

**ARLINGTON COUNTY VIRGINIA
EMPLOYEES' RETIREMENT SYSTEM**

**Board of Trustees
Meeting Minutes
July 7, 2022**

The President of the Board, Mr. Jonathan Kinney, called the meeting to order at 8:30 AM. The meeting was held at 2100 Clarendon Boulevard, Conference Room 306A, and electronically via Microsoft Teams, consistent with the Virginia General Assembly and Arlington County rules allowing electronic meetings during emergency orders.

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

Substitute Members Present: Mr. Carl Newby
 Ms. Emily Hughes
 Mr. Shaun Lewis

Others Present: Ms. Susie Ardeshir, Executive Director
 Ms. Randee Stenroos, Assistant Director
 Ms. Katrina Milne, Analyst
 Mr. Stephen Euell, Accountant
 Mr. Garry Musto, Windmark Investment Partners
 Mr. Dan Barner, Windmark Investment Partners
 Mr. Drew Dinger, Windmark Investment Partners
 Mr. Jim McGovern, Franklin Park
 Ms. Christine Chun, Doubleline
 Mr. Ken Shinoda, Doubleline

CONSENT LIST

A motion to approve the consent list, consisting of June 2, 2022, meeting minutes, and the cancellation of the August meeting (unless circumstances warrant otherwise), was offered by Ms. Donnellan and seconded by Mr. Alt. The motion passed by a vote of 7 – 0.

The Board voted to defer approval of the Governance Manual until the September 2022 Board meeting.

CLOSED SESSION

Ms. Irwin offered a motion, seconded by Mr. Kinney, and passed by a vote of 7 – 0, to enter into a closed session for discussion, consideration, or interview of prospective 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 §2.2-3711(A)(1).

The closed session began at 9:11 AM.

The Board returned to the open session at 9:32 AM. On a motion by Ms. Irwin, and carried by a vote of the voting recorded as follows:

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

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

Upon returning to the open session, Ms. Donnellan, seconded by Mr. Lynch, offered a motion that the Personnel Committee works with Ms. Ardeshir to compile feedback for the Board to review at the September 2022 Board meeting. The motion passed by a vote of 7 – 0.

CLOSED SESSION

Ms. Irwin offered a motion, seconded by Mr. Kinney, and passed by a vote of 7 – 0, to enter into a closed session for discussion by the Board regarding the acquisition, holding, or disposition of a security or other ownership interest in an entity, where such security or ownership interest is not traded on a governmentally regulated securities exchange, to the extent that such discussion (i) concerns confidential analyses prepared for the Board under a promise of confidentiality, of the future value of such ownership interest or the future financial performance of the entity, and (ii) would have an adverse effect on the value of the investment to be acquired, held, or disposed of by the Retirement System pursuant to Virginia Code §2.2-3711 A (20) & (38); 2.2 3705.7 (24).

The closed session began at 9:40 AM.

The Board returned to the open session at 10:28 AM. On a motion by Ms. Irwin, and carried by a vote of the voting recorded as follows:

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

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

Upon returning to the open session, Mr. Ross, seconded by Ms. Donnellan, offered a motion to commit \$10 million to Vision Ridge SAF Annex Fund, subject to satisfactory negotiation of documentation. The motion passed by a vote of 5 – 1, with Mr. Alt dissenting and Ms. Cowan absent. Mr. Lynch, seconded by Ms. Donnellan, offered a motion to fund via the Northern Trust Short Term Investment Fund or the Vanguard 500 Index Fund, as necessary, at the staff's discretion. The motion passed by a vote of 6 – 0, with Ms. Cowan absent.

WINDMARK INVESTMENT PARTNERS PORTFOLIO RECOMMENDATION

Messrs. Musto and Barner presented a recommendation to terminate Highclere International Investors Smaller Companies Fund. This recommendation was based on organizational changes at the portfolio level as well as an opportunity to lower the risk level of the Fund.

Mr. Lynch, seconded by Ms. Donnellan, offered a motion to terminate the Highclere Smaller Companies Fund authorizing staff to determine the best execution. The motion passed by a vote of 7 – 0.

Mr. Alt, seconded by Ms. Donnellan, offered a motion to, when available, move the proceeds of the Highclere termination to the Northern Trust Aggregate Bond Fund Index or the Short-Term Investment Fund. This will be done at the staff's discretion with a memo to the Board detailing the action. The motion passed by a vote of 7 – 0.

DOUBLELINE – FIXED INCOME REVIEW

Ms. Chun and Mr. Shinoda provided a review of the fixed income markets. Mr. Shinoda reviewed several metrics in the fixed income markets. He noted that core goods had inflated first, followed by core services and shelter. With interest rates increasing, homebuying has fallen, leading to rising rental rates.

He also noted that tightness in the labor market has led to a wage rise. A robust discussion with Board members regarding where the Fund should be positioned regarding fixed income ensued.

KEY INITIATIVES

Ms. Ardeshir noted the local emergency order would be lifted on August 15, 2022.

ADJOURNMENT

Mr. Newby, seconded by Mr. Lynch, offered a motion to adjourn the meeting. The motion passed by a vote of 7 – 0. The meeting ended at 12:15 PM.