



MEETING MINUTES

Approved April 26, 2024

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

An in-person meeting of the ERFC Board of Trustees was held on March 15, 2024, 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*
Sherry Agnew-Scott, *Trustee*
Marty Smith, *Trustee*

Trustees absent:

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

Also present:

J. Ryk Tierney, *Executive Director*
Wendy Zhi, *Finance Coordinator (departed 11:22am)*
Basil AlQudwa, *Investment Specialist (departed 11:22am)*
Pedro Rivera, *Senior Functional Applications Specialist (departed 11:23am)*
Adam Bowen, *Technology Integration Specialist, FCPS (departed 11:19am)*
Jenifer Cromwell, *Member, Bredhoff & Kaiser*
Ernest Zhu, *Associate, Bredhoff & Kaiser*
Rosemary Elly Guillette, *Senior VP and Senior Consultant, Segal Marco Advisors (departed 11:22am)*
Christian Sevier, *VP and Senior Consultant, Segal Marco Advisors (departed 11:22am)*
John Haggerty, *CFA, Managing Principal/Director of Private Market Investments, Meketa Investment Group (departed 11:22am)*
Balaj Singh, *CFA, Private Markets Analyst, Meketa Investment Group (via video conference) (11:19am-11:22am)*
Sabrina Ciampa, *Investment Associate, Meketa Investment Group (via video conference) (departed 11:22am)*
Alan Smith, *General Public (departed 11:22am)*

Meeting

Call to Order

Ms. Adams called the meeting to order at 10:01am.

Ms. Adams welcomed Mr. Tierney as the new Executive Director and thanked Ms. Zhi and Mr. Bala for their work during the Executive Director vacancy.

Announcement of Agenda Changes

Ms. Adams announced that there were no changes to the agenda. Ms. Pfeffer-Hahn **moved that the Board of Trustees approve the agenda, as presented.** Mr. Quan seconded the motion. The Trustees voted unanimously to approve the agenda.

The March 15, 2024 Board of Trustees Meeting Agenda was posted to BoardDocs.

Consent Agenda

Approval of Minutes of the January 26, 2024 Board of Trustees Meeting and the February 5, 2024 Special Board of Trustees Meeting

Mr. Quan **moved to approve the minutes of the January 26, 2024 Board of Trustees Meeting, as presented.** Ms. Pfeffer-Hahn seconded the motion. The Trustees voted unanimously to approve the minutes.

Mr. Quan **moved to approve the minutes of the February 5, 2024 Special Board of Trustees Meeting, as presented.** Mr. Smith seconded the motion. The Trustees voted unanimously to approve the minutes.

The Minutes of the January 26, 2024 Board of Trustees Meeting and the February 5, 2024 Special Board of Trustees Meeting were posted to BoardDocs.

New Business

Delegation of Authority to Executive Director

Ms. Cromwell reviewed the Board policy approved on December 13, 2018, "Duties and Authority of the Executive Director/CIO." Ms. Cromwell also reminded the Trustees that when the Executive Director position became vacant

in 2023, Mr. Bala was given the authority to terminate investment managers and liquidate specific investment holdings in urgent, time-sensitive situations.

Mr. Tierney reported that he reviewed the Board policy and did not have concerns about any of the authorities and duties described in the policy.

Ms. Pfeffer-Hahn **moved that the Board of Trustees terminate the authority of Srikumar Bala to terminate investment managers and liquidate specific investment holdings in urgent, time-sensitive situations, effective immediately.** Mr. Quan seconded the motion. The Trustees voted unanimously to approve the motion.

Ms. Pfeffer-Hahn **moved that the Board of Trustees affirm that all authorities and duties described in the Board policy approved on December 13, 2018, “Duties and Authority of the Executive Director/CIO,” are delegated to Executive Director Ryk Tierney effective with his ERFC employment start date, March 1, 2024.** Mr. Quan seconded the motion. The Trustees voted unanimously to approve the motion.

The Board Policy was posted to BoardDocs.

Proposed Plan Changes

Ms. Cromwell reported that she and Mr. Zhu have been working on drafting new plan documents, which would incorporate the three proposed plan changes presented at the January 26, 2024 Board of Trustees Meeting.

Ms. Cromwell also presented a potential change to the Plan to add a deadline for members to file an appeal with the Board of Trustees. Ms. Cromwell and Mr. Tierney answered questions from the Trustees. The Trustees discussed potential deadline for appeals that could be appropriate.

