



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

MEETING MINUTES

Approved December 12, 2025

An in-person meeting of the ERFC Board of Trustees was held on October 24, 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*
Ducchi Quan, *Trustee*
William Solomon, *Trustee*
Adam McConagha, *Trustee*

Trustees absent:

Leigh Burden, *Treasurer and Trustee*
Marty Smith, *Trustee*

Also present:

Melissa O'Neal, *Executive Director*
Srikumar Bala, *Deputy Executive Director (departed 10:31am)*
Mangala Murthy, *Deputy Executive Director, Investments (departed 12:58pm)*
Wendy Zhi, *Senior Manager III, Finance (departed 12:58pm)*
Kristin Delgado, *Senior Manager II, Operations & Communications (departed 1:50pm)*
Adolphus Tarty, *Functional Applications Specialist (departed 12:58pm)*
Jenifer Cromwell, *Member, Bredhoff & Kaiser*
Ernest Zhu, *Associate, Bredhoff & Kaiser*
Kevin Spanier, *Principal, Buck, A Gallagher Company (departed 10:31am)*
Elizabeth Wiley, *Senior Actuarial Consultant, Buck, A Gallagher Company (departed 10:31am)*
Lisa Bjornson, *Senior Consultant, Buck, A Gallagher Company (departed 10:31am)*
Rosemary Elly Guillette, *Senior Vice President and Senior Consultant, Segal Marco Advisors (departed 11:53am)*

John Haggerty, *Managing Principal / Director of Private Market Investments,*
Meketa Investment Group (departed 12:58pm)

Sabrina Ciampa, *Private Markets Analyst, Meketa Investment Group (departed*
12:58pm)

Frederic Ornitz, *Attorney representing member (for part of closed session)*

Meeting

Call to Order

Ms. Adams called the meeting to order at 9:00am.

Announcement of Agenda Changes

Mr. Quan **moved to approve the agenda, as presented**. Mr. McConagha seconded the motion. The Trustees voted unanimously to approve the agenda.

Consent Agenda

Approval of Minutes of the September 26, 2025, Board of Trustees Meeting

Ms. Pfeffer-Hahn **moved to approve the minutes of the September 26, 2025, Board of Trustees Meeting, as presented**. Mr. Quan seconded the motion. The Trustees voted unanimously to approve the minutes, as presented.

The minutes of the September 26, 2025, Board of Trustees Meeting were posted to BoardDocs.

New Business

Investment Consultant Oversight Policy

Ms. O'Neal reported that ERFC staff worked with legal counsel to review the Investment Consultant Oversight Policy. Ms. Murthy reviewed the proposed changes to the Investment Consultant Oversight Policy, which included updated terminology and more flexibility regarding the timeline of issuing requests for proposals and completing the investment consultant review.

Ms. Pfeffer-Hahn **moved to approve the proposed revisions to the Investment Consultant Oversight Policy, as presented**. Mr. Quan seconded. The Trustees voted unanimously to approve the revised Investment Consultant Oversight Policy, as presented.

The proposed revisions to the Investment Consultant Oversight Policy were posted to BoardDocs.

Experience Study

Ms. O'Neal thanked Gallagher for their work on the experience study. She introduced Ms. Bjornson from Gallagher.

Mr. Spanier described the actuarial experience study, which is completed every 5 years to examine actual experience and is used to adjust actuarial assumptions, as appropriate. Mr. Spanier, Ms. Wiley, and Ms. Bjornson reviewed in detail the results of the experience study for the period ending December 31, 2024, including COVID-19 considerations. They noted that Gallagher uses actual experience to make recommendations on assumption changes and reviewed the proposed changes to the actuarial assumptions, including mortality rates, retirement rates, and salary increase assumptions. They reported that Gallagher does not recommend changes to the rate of expected return (7%) based on the result of the experience study. They responded to questions from Trustees.

