



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

## MEETING MINUTES

Approved June 18, 2026

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An in-person meeting of the ERFC Board of Trustees was held on May 15, 2026, 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 (joined 11:31am) (via video conference)*  
Leigh Burden, *Treasurer and Trustee*  
Marty Smith, *Trustee*  
Ducchi Quan, *Trustee*  
William Solomon, *Trustee*  
Adam McConagha, *Trustee (departed 1:31pm) (via video conference)*

### Also present:

Melissa O'Neal, *Executive Director*  
Michelle Andrews, *Deputy Executive Director, Operations (departed 1:19pm)*  
Srikumar Bala, *Deputy Executive Director, Audit and Technology (departed 1:19pm)*  
Mangala Murthy, *Deputy Executive Director, Investments (departed 1:19pm)*  
Mussie Hagos, *Senior Functional Applications Specialist (departed 1:19pm)*  
Adolphus Tarty, *Functional Applications Specialist I (departed 1:19pm)*  
Jenifer Cromwell, *Member, Bredhoff & Kaiser*  
Ernest Zhu, *Associate, Bredhoff & Kaiser*  
Kevin Spanier, *Senior Vice President, Public Sector Retirement Operations Leader, Buck, A Gallagher Company (departed 11:01am)*  
Elizabeth Wiley Hoalt, *Director, U.S. Defined Benefit Consulting and Administration, Buck, A Gallagher Company (departed 11:01am)*  
Rosemary Elly Guillette, *Senior Vice President and Senior Consultant, Segal Marco Advisors (departed 12:12pm) (via video conference)*  
Elizabeth Brewer, *Senior Investment Consultant, Segal Marco Advisors (departed 12:12pm) (via video conference)*  
John Haggerty, *Managing Principal / Director of Private Market Investments, Meketa Investment Group (departed 12:12pm) (via video conference)*

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

## **Meeting**

### **Call to Order**

Ms. Adams called the meeting to order at 9:15 am.

### **Electronic Participation**

Mr. McConagha requested approval of his participation in the meeting via video conference from Bethesda, Maryland, for personal reasons (work).

Ms. Pfeffer-Hahn requested approval of her participation in the meeting via video conference from Herndon, Virginia, for personal reasons (work).

Mr. Quan **moved that the Board of Trustees approve Adam McConagha's participation in the Board of Trustees meeting via electronic means from Bethesda, Maryland, and Kathie Pfeffer-Hahn's participation in the Board of Trustees meeting via electronic means from Herndon, Virginia.** Mr. Smith seconded the motion. Ms. Pfeffer-Hahn was not present for this vote. The remaining Trustees voted unanimously to approve the motion.

### **Announcement of Agenda Changes**

Mr. Quan **moved to approve the agenda, as presented.** Ms. Burden seconded the motion. Ms. Pfeffer-Hahn was not present for this vote. The remaining Trustees voted unanimously to approve the agenda.

## **Consent Agenda**

### **Approval of Minutes of the March 27, 2026, Board of Trustees Meeting**

Mr. Quan **moved to approve the minutes of the March 27, 2026, Board of Trustees Meeting, as presented.** Ms. Burden seconded the motion. Ms. Pfeffer-Hahn was not present for this vote. Mr. Smith abstained from the vote because he was not present at the March 27, 2026 meeting. The remaining Trustees voted unanimously to approve the minutes, as presented.

The minutes of the March 27, 2026, Board of Trustees Meeting were posted to BoardDocs.

## **New Business**

### **December 31, 2025, Preliminary Actuarial Valuation**

Mr. Spanier and Ms. Hoalt presented the preliminary actuarial valuation report. They noted that this valuation will be used to set the employer contribution rate for FY2028 and FY2029. They reviewed the actuarial assumptions, which reflect the changes to the demographic and economic assumptions that were adopted after the 2025 experience study. 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. Hoalt 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. Hoalt, and Ms. O'Neal responded to questions from the Trustees. The Trustees directed Gallagher to work with staff and legal counsel to present proposals to amend the funding policy at the next Board of Trustees meeting.