Ms. Cromwell also reported that the new plan documents would reflect a change pursuant to the SECURE 2.0 Act. Under the SECURE 2.0 Act, the age that members must begin taking required minimum distributions is raised from age 72 to age 73 starting in 2023, and further increased to age 75 starting in 2033.

Investment Consultants

2024 Roadmap

Ms. Guillette reviewed the proposed 2024 roadmap for investment-related education. Mr. Haggerty described possible additional educational items.

Segal Marco’s proposed 2024 Roadmap was posted to BoardDocs.

Core Fixed Income Search

Ms. Guillette reviewed the status of the search for fixed income managers. Ms. Guillette reported that Segal Marco identified three managers that Segal Marco recommends, and that Segal Marco will confer with Mr. Tierney and other ERFC staff to interview the candidates.

Investment Performance

Mr. Sevier reviewed current market conditions, the flash report on portfolio performance, and asset allocations for the period ending January 31, 2024. He noted that asset allocation of the interim policy and that of the long-term policy will continue to converge, and except for hedge funds – opportunistic and private equity, all asset allocations are within long-term target ranges. Mr. Haggerty explained that it would take some time for private equity to be within long-term target range. Mr. Sevier reported that ERFC's total return for the one month ending January 31, 2024, was -0.2% compared to the interim policy benchmark return of -0.4% for the same period. ERFC's total return for the fiscal year-to-date was 2.4% compared to the interim policy benchmark return of 3.6% for the same period, and the year-to-date return was -0.2% compared to the interim policy benchmark return of -0.4% for the same period. He reviewed the Watch List criteria and noted that Segal Marco would be engaging with certain investment managers before possibly recommending adding them on the Watch List; however, he reported that no managers are currently on the Watch List. Ms. Guillette answered questions from the Trustees, and she noted that ERFC's investment program has strong long-term returns and is performing consistent with expectations.

Segal Marco's monthly report was posted to BoardDocs.

Private Market Program Update

Mr. Haggerty reviewed the current market conditions for private markets. He reviewed Meketa's roadmap for 2024, recent commitments made, and recent monthly cash flows.

Meketa's presentation was posted to BoardDocs.

Ms. Guillette reported that she recently received a 2023 Rising Star award from the Defined Contribution Institutional Investment Association (DCIIA), recognizing her diversity, equity, and inclusion (DEI) advocacy. The Trustees congratulated Ms. Guillette on her award.

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

IT Report

Mr. Tierney reviewed the status of IT updates in preparation for the three proposed plan amendments presented at the January 26, 2024 Board of Trustees Meeting. Mr. Tierney also reported that starting later this year, there will be a new streamlined process for members to submit retirement applications online.

Finance Report

Ms. Zhi reported that as of December 31, 2023, the market value of total ERFC assets was approximately \$3.1 billion. Ms. Zhi also reviewed the expenses for Q2 of Fiscal Year 2024, and the cash flow forecast.

The Finance Report was posted to BoardDocs.

Investment Report

Dr. AlQudwa reported that all managers are currently in compliance with ERFC guidelines.

Operations and Communications Report

Mr. Tierney reviewed the status of the upcoming announcement of DROP and potential postcard designs for the announcement.

The Trustees discussed the proposed plan amendments, and a recent change in Virginia law regarding the Virginia Retirement System and working in critical shortage positions after retirement.

Mr. Tierney reviewed retirements for February 2024, retirements by calendar year, retirement totals for the last three calendar years, and ERFC*Direct* account statistics. The Trustees discussed the ERFC*Direct* training for new employees and current employees.

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

The Staff Reports presentation was posted to BoardDocs.

Educational Resource List

The Educational Resource List 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 authorized ERFC staff and legal counsel, to discuss the award of a public contract, specifically the investment consultant agreement, 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 11:22am.

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 11:33am.

Ms. Pfeffer-Hahn **moved to certify that only the award of a public contract was discussed or considered by the Board of Trustees while in Closed Session**. Dr. Agnew-Scott 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 the proposed contract extension agreement with Segal Marco, as presented**. Dr. Agnew-Scott seconded the motion. The Trustees voted unanimous approval.

Adjournment

Ms. Pfeffer-Hahn **moved to adjourn the Board of Trustees meeting**. Mr. Smith seconded the motion. The Trustees voted unanimously to adjourn the meeting.

The meeting was adjourned at 11:35am.

**Next Board of Trustees Meeting – April 26, 2024
(all-virtual meeting)**