Trustee*
Kathie Pfeffer-Hahn, *Vice Chairperson and Trustee (arrived 10:57am)*
Leigh Burden, *Treasurer and Trustee (departed 3:12pm)*
Ducchi Quan, *Trustee*
Marty Smith, *Trustee (arrived 9:19am)*
William Solomon, *Trustee*
Adam McConagha, *Trustee*

Also present:

Melissa O'Neal, *Executive Director (Acting) (departed 12:45pm)*
Srikumar Bala, *Deputy Executive Director (8:34am to 11:38am; 12:36pm to 12:40pm)*
Basil AlQudwa, *Deputy Executive Director, Investments (Acting) (departed 11:38am)*
Wendy Zhi, *Senior Manager II, Finance (departed 11:38am)*
Kristin Delgado, *Senior Manager II, Communications and Operations (departed 11:38am)*
Adolphus Tarty, *Functional Applications Specialist (departed 12:40pm)*
Jenifer Cromwell, *Member, Bredhoff & Kaiser*
Ernest Zhu, *Associate, Bredhoff & Kaiser*
Rosemary Elly Guillette, *Senior VP and Senior Consultant, Segal Marco Advisors (via video conference) (departed 11:37am)*
Christian Sevier, *VP and Senior Consultant, Segal Marco Advisors (via video conference) (8:55am to 11:37am)*
John Haggerty, *Managing Principal / Director of Private Market Investments, Meketa Investment Group Advisors (via video conference) (departed 11:37am)*
Balaj Singh, *Vice President / Senior Private Markets Analyst, Meketa Investment Group Advisors (via video conference) (departed 11:37am)*

Sabrina Ciampa, *Vice President / Private Markets Analyst, Meketa Investment Group Advisors (via video conference) (departed 11:37am)*
Kevin Spanier, *Principal, Public Sector Retirement Operations Leader, Gallagher (departed 10:12am)*
Elizabeth Wiley, *Director, Retirement Consulting, Gallagher (departed 10:12am)*
Sean Mignano, *ERFC Member (via video conference) (11:02am to 11:51am)*
Daniel Cummings, *Executive Vice President & Managing Director, CBIZ Talent and Compensation Solutions (EFL Associates) (via video conference) (12:50pm-4:07pm)*

Tamara Wesely, *Talent Acquisition Consultant, CBIZ Talent and Compensation Solutions (EFL Associates) (via video conference) (12:50pm-3:30pm)*

Call to Order

Ms. Adams called the meeting to order at 8:34am.

Announcement of Agenda Changes

Ms. Adams announced that there were no changes to the agenda. Mr. Quan **moved to approve the agenda, as presented**. Mr. Solomon seconded the motion. Ms. Pfeffer-Hahn and Mr. Smith were not present for this vote. The remaining Trustees voted unanimously to approve the agenda.

Consent Agenda

Approval of Minutes of the March 21, 2025, Board of Trustees Meeting

Mr. Quan **moved to approve the minutes of the March 21, 2025, Board of Trustees Meeting, as presented**. Ms. Burden seconded the motion. Mr. Solomon abstained from the vote because he was not present at the March 21, 2025 meeting. Ms. Pfeffer-Hahn and Mr. Smith were not present for this vote. The remaining Trustees voted unanimously to approve the minutes as presented.

The Minutes of the March 21, 2025, Board of Trustees Meeting were posted to BoardDocs.

New Business

Proposed Plan Amendment

Ms. Cromwell presented the proposed amendment to the ERFC 2001 Plan. She noted that the amendment would add a definition of Vesting Service to clarify the existing ERFC 2001 Plan rule that requires members to earn 5 years of Credited Service to be eligible for a pension benefit. The ERFC 2001 Plan already provides that Unused Sick Leave may not be counted as Credited Service for

purposes of determining whether a member is eligible to retire. The proposed amendment would provide additional clarity with respect to that rule, and the effective date for the proposed amendment would be July 1, 2024. Ms. Cromwell and Ms. O'Neal answered questions from the Trustees.

Mr. Quan **moved that the Board of Trustees recommend and forward the proposed plan amendment to the ERFC 2001 Plan Document to the School Board for adoption.** Mr. McConagha seconded the motion. Ms. Pfeffer-Hahn and Mr. Smith were not present for this vote. The remaining Trustees voted unanimously to approve the motion.

December 31, 2024 Preliminary Actuarial Valuation

Ms. O'Neal thanked Mr. Spanier for his help at the recent webinar presented by the National Institute on Retirement Security. Mr. Spanier and Ms. Wiley presented the preliminary actuarial valuation report. They noted that this valuation is not used to set the employer contribution rate, unless the Trustees elect to do so. They reviewed the actuarial assumptions and the current ERFC funding policy. Mr. Spanier stated that ERFC is an actuarially sound plan and that contributions are being made consistent with the funding policy. He noted that ERFC's 7% assumed rate of return does not conflict with what Gallagher considers a reasonable assumed rate of return. Ms. Wiley reviewed the funded status and the employer contribution rates for ERFC over the past 10 years. Mr. Spanier reviewed projections for the employer contribution rates and funded status in the next few decades.

The Trustees discussed the preliminary actuarial valuation report. Mr. Spanier, Ms. Wiley, and Ms. O'Neal responded to questions from the Trustees.

Gallagher's presentation on the December 31, 2024 Preliminary Valuation Report and the Preliminary Actuarial Valuation Report were posted to BoardDocs.

ERFC Office Expansion

Ms. O'Neal reviewed the current office space of ERFC and the upcoming changes to the teleworking requirements. Ms. O'Neal presented two proposals to expand the workspace of ERFC.

The Trustees discussed the office expansion proposals. Ms. O'Neal answered questions from the Trustees.

