



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

MEETING MINUTES
Approved November 18, 2022

A meeting of the ERFC Board of Trustees was held on October 28, 2022, in a conference room at the administrative offices located at 8001 Forbes Place, Suite 300, Springfield, Virginia 22151.

Trustees present:

Kimberly Adams, *Chairperson and Trustee*
Kathie Pfeffer-Hahn, *Vice Chairperson and Trustee*
Leigh Burden, *Treasurer and Trustee (absent from meeting 1:14-1:47pm)*
Adam McConagha, *Trustee*
Ducchi Quan, *Trustee*
Marty Smith, *Trustee*

Also present:

Eliazer Martinez, *Executive Director/CIO*
Srikumar Bala, *Deputy Executive Director of IT/Finance*
Kathleen Wilson, *Deputy Executive Director, Operations*
Melissa O'Neal, *Coordinator, Communications & Operations*
Adolphus Tarty, *Functional Applications Specialist*
Denise Kropp, *Investment Specialist*
Jenifer Cromwell, *Member, Bredhoff & Kaiser*
Rosemary Elly Guillette, *Vice President, Segal Marco Advisors (departed 12:55pm)*
Christian Sevier, *Vice President and Senior Consultant, Segal Marco Advisors (departed 12:55pm)*
John Haggerty, *Managing Principal/Director of Private Market Investments, Meketa Investment Group (by video conference)*
Andrew Gilboard, *Senior Vice President, Senior Private Markets Investment Analyst, Meketa Investment Group (by video conference) (departed approximately 1:45pm)*

Meeting

Call to Order

Ms. Adams called the meeting to order at 9:35am.

Announcement of Agenda Changes

Ms. Adams announced that the closed session would be moved to the beginning of the agenda. Ms. Pfeffer-Hahn **moved to approve the agenda, as revised.**

Mr. McConagha seconded the motion. The Trustees voted unanimously to approve the revised agenda.

Closed Session for Personnel Matters

Ms. Pfeffer-Hahn **moved that the Board of Trustees go into Closed Session, including authorized ERFC staff and legal counsel, to discuss personnel matters, specifically the performance of the Executive Director, according to Virginia Code Section 2.2-3711.A.1.** Ms. Burden seconded the motion. The Trustees voted unanimously to approve the motion. The Board went into Closed Session for personnel matters at 9:37am, with legal counsel only. ERFC staff did not attend the Closed Session.

Ms. Pfeffer-Hahn **moved that the Board come out of Closed Session.** Mr. Quan seconded the motion. The Trustees voted unanimously to approve the motion. The Board came out of Closed Session at 11:19am.

Ms. Pfeffer-Hahn **moved to certify that only personnel matters were discussed or considered by the Board while in Closed Session.** Mr. Quan seconded the motion. The Trustees voted unanimously to approve the motion.

Announcement of Further Agenda Changes

Ms. Adams announced that the Board would be tabling agenda items 3, the Consulting Actuary RFP and Timeline, and 4, the External Fiduciary Counsel RFP and Timeline. There were no objections from the Trustees.

Consent Agenda

Approval of Minutes of September 30, 2022, Board of Trustees Meeting

Ms. Pfeffer-Hahn **moved to approve the minutes of the September 30, 2022, Board of Trustees Meeting, as presented.** Mr. McConagha seconded the motion. The Trustees voted unanimously to approve the minutes.

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

Consultants

Securities Lending Education

Ms. Guillette and Mr. Sevier discussed securities lending generally and reviewed ERFC's securities lending program noting that the program is monitored regularly. They responded to Trustee questions.

The Securities Lending Overview materials were posted to BoardDocs.

Investment Performance

Mr. Sevier reviewed current market conditions, the flash report on portfolio performance, and asset allocations for the period ending September 30, 2022. He noted that except for real estate, hedge funds – opportunistic, and private equity, all asset allocations are within long-term target ranges. He reported that ERFC's total return for the one-month ending September 30, 2022, was -5.3% compared to the benchmark return of -6.3% for the same period. ERFC's total return for the fiscal year-to-date was -3.7% compared to the benchmark return of -4.3% for the same period, and the year-to-date return was -17.5% compared to the benchmark return of -17.3% for the same period. He reported that there are no managers on the watch list. He reviewed the manager monitoring report noting that Bridgewater's leadership transition is complete, and Segal Marco has no concerns.

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

Private Market Performance Report

Mr. Haggerty reviewed the quarterly report of the private markets program as of June 30, 2022, including reviewing the capital calls and commitment made during the quarter. He also reviewed the private markets program as of September 30, 2022, and a recent commitment made to BlackRock Global Infrastructure Fund IV. He responded to Trustee questions.

Meketa's quarterly and monthly reports and memorandum on BlackRock Global Infrastructure Fund IV were posted to BoardDocs.

Ms. Pfeffer-Hahn **moved to receive and file the reports of the investment consultants**. Mr. Smith seconded the motion. Ms. Burden was absent for the vote. The remaining Trustees voted unanimously to receive and file the reports.

Staff Reports

IT and Finance Report

Mr. Bala reviewed ERFC's fund balance, contributions and expenses, and cash flow. He noted that actual expenditures are in line with budget expectations.

The Quarterly Financial Report for the Period Ending September 30, 2022 was posted to BoardDocs.

Operations and Communications Report

Ms. Wilson reviewed the status of ERFC's efforts to secure the U.S. Senate Productivity and Quality Award, and she reported that staff completed the "discovery program" phase of the award process. Ms. Wilson described the Question Sessions offered to members and the overwhelmingly positive feedback received about the sessions. She reminded the Trustees that ERFC suspends pension benefits of ERFC retired members that return to active employment. The Trustees discussed the WAR program.

Ms. O'Neal reviewed retirements for September 2022, retirements by calendar year, and ERFC*Direct* account statistics.

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

Investment Report

Ms. Kropp reviewed the investment guidelines compliance report as of August 31, 2022.

The BNY Mellon Compliance Report was 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. McConagha seconded the motion. The Trustees voted unanimously to receive and file the reports.

Adjournment

There being no further business, the meeting was adjourned at 2:40pm.

Next Meeting – November 18, 2022