Gallagher's presentation on the actuarial experience study was posted to BoardDocs.

Investment Consultant and Investment Manager

Overview of Investment Operations

Ms. Murthy reported that beginning with this Trustees meeting, she will provide regular reports on ERFC investment operations to the Trustees. She reported that staff and Trustees met with Meketa to further evaluate the co-investment fund, and staff are conducting reference checks. She also reported that ERFC raised \$15 million in October 2025 to meet private market cash flow needs. She reviewed the termination of the Barings International Small Cap Equity Fund and the Wellington Opportunistic Investment Strategy. Ms. Murthy reported that staff worked with Segal Marco to review and update the Investment Policy Statement.

The presentation on investment operations was posted to BoardDocs.

Update on Wellington Opportunistic Investment Strategy and Barings International Small Cap Equity Fund Transitions

Ms. Guillette reported that the redemption proceeds from the Wellington Opportunistic Investment Strategy were invested in the JP Morgan Core Bond Fund in early October; a holdback of about \$365,000 is expected to be paid over the next one to twelve months. She also reported that the redemption proceeds of the Barings International Small Cap Equity Fund were invested in the BNY Mellon DB SL International Stock Index Fund in 3 tranches in October.

Segal Marco's presentation on the Asset Allocation MACS Update and its June 2025, memorandum regarding Barings International Small Cap Equity Fund were posted to BoardDocs.

Investment Performance

Ms. Guillette reviewed current market conditions, the preliminary flash report on portfolio performance, and asset allocations for the period ending September 30, 2025. She noted that all asset classes, except for domestic fixed income, were within long-term ranges as of September 30, 2025, and that domestic fixed income is now within long-term ranges. She reported that ERFC's total return for the one month ending September 30, 2025, was 1.2%, compared to the interim policy benchmark return of 1.7% for the same period. ERFC's return for the fiscal year-to-date was 2.9%, compared to the interim policy benchmark return of 3.9% for the same period. Ms. Guillette also reviewed the one-, three-, and five-year returns. She reviewed the watch list and the monthly Manager Monitoring report.

Segal Marco's Monthly Report was posted to BoardDocs.

Updated Investment Policy Statement

Ms. Guillette reported that following the recent adoption of the revised asset allocation, Segal Marco reviewed the interim policy target, the long-term policy target, and the long-term policy ranges of asset allocation and is proposing revisions to those targets and ranges as well. She reported that these changes would be reflected in the Investment Policy Statement. Ms. Guillette reviewed proposed changes to the Investment Policy Statement.

Ms. Pfeffer-Hahn **moved, in accordance with the recommendation of the investment consultant, that the Board of Trustees approve the proposed revisions to the asset allocation interim policy target, the long-term policy target, and the long-term policy ranges, as presented.** Mr. Quan seconded the motion. The Trustees voted unanimous approval.

Ms. Pfeffer-Hahn **moved, in accordance with the recommendation of the investment consultant, that the Board of Trustees approve the proposed revisions to the Investment Policy Statement, as presented.** Mr. Quan seconded. The Trustees voted unanimously to approve the revised Investment Policy Statement as presented.

Segal Marco's proposed revisions to the Investment Policy Statement were posted to BoardDocs.

Private Market Performance Report

Mr. Haggerty and Ms. Ciampa reviewed the private markets program, including significant events, performance by vintage year, recent commitments, and cash flow in different asset classes, and various other performance measures, for the

period ending September 30, 2025, and for the second quarter of 2025. They reported that as of June 30, 2025, the rate of return for ERFC's private market investments since the inception is substantially higher compared to the return for public market equivalents during the same period. They also reported that the private markets program had more distributions than contributions in three consecutive quarters.

Mr. Haggerty reviewed the benefits of co-investment funds, including significant fee reductions. Ms. Ciampa reported that ERFC is estimated to receive about \$31 million in fee savings across 12 years with the Meketa co-investment fund. Mr. Haggerty reviewed the team lead and the committee for the Meketa co-investment fund, and the fund's track record as of June 30, 2025. Mr. Haggerty and Ms. Ciampa answered questions from Trustees.

