



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

MEETING MINUTES
Approved December 16, 2022

An all-virtual meeting of the ERFC Board of Trustees was held on November 18, 2022, via video and teleconference.

Trustees present:

Kimberly Adams, *Chairperson and Trustee*
Kathie Pfeffer-Hahn, *Vice Chairperson and Trustee*
Ducchi Quan, *Trustee*
Marty Smith, *Trustee*

Trustees absent:

Leigh Burden, *Treasurer and Trustee*
Adam McConagha, *Trustee*

Also present:

Eliazer Martinez, *Executive Director/CIO*
Srikumar Bala, *Deputy Executive Director of IT/Finance*
Wendy Zhi, *Finance Coordinator*
Adolphus Tarty, *Functional Applications Specialist*
Denise Kropp, *Investment Specialist*
Jenifer Cromwell, *Member, Bredhoff & Kaiser*
Rosemary Elly Guillette, *Vice President, Segal Marco Advisors*
John Haggerty, *Managing Principal/Director of Private Market Investments,*
Meketa Investment Group
Lauren Albanese, *Financial Investment News*

Others absent:

Kathleen Wilson, *Deputy Executive Director, Operations*
Melissa O'Neal, *Coordinator, Communications & Operations*
Christian Sevier, *Vice President and Senior Consultant, Segal Marco Advisors*
Andrew Gilboard, *Senior Vice President, Senior Private Markets Investment*
Analyst, Meketa Investment Group

Meeting

Call to Order

Ms. Adams called the meeting to order at 9:32am.

Announcement of Agenda Changes

Ms. Adams announced that item 5, External Fiduciary Legal Counsel RFP and Timeline, is on hold, and therefore, will not be addressed at this meeting. Ms. Pfeffer-Hahn **moved to approve the agenda, as revised**. Mr. Smith seconded the motion. The Trustees voted unanimously to approve the revised agenda.

Consent Agenda

Approval of Minutes of October 28, 2022, Board of Trustees Meeting

Ms. Pfeffer-Hahn **moved to approve the minutes of the October 28, 2022, Board of Trustees Meeting, as presented**. Mr. Quan seconded the motion. The Trustees voted unanimously to approve the minutes.

The October Board of Trustees Meeting Minutes were posted to BoardDocs.

New Business

Proposed Regulation Changes

Mr. Martinez introduced the proposed regulation changes. Ms. Cromwell reviewed the proposed changes to regulation 16.12, Application for Benefits, which will update the regulations to remove a rule that no longer applies, expand the documents that may be provided as proof of age, and clarify that the period of retroactivity for payment of benefits applies to *ERFC 2001*. Ms. Cromwell responded to Trustee questions.

Mr. Smith **moved that the Board of Trustees approve the changes to ERFC Regulation 16.12, as presented**. Mr. Quan seconded the motion. The Trustees voted unanimously to approve the changes to the regulation.

Bredhoff & Kaiser's memorandum describing the proposed amendments and the proposed amended regulation were posted to BoardDocs.

Consulting Actuary RFP and Timeline

Mr. Martinez reviewed the proposed consulting actuary RFP and timeline, and he requested that an ad hoc Committee be established to review the RFP responses. He responded to Trustee questions regarding the RFP and timeline.

Ms. Pfeffer-Hahn **moved that the Board of Trustees approve the consulting actuary RFP and timeline, as presented.** Mr. Quan seconded the motion. The Trustees voted unanimously to approve consulting actuary RFP and timeline.

Ms. Adams volunteered to service on an ad hoc Committee to review the RFP responses. The Trustees agreed to discuss the ad hoc Committee at the December meeting when all Board members are expected to be present, and a second volunteer can be identified.

The Consulting Actuary RFP and Timeline was posted to BoardDocs.

Consultants

Investment Performance

Ms. Guillette reviewed current market conditions, the flash report on portfolio performance, and asset allocations for the period ending October 31, 2022. She noted that the allocation to small cap equity is slightly above the interim policy target, and that Segal will work with ERFC to rebalance. The remaining asset classes are within long-term target ranges except for real estate, hedge funds – opportunistic, and private equity, which have been discussed previously. She reported that ERFC's total return for the one-month ending October 31, 2022, was 2.5% compared to the benchmark return of 2.9% for the same period. ERFC's total return for the fiscal year-to-date was -1.4% compared to the benchmark return of -1.5% for the same period, and the year-to-date return was -15.5% compared to the benchmark return of -15.3% for the same period. She reviewed specific managers, and noted managers that particularly protected on the downside.

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

Private Market Performance Report

Mr. Haggerty discussed the current status of the cryptocurrency market. He noted that ERFC has little exposure to cryptocurrency. Mr. Haggerty reviewed the private markets program as of October 31, 2022. He reviewed four investments in detailed: STG Fund VII, Greenbriar Equity Fund VI, DRA Growth & Income Master Fund XI, and Kimmeridge Fund VI. He responded to Trustee questions.

Meketa's monthly report and investment memoranda were posted to BoardDocs.

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

Staff Reports

Executive Update

Mr. Martinez reviewed the status of the new office space, which he reported is on-track and within budget. The lease has been completed, and he noted with appreciation FCPS's assistance with the lease. He reviewed the timeline for the office build-out and the expected move.

Operations and Communications Report

Mr. Martinez reviewed retirements for October 2022, retirements by calendar year, and ERFC*Direct* account statistics.

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

Informational Items

Mr. Martinez reviewed the 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.

Adjournment

There being no further business, the meeting was adjourned without objection at 11:00am.

Next Meeting – December 16, 2022 (in-person)