

**ARLINGTON COUNTY VIRGINIA
EMPLOYEES' RETIREMENT SYSTEM**

**Board of Trustees
Meeting Minutes
May 6, 2021**

The Vice President of the Board, Mr. Richard Alt, called the meeting to order at 8:02 AM.

The meeting was held electronically via Microsoft Teams, consistent with the Virginia General Assembly and Arlington County rules allowing such electronic meetings during the COVID-19 pandemic.

All participants attended from their respective offices or homes. The open meeting sessions were available to the public via Microsoft Teams.

Voting Members Present: Mr. Jonathan Kinney, President
 Mr. Richard Alt, Vice President
 Ms. Michelle Cowan, Treasurer
 Mr. Jimmie Barrett, Secretary
 Mr. William Ross, Assistant Treasurer
 Ms. Barbara Donnellan
 Ms. Michael-dharma Irwin

Substitute Members Present: Mr. Brian Lynch
 Mr. Carl Newby
 Ms. Emily Hughes

Others Present: Mr. Daniel Zito, Executive Director
 Ms. Rande Stenroos, Assistant Director
 Mr. Stephen Euell, Accountant
 Mr. Jim McGovern, Franklin Park
 Mr. Matt Castaldo, Franklin Park
 Mr. Rob Gooderham, Windmark Investment Partners
 Mr. Garry Musto, Windmark Investment Partners
 Mr. Brad Meeker, T. Rowe Price
 Mr. Scott Berg, T. Rowe Price
 Ms. Jennifer Martin, T. Rowe Price

CONSENT LIST

Mr. Alt called the meeting to order at 8:02 AM. A motion to approve the consent list, consisting of the April 1, 2021 meeting minutes was offered by Mr. Barrett and seconded by Mr. Ross. The motion passed by a vote of 5-0, with Mr. Kinney and Ms. Donnellan not present.

FRANKLIN PARK VENTURE SERIES REVIEW

Messrs. McGovern and Castaldo with Franklin Park reviewed ACERS' investment in the 2015 and 2017 Venture Series funds offered to retainer clients. Mr. McGovern provided an overview and history of venture investing. He noted the challenges for public institutional investors in the venture space, and highlighted the benefits of the Franklin Park funds for clients.

Mr. Castaldo reviewed Franklin Park's philosophy and approach to venture investing. He noted Franklin Park has a bias toward early stage venture focused on the technology and healthcare sectors. These are mainly in California and China with growing markets in Israel and Boston.

Mr. McGovern reviewed performance of the funds. He noted that while still in the early years, the funds are performing at or above expectations. Some specific portfolio companies were discussed.

T. ROWE PRICE LARGE CAP GROWTH

Messrs. Meeker and Berg and Ms. Martin reviewed ACERS' investment in the Large Cap Growth mandate. Mr. Berg noted fund performance of 77.7%, 13.9% and 14.1% over one year, 10 years and since inception (3/2010) vs. benchmarks of 55.3%, 9.7% and 10.1% respectively.

Mr. Berg noted that the economic recovery has been uneven across the globe with China and the United States recovering quicker than Japan, UK and European Union. He discussed investing thru the pandemic and shared his analysis of eight distinct market phases from January 2019 thru March 2021. In each market environment, the fund managed to outperform the benchmark.

GOVERNANCE COMMITTEE READOUT

Mr. Alt with the governance subcommittee reported. The subcommittee decided to wait until the new Executive Director is in place to present proposed policies to the Board.

KEY INITIATIVES

- Ms. Stenroos presented the proposed FY 2022 budget noting the largest change was to investment manager fees.
- Ms. Stenroos reminded trustees of the annual consultant review which will be presented at the June 2021 Board meeting.
- Mr. Barret, on behalf of the Board, presented Mr. Zito with a plaque commemorating his tenure with the System.

CLOSED SESSION

A motion was offered by Mr. Barrett, seconded by Ms. Donnellan, and passed by a vote of 7-0, to enter into closed session for discussion by the Board regarding discussion, consideration or interview of perspective candidates for employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body pursuant to Virginia Code section §2.2-3711 A(1). The closed session began at 9:57 AM.

The Board returned to open session at 10:14 AM. On a motion by Mr. Barrett, and carried by a vote of 7-0, the voting recorded as follows:

<u>Member</u>	<u>Vote</u>
Mr. Kinney	Aye
Mr. Alt	Aye
Ms. Cowan	Aye
Ms. Donnellan	Aye
Mr. Barrett	Aye
Mr. Ross	Aye
Ms. Irwin	Aye

The Board certified that only public matters lawfully exempted from open meeting requirement by Virginia law and identified in the motion convening the closed session were heard, discussed or considered by the Board.

Upon returning to open session, Mr. Kinney, seconded by Ms. Donnellan, made a motion to appoint Ms. Stenroos Acting Executive Director from May 14th until July 6th and adjust her compensation according to County policy. The motion passed by a vote of 6-1, with Mr. Alt dissenting, noting the standard compensation for acting positions was inadequate in this situation.

APPEAL HEARING

The Board discussed handling of disability appeals in general. Noting their preference for hearing appeals in person, staff was instructed to move the pending disability appeal from the June Board meeting to the July Board meeting, with the concurrence of the appellant, with the expectation of being able to accommodate an in-person meeting. The Board also requested Staff arrange for the County Attorney to attend the June meeting.

CLOSED SESSION

A motion was offered by Mr. Barrett, seconded by Ms. Donnellan, and passed by a vote of 7-0, to enter into closed session for discussion by the Board regarding discussion, consideration or interview of perspective candidates for employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body pursuant to Virginia Code section §2.2-3711 A(1). The closed session began at 10:53 AM.

The Board returned to open session at 11:12 AM. On a motion by Mr. Barrett, and carried by a vote of 7-0, the voting recorded as follows:

<u>Member</u>	<u>Vote</u>
Mr. Kinney	Aye
Mr. Alt	Aye
Ms. Cowan	Aye
Ms. Donnellan	Aye
Mr. Barrett	Aye

Mr. Ross	Aye
Ms. Irwin	Aye

The Board certified that only public matters lawfully exempted from open meeting requirement by Virginia law and identified in the motion convening the closed session were heard, discussed or considered by the Board.

ADJOURNMENT

Ms. Donnellan, seconded by Mr. Barrett, offered a motion to adjourn the meeting. The motion passed by a vote of 7-0. The meeting ended at 11:30 AM.

Respectfully Submitted,
Ranee Stenroos
Assistant Director