



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

**MEETING MINUTES**  
Approved September 29, 2023

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An in-person meeting of the ERFC Board of Trustees was held on July 21, 2023, in the conference room on the main floor of the building located at 3110 Fairview Park Drive, Falls Church, VA 22042.

Trustees present:

Kimberly Adams, *Chairperson and Trustee*  
Kathie Pfeffer-Hahn, *Vice Chairperson and Trustee*  
Leigh Burden, *Treasurer and Trustee*  
Ducchi Quan, *Trustee (via video conference)*  
Marty Smith, *Trustee (arrived at 9:41am)*  
Adam McConagha, *Trustee*  
Sherry Wilson, *Trustee (9:30am to 11:36am; 2:07pm-2:46pm via video conference)*

Also present:

Srikumar Bala, *Deputy Executive Director of IT/Finance (departed 2:05pm)*  
Wendy Zhi, *Interim Deputy Executive Director of Operations (departed 2:05pm)*  
Melissa O'Neal, *Coordinator, Communications & Operations (departed 2:05pm)*  
Denise Kropp, *Investment Specialist (departed 2:05pm)*  
Adolphus Tarty, *Functional Applications Specialist (departed 2:05pm)*  
Delina Lopez Veizaga, *Financial Analyst (departed 2:05pm)*  
Jenifer Cromwell, *Member, Bredhoff & Kaiser*  
Ernest Zhu, *Associate, Bredhoff & Kaiser*  
Swapnil Agrawal, *Summer Associate, Bredhoff & Kaiser*  
John Haggerty, *CFA, Managing Principal/Director of Private Market Investments, Meketa Investment Group (via video conference) (departed 12:48pm)*  
Andrew Gilboard, *Senior Vice President, Senior Private Markets Investment Analyst, Meketa Investment Group (via video conference) (departed 12:48pm)*  
Sabrina Ciampa, *Private Markets Senior Investment Associate, Meketa Investment Group (via video conference) (departed 12:48pm)*  
Rosemary Elly Guillette, *Senior VP and Senior Consultant, Segal Marco Advisors (via video conference) (departed at 10:30am)*  
Christian Sevier, *Vice President and Senior Consultant, Segal Marco Advisors (departed 2:05pm)*

## **Meeting**

### **Call to Order**

At the request of ERFC staff, Ms. Cromwell called the meeting to order at 9:30am.

### **Approval of Remote Participation**

Mr. Quan requested approval of his participation in the meeting by video conference from Ann Arbor, Michigan for personal reasons (vacation).

Ms. Pfeffer-Hahn **moved that the Board of Trustees approve Ducchi Quan's participation in the Board of Trustees meeting via electronic means from Ann Arbor, Michigan.** Mr. McConagha seconded the motion. Mr. Smith was not present for this vote. The remaining Trustees voted unanimously to approve the motion.

### **Announcement of Agenda Changes**

Ms. Cromwell announced that there were no other changes to the agenda.

## **Election of Officers**

### **Election of Officers – Chairperson**

Ms. Cromwell summarized the responsibilities of the Board Chairperson. Ms. Pfeffer-Hahn nominated Kimberly Adams to serve as the ERFC Chairperson for FY 2024. With no further nominations offered, Ms. Cromwell called for a vote. Mr. Smith was not present for this vote. The remaining Trustees voted unanimously to elect Ms. Adams as Board Chairperson. Ms. Adams assumed leadership of the meeting following the vote.

### **Election of Officers – Vice-Chairperson**

Ms. Cromwell summarized the responsibilities of the Board Vice Chairperson. Ms. Adams opened the floor to nominations for the Board Vice Chairperson. Mr. McConagha nominated Kathie Pfeffer-Hahn to serve as the ERFC Vice Chairperson for FY 2024. With no further nominations offered, Ms. Adams called for a vote. Mr. Smith was not present for this vote. The remaining Trustees voted unanimously to elect Ms. Pfeffer-Hahn as Vice Chairperson.

### **Election of Officers – Treasurer**

Ms. Cromwell summarized the responsibilities of the Board Treasurer. Ms. Adams opened the floor to nominations for the Board Treasurer. Ms. Pfeffer-Hahn nominated Leigh Burden to serve as the ERFC Treasurer for FY 2024. With no further nominations offered, Ms. Adams called for a vote. The Trustees voted unanimously to elect Ms. Burden as Treasurer.

## **Consent Agenda**

### **Approval of Minutes of the June 22-23, 2023 Board of Trustees Meeting**

Ms. Pfeffer-Hahn **moved to approve the minutes of the June 22-23, 2023, Board of Trustees Meeting, as presented.** Mr. McConagha seconded the motion. The Trustees voted unanimously to approve the minutes.

The June 22-23, 2023, Board of Trustees Meeting Minutes were posted to BoardDocs.

## **Unfinished Business**

### **Asset Allocation Changes**

Ms. Guillette introduced the asset allocation discussion and reviewed the key considerations when establishing asset allocations. She reviewed the several possible revised asset allocations, which were presented for discussion, but not action. Ms. Guillette and Mr. Sevier responded to questions from the Trustees.

Segal Marco's presentation was posted to BoardDocs.

### **Fiscal Year 2024 ERFC Board of Trustees Meeting Dates**

Ms. Zhi and Mr. Bala reviewed proposed meeting dates with the Trustees. The Trustees discussed the frequency of meetings. Ms. Cromwell responded to questions from the Trustees.

Ms. Pfeffer-Hahn **moved that the Board of Trustees approve the Fiscal Year 2024 ERFC Board of Trustees meeting dates, as presented.** Mr. McConagha seconded the motion. The Trustees voted unanimously to approve the motion.