Meketa's quarterly report, monthly report, and presentation on co-investment funds were posted to BoardDocs.

Ms. Pfeffer-Hahn **moved to receive and file the reports of the investment consultant and investment manager**. Mr. Quan seconded the motion. The Trustees voted unanimously to receive and file the reports.

Staff Reports

Investment Report

Ms. Murthy reported that all managers are currently in compliance with ERFC's Investment Policy Statement, and that as of September 30, 2025, the Westfield Small Cap Growth fund was overweight due to market movement but was brought back in line on October 3, 2025. She also reported that a two-page fact sheet on ERFC investment and pension funding was posted to ERFC's website.

The fact sheet on ERFC investment and pension funding was posted to BoardDocs.

Operations and Communications Report

Ms. Delgado reviewed recent efforts regarding member engagement, including the redesigned new hires and rehires monthly emails, an FCPS Employee News article, in-person retirement presentations, and packets sent to fully vested members. She reported that the updated plan documents & regulations were printed, and she reviewed recent social media posts regarding ERFC staff and Trustees. She reviewed past and forecasted retirements by fiscal year, retirement totals for the last three fiscal years, retirement averages, and upcoming DROP participants. Ms. O'Neal and Ms. Delgado answered questions from Trustees.

The Retirement/DROP Summary Report and WAR Summary Report were posted to BoardDocs.

Finance Report

Ms. Zhi reviewed the members who were exiting DROP in Fiscal Years 2025 and 2026, and their average months in DROP and average DROP account balances. She reported that reported that as of September 30, 2025, actual expenses were approximately 24% of the fiscal year budget, and that the pension payments (including refunds) were 96.9% of total actual expenses, which was in line with the budget. She reported that the external audit was concluded as of September 30, 2025, and a clean (unmodified) audit opinion is expected.

Educational Resource List

The Educational Resource List was posted to BoardDocs.

The Staff Reports presentation was posted to BoardDocs.

Ms. Pfeffer-Hahn **moved to receive and file the reports of ERFC staff**. Mr. Quan seconded the motion. The 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 and their counsel presenting the member's appeal, authorized ERFC staff, and legal counsel, (1) 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, and (2) to discuss the award of a public contract, specifically the Pension Administration System RFP Consultant, according to Virginia Code Section 2.2-3711.A.29**. Mr. Quan seconded the motion. The Trustees voted unanimously to go into Closed Session at 1:00pm.

Ms. Pfeffer-Hahn **moved that the Board of Trustees come out of Closed Session**. Mr. Quan seconded the motion. The Trustees voted unanimously to come out of Closed Session at 1:59pm.

Ms. Pfeffer-Hahn **moved to certify that only personal and legal matters and the award of a public contract were discussed or considered by the Board while in Closed Session**. Mr. Quan seconded the motion. The Trustees voted unanimous approval.

Ms. Pfeffer-Hahn **moved to confirm the action taken in Closed Session that the Board of Trustees denied the member's appeal to overturn the denial of the request to change the member's effective retirement date to July 1, 2015.** Mr. Quan seconded the motion. The Trustees voted unanimous approval.

Ms. Pfeffer-Hahn **moved to confirm the action taken in Closed Session that the Board of Trustees authorized the Executive Director to enter into a contract with Segal to provide Pension Administration System RFP consulting services, subject to successful contract negotiations and reference checks.** Mr. Quan seconded the motion. The Trustees voted unanimous approval.

Adjournment

Ms. Pfeffer-Hahn **moved to adjourn the meeting.** Mr. Quan seconded the motion. The Trustees voted unanimously to adjourn the meeting at 2:00pm.

Next Meeting – December 12, 2025 (in person)