Gallagher's presentation on the December 31, 2025 Preliminary Valuation Report was posted to BoardDocs.

### **Consider Actuarial Valuation Change from Calendar Year Reporting to Fiscal Year**

Ms. O'Neal reviewed the timeline for current annual actuarial valuations, which are based on data in each calendar year. She reported that if the actuarial valuations are instead based on fiscal-year data, the actuarial valuation report would align with ERFC's financial reporting and external audit timeline and better reflect plan operations and activities. She noted that both the auditor and actuary support this change, and FCPS Budget also has no concerns with this change.

Mr. Spanier reviewed the proposed implementation process of this change and the new timeline for annual actuarial valuations if the change is adopted. He answered questions from the Trustees.

The presentation on the proposed actuarial valuation change and Gallagher's presentation on the implementation of the proposed change were posted to BoardDocs.

### **Proposed July 2026 Meeting Date**

Ms. O'Neal reported that the upcoming Board of Trustees meeting on July 24, 2026, needs to be moved due to scheduling conflicts. She recommended the meeting be held on July 17, 2026, instead.

Mr. Quan **moved that the Board of Trustees change the July 2026 Trustees meeting date from July 24, 2026, to July 17, 2026.** Mr. Solomon seconded the motion. Ms. Pfeffer-Hahn was not present for this vote. The remaining Trustees voted unanimously to change the meeting date.

### **Investment Consultant Oversight**

Ms. Murthy reported that under the Investment Consultant Oversight Policy, ERFC periodically reviews the performance and services provided by its investment consultants. She reviewed Segal Marco's and Meketa's responses to the oversight questionnaire, and the feedback from Trustees and staff on the performance of both firms. She noted that both Segal Marco and Meketa remain in good standing, and they are in full compliance with the Investment Policy Statement and their respective contract.

The presentation on the investment consultant oversight was posted to BoardDocs.

## **Investment Consultant and Investment Manager**

### **Overview of Investment Operations**

Ms. Murthy reported that the investment consultant review was completed, and reviewed ERFC's current asset allocations, compared with interim targets.

Ms. Murthy reported that all investment managers were currently in compliance with ERFC's Investment Policy Statement, and noted that the two investment managers with explainable non-compliance in March 2026, were fully in compliance in April 2026. She reviewed the investment staff's meetings with investment managers in Fiscal Year 2026.

The presentation on investment operations was posted to BoardDocs.

### **Passive International Small Cap Investment Education**

Ms. Guillette provided an overview of international equity investments. Ms. Brewer reviewed ERFC's international equity portfolio and fees for each fund, and the comparison between ERFC's current International Small Cap funds and

potential passive investments. Ms. Guillette responded to questions from Trustees.

Segal Marco's presentation was posted to BoardDocs.

### **2026 Roadmap**

Ms. Guillette reviewed Segal Marco's investment consultant roadmap for 2026, which includes investment performance reports, investment-related reviews, and Trustee education.

Segal Marco's presentation was posted to BoardDocs.

### **Investment Performance**

Ms. Guillette reviewed current market conditions and noted that ERFC's investment performance in April 2026, was much better than that in March 2026. She reviewed the preliminary flash report on portfolio performance and asset allocations for the period ending March 31, 2026, and noted that all asset classes were within long-term ranges as of March 31, 2026. She reported that ERFC's assets were approximately \$3.64 billion as of March 31, 2026. She reported that ERFC's total return for the one month ending March 31, 2026, was -3.0% compared to the interim policy benchmark return of -3.3% for the same period, the return for the fiscal year-to-date was 6.2% compared to the interim policy benchmark return of 5.4% for the same period, and the 1-year return was 12.1% compared to the interim policy benchmark return of 10.8% for the same period. She reviewed the projected tail risk analysis and two current investment managers on the watchlist. She reported that Segal Marco is actively monitoring and regularly reaching out to both managers (William Blair Emerging Market Equity and Schroders Investment Management US Small Cap).