Ms. Burden **moved to table the decision on the office expansion proposals until the next Trustees meeting.** Mr. Quan seconded the motion. Ms. Pfeffer-Hahn was not present for this vote. The remaining Trustees voted unanimous approval.

The presentation on ERFC Office Expansion was posted to BoardDocs.

Investment Consultants

Analysis of Tariff Impacts

Mr. Haggerty reviewed the status of tariffs, which he noted is fluid. He explained that tariffs may affect international investments in global growth strategies and investment manager teams have been advised to prioritize contingency planning for a possible recession and lower demand outlook. He reviewed the potential impact on private market sub-strategies and noted that ERFC portfolio's diversity and the limited direct China sourcing exposure may mitigate the overall impact of tariffs at this stage. Mr. Haggerty responded to questions and comments from the Trustees.

Meketa's presentation on tariff impacts was posted to BoardDocs.

Monthly Preliminary Flash Report

Mr. Sevier reviewed current market conditions, the preliminary flash report on portfolio performance, and asset allocations for the period ending March 31, 2025. He noted that all asset classes were within long-term ranges. He reported that ERFC's total return for the one month ending March 31, 2025, was -1.4% compared to the interim policy benchmark return of -1.4% for the same period, and the return for the fiscal year-to-date was 3.2% compared to the interim policy benchmark return of 4.1% for the same period. Mr. Sevier and Ms. Guillette reviewed the performance of the active managers, and addressed the underperformance of Barings, William Blair emerging markets, and Global Alpha. They responded to questions from the Trustees.

Segal Marco's Monthly Investment Report was posted to BoardDocs.

Fee Study Update

Ms. Guillette reported that Segal Marco continues contacting ERFC's money managers and requesting review of current fee schedules and fee reductions. In addition to Cramer Rosenthal McGlynn and Fidelity, both of whom provided fee reductions as reported at the March meeting, Segal Marco was able to secure fee concessions from two additional managers in April 2025: Barings provided fee discounts that will result in savings of approximately \$40,000 annually, and Lazard provided fee discounts that will result in savings of approximately \$46,000 annually.

Segal Marco's memorandum on fee concessions was posted to BoardDocs.

William Blair Update

Ms. Guillette reported that after the Trustees voted to terminate the William Blair International Leaders Concentrated fund at the March meeting, the transition to the Mellon International Stock Index fund is ongoing. She noted that Segal Marco is taking a cautious and efficient approach by engaging a transition manager, and the transition process is expected to last a few weeks.

Mr. Quan **moved to receive and file the reports of the investment consultants**. Ms. Pfeffer-Hahn seconded the motion. Mr. Smith was not present for this vote. The remaining Trustees voted unanimously to receive and file the reports.

Closed Session

Ms. Pfeffer-Hahn **moved that the Board of Trustees go into Closed Session, including, as needed for the applicable matter, the ERFC member presenting his appeal, authorized ERFC staff, legal counsel, and representatives from EFL Associates, (1) to discuss the award of a public contract, specifically regarding the service provider for a phone system, according to Virginia Code Section 2.2-3711.A.29; (2) to discuss personal and legal matters, specifically a member appeal, according to Virginia Code Sections 2.2-3711.A.4 and 2.2-3711.A.8; (3) to discuss personnel matters, specifically (A) the ERFC Individual Trustee recommendation, (B) the performance of ERFC staff, and (C) interviewing candidates for the Executive Director position, all personnel matters according to Virginia Code Section 2.2-3711.A.1.** Mr. Quan seconded the motion. The Trustees voted unanimously to go into Closed Session at 11:37am.

Ms. Pfeffer-Hahn **moved that the Board of Trustees come out of Closed Session.** Mr. Quan seconded the motion. Ms. Burden was not present for this vote. The remaining Trustees voted unanimously to come out of Closed Session at 4:08pm.

Ms. Pfeffer-Hahn **moved to certify that only the award of a public contract, personal and legal matters, and personnel matters were discussed or considered by the Board while in Closed Session.** Mr. Smith seconded the motion. Ms. Burden was not present for this vote. The remaining Trustees voted unanimous approval.

Ms. Pfeffer-Hahn **moved to confirm the action taken in Closed Session that the Board of Trustees recommend to the School Board the re-appointment**

of Adam McConagha to the ERFC Board of Trustees for the one-year term beginning July 1, 2025. Mr. Quan seconded the motion. Ms. Burden was not present for this vote. The remaining Trustees voted unanimous approval.

Ms. Pfeffer-Hahn **moved to confirm the action taken in Closed Session that the Board of Trustees authorized the Acting Executive Director to enter into a contract with Dialpad to provide and maintain a cloud-based phone system for ERFC, subject to successful contract negotiations by legal counsel.** Mr. Quan seconded the motion. Ms. Burden was not present for this vote. The remaining Trustees voted unanimous approval.

Ms. Pfeffer-Hahn **moved to confirm the action taken in Closed Session that the Board of Trustees selected a candidate for the position of Executive Director, subject to successful contract negotiations, and that the Board authorized notification to ERFC staff and the other candidates following completion of successful contract negotiations.** Mr. Quan seconded the motion. Ms. Burden was not present for this vote. The remaining Trustees voted unanimous approval.

Ms. Pfeffer-Hahn **moved to confirm the action taken in Closed Session that the Board of Trustees granted the member's appeal for additional credited service.** Mr. Quan seconded the motion. Ms. Burden was not present for this vote. The remaining Trustees voted unanimous approval.

Adjournment

The meeting was adjourned without objection at 4:11pm.

**Next Meeting – June 26-27, 2025
(Retreat and Board of Trustees Meeting) (in-person)**