The proposed Board of Trustees Meeting Date Calendar was posted to BoardDocs.

## **Consultants**

### **Annual Legal Update**

Ms. Cromwell and Mr. Zhu provided the annual legal update on fiduciary duties, the Virginia Freedom of Information Act (“VA FOIA”), the Public Records Act, and other Virginia legislative changes. They responded to questions from Trustees.

Bredhoff & Kaiser’s memoranda on VA FOIA, the Public Records Act, other legislation, and the Trustees’ Fiduciary Duties were posted to BoardDocs. Bredhoff & Kaiser’s presentation was posted to BoardDocs. Copies of VA FOIA and the Public Records Act also were posted to BoardDocs.

### **Board of Trustees and Staff Standards of Conduct – Proposed Revisions**

Mr. Zhu reviewed proposed revisions to the Board of Trustees’ Standards of Conduct and Standards of Conduct for the ERFC Staff. Mr. Zhu reported that both policies were updated to reflect the revised FCPS Conflict of Interest Policy.

Ms. Pfeffer-Hahn **moved that the Board of Trustees approve the proposed revisions to the Board of Trustees’ Standards of Conduct and Standards of Conduct for the ERFC Staff, as presented.** Mr. Smith seconded the motion. The Trustees voted unanimously to approve the motion.

The proposed revised Board of Trustees’ Standards of Conduct and Standards of Conduct for ERFC Staff were posted to BoardDocs.

### **Investment Education: Basics of Institutional Investing and Risk**

Mr. Sevier reviewed the basic investment principle of risk/return tradeoff and risks associated with different types of investments. He responded to questions from the Trustees.

Segal Marco’s presentation was posted to BoardDocs.

### **Investment Performance**

Mr. Sevier reviewed the equity style maps for ERFC’s investments. He also reviewed current market conditions, the flash report on portfolio performance, and asset allocations for the period ending June 30, 2023. He noted that except for Fixed Income, all asset allocations are within long-term target ranges. He reported that ERFC’s total return for the one-month ending June 30, 2023, was 2.2% compared to the benchmark return of 2.6% for the same period. ERFC’s total return for the fiscal year-to-date was 5.2% compared to the benchmark return of 6.5% for the same period, and the year-to-date return was 5.4% compared to the benchmark return of 5.8% for the same period.

Segal Marco’s presentation and Monthly Report were posted to BoardDocs.

## **Private Market Performance Report**

Mr. Haggerty and Mr. Gilboard reviewed the status of the private markets program for the period ending June 30, 2023, including ERFC's recent commitment to six investment managers. They also reviewed the private markets program for the quarter ending March 31, 2023. Mr. Haggerty, Mr. Gilboard, and Ms. Ciampa answered questions from the Trustees.

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

Ms. Pfeffer-Hahn **moved to receive and file the reports of the investment consultants**. Ms. Burden seconded the motion. Dr. Wilson and Mr. McConagha were not present for this vote. The remaining Trustees voted unanimously to receive and file the reports.

## **Staff Reports**

### **Executive Update**

Ms. Zhi reviewed the status of actuary contracts for Aon and Buck.

### **Finance Report**

Ms. Zhi reviewed ERFC's financial position and ERFC's fund assets and cash flow.

The Finance Report was posted to BoardDocs.

### **Operations and Communications Report**

Ms. O'Neal reviewed retirements for June 2023, retirements by calendar year, retirement totals for the last 3 calendar years, and ERFC *Direct* account statistics.

Ms. O'Neal updated the Trustees on future improvements to ERFC's operations, including the new website. Ms. O'Neal responded to questions from the Trustees.

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

### **Investment Report**

Ms. Kropp reported that all managers are currently in compliance. Ms. Kropp notified the Trustees that July 28, 2023 is her last day at ERFC. Ms. Adams thanked Ms. Kropp for her work and service to ERFC.

## **Educational Resource List**

The Educational Resource List was posted to BoardDocs.

The Staff Reports presentation was posted to BoardDocs.

Mr. McConagha **moved to receive and file the reports of ERFC staff**. Ms. Pfeffer-Hahn seconded the motion. Dr. Wilson was not present for the vote. The remaining Trustees voted unanimously to receive and file the reports.

## **Board Evaluations**

Ms. Adams reviewed, and the Trustees discussed, the results of the Board evaluation.

## **Closed Session**

Ms. Pfeffer-Hahn **moved that the Board of Trustees go into Closed Session, including authorized ERFC staff and legal counsel, for the purposes of discussing personnel matters, specifically the appointment and assignment of interim leadership, according to Virginia Code Section 2.2-3711.A.1**. Mr. McConagha seconded the motion. Dr. Wilson was not present for this vote. The remaining Trustees voted unanimously to go into Closed Session for personnel matters at 2:06pm.

Dr. Wilson requested approval of her participation in the closed session by video conference from Falls Church, Virginia for personal reasons (work).

Ms. Pfeffer-Hahn moved that the **Board of Trustees approve Sherry Wilson's participation in the Board of Trustees meeting via electronic means from Falls Church, Virginia**. Mr. Smith seconded the motion. The Trustees voted unanimously to approve the motion.

Ms. Pfeffer-Hahn **moved that the Board of Trustees come out of Closed Session**. Ms. Burden seconded the motion. The Trustees voted unanimously to come out of Closed Session at 2:45pm.

Ms. Pfeffer-Hahn **moved to certify that only personnel matters were discussed or considered by the Board of Trustees while in Closed Session**. Ms. Burden seconded the motion. The Trustees voted unanimous approval.

## **Adjournment**

There being no further business, the meeting was adjourned without objection at 2:46pm.

**Next Meeting – September 29, 2023  
(Board of Trustees Meeting) (in-person)**