Segal Marco's monthly report was posted to BoardDocs.

### **Private Market Performance Report**

Mr. Haggerty reviewed the current status of private credit investments. He reported that certain high-profile bankruptcies spooked retail investors and caused large-scale redemptions of certain private credit investments; however, ERFC's current private credit investments protect long-term investors and have high credit quality.

Mr. Haggerty and Ms. Ciampa reviewed seven recent commitments, Ares Pathfinder Fund III, L.P., SDC Digital Infrastructure Opportunity Fund V, L.P., Atlas Capital Investors VII, L.P., Percheron Capital Fund III, L.P., L Squared Capital Partners V, L.P., Seidler Equity Partners IX, L.P., and GIP Mid-Market Fund V, L.P. They responded to questions from the Trustees.

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

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

## **Staff Reports**

### **Executive Director Report**

Ms. O'Neal reviewed the status of the FCPS Summer Internship Program at ERFC.

### **Operations and Communications Report**

Ms. Andrews reported that ERFC received the Certificate of Achievement for Excellence in Financial Reporting from GFOA for the 29<sup>th</sup> time and also received the Certificate of Transparency from NCPERS.

She reviewed recent communications to ERFC members. She noted that the demand for information sessions is high, and members are requesting more virtual meetings. She reviewed recent communications to ERFC members regarding DROP. She also reviewed past and forecasted retirements by fiscal year, retirement totals for the last three fiscal years, retirement averages, and upcoming DROP participants and DROP exits. She reviewed the recent retirement ceremony. Ms. O'Neal and Ms. Andrews responded to questions from the Trustees.

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

### **IT Report**

Mr. Bala reviewed the status of the Request for Proposal for the Pension Administration System, which is currently under review and on track to be issued

in June 2026. Ms. O'Neal and Ms. Cromwell responded to questions from the Trustees.

### **Educational Resource List**

The Educational Resource List was posted to BoardDocs. Ms. Adams and Ms. O'Neal reviewed the educational opportunities.

The Staff Reports presentation was posted to BoardDocs.

Mr. Quan **moved to receive and file the reports of ERFC staff**. Mr. Smith 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 authorized ERFC staff and legal counsel, (1) to discuss the award of a public contract, specifically the retirement benefit and payroll system agreement, according to Virginia Code Sections 2.2-3711.A.29, (2) to discuss personnel matters, specifically the ERFC Individual Trustee recommendation, according to Virginia Code Section 2.2-3711.A.1, and (3) to discuss legal matters, specifically legal issues relating to performance by an ERFC service provider, according to Virginia Code Section 2.2-3711.A.8**. Mr. Solomon seconded the motion. The Trustees voted unanimously to go into Closed Session at 1:22pm.

Mr. Quan **moved that the Board of Trustees come out of Closed Session**. Ms. Pfeffer-Hahn seconded the motion. Mr. McConagha was not present for this vote. The remaining Trustees voted unanimously to come out of Closed Session at 1:33 pm.

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

Mr. Quan **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, 2026**. Ms. Pfeffer-Hahn seconded the motion. Mr. McConagha was not present for this vote. The remaining Trustees voted unanimous approval.

Mr. Quan **moved to confirm the action taken in Closed Session that the Board of Trustees authorized the Executive Director to enter into the proposed contract extension agreement with Levi Ray & Shoup Inc., as presented.** Ms. Burden seconded the motion. Mr. McConagha was not present for this vote. The remaining Trustees voted unanimous approval.

### **Adjournment**

Mr. Smith reported his upcoming retirement from FCPS. The meeting was adjourned without objection at 1:45 pm.

**Next Meeting – June 18, 2026  
(Retreat and Board of Trustees Meeting) (in-person)**