

**ARLINGTON COUNTY VIRGINIA
EMPLOYEES' RETIREMENT SYSTEM**

**Board of Trustees
Meeting Minutes
February 2, 2023**

- Voting Members: Mr. Jonathan Kinney, President
Mr. Richard Alt, Vice President
Ms. Michelle Cowan, Treasurer (left at 10:45 AM)
Ms. Michael-dharma Irwin, Secretary
Mr. William Ross, Assistant Treasurer
Ms. Barbara Donnellan (arrived at 8:36 AM)
Mr. Brian Lynch
- Substitute Members: Ms. Emily Hughes (via TEAMS)
Mr. Carl Newby
Mr. Matt Martin
- Others Present: Ms. Susie Ardeshir, Executive Director
Ms. Randee Stenroos, Assistant Director
Ms. Katrina Milne, Analyst
Mr. Stephen Euell, Accountant
Mr. Rob Gooderham, Windmark Investment Partners
Mr. Garry Musto, Windmark Investment Partners
Mr. Dan Barner, Windmark Investment Partners
Ms. Virginia Sadler, County Attorney's Office
Mr. Jim McGovern, Franklin Park
Mr. Matt Castaldo, Franklin Park

THE MEETING CONVENED AT 8:30 AM

The President of the Board, Mr. Jonathan Kinney, called the meeting to order. The meeting was held at 2100 Clarendon Boulevard, Conference Room 311, and electronically via Microsoft Teams, consistent with the Virginia General Assembly and Arlington County policies for electronic participation in meetings.

CONSENT LIST

A motion to approve the consent list, consisting of December 1, 2022, meeting minutes, was offered by Mr. Kinney and seconded by Mr. Alt. The motion passed by a vote of 6 – 0, with Ms. Donnellan not present.

CLOSED SESSION

Ms. Irwin offered a motion, seconded by Ms. Cowan, and passed by a vote of 7 – 0 to enter into a closed session for discussion or consideration of medical and mental records excluded from this chapter pursuant to Virginia Code §2.2-3705.5.

The closed session began at 8:36 AM.

The Board returned to the open session at 8:55 AM. On a motion by Ms. Irwin, and carried by a voting record as follows:

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

Ms. Cowan offered a motion seconded by Mr. Lynch to deny the service-connected disability appeal of the appellant. The motion passed by a vote of 7 – 0.

CLOSED SESSION

Ms. Irwin offered a motion, seconded by Ms. Cowan, and passed by a vote of 7 – 0 to enter into a closed session for discussion or consideration of medical and mental records excluded from this chapter pursuant to Virginia Code §2.2-3705.5.

The closed session began at 9:01 AM.

The Board returned to the open session at 9:55 AM. On a motion by Ms. Irwin, and carried by a voting record as follows:

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

Ms. Irwin offered a motion, seconded by Ms. Cowan, and passed by a vote of 7 – 0 to enter into a closed session for discussion or consideration of medical and mental records excluded from this chapter pursuant to Virginia Code §2.2-3705.5.

The closed session began at 10:00 AM.

The Board returned to the open session at 10:05 AM. On a motion by Ms. Irwin, and carried by a voting record as follows:

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

Mr. Lynch offered a motion seconded by Ms. Donnellan to conduct an Independent Medical Exam (IME), including an OSHA respirator evaluation, DOT physical, and a functional capacity review. Ms. Donnellan offered a friendly amendment for the IME to be done no later than May 2023. The motion passed by a vote of 7 – 0.

INVESTMENT OUTLOOK

Messrs. Gooderham, Barner, and Musto of Windmark Investment Partners reviewed the economic outlook and investments. Mr. Gooderham noted we had moved further into the late cycle, and Mr. Barner discussed two potential scenarios – soft landing or aggressive monetary policy.

INVESTMENT PORTFOLIO RECOMMENDATION

Messrs. Gooderham, Barner, and Musto with Windmark Investment Partners recommended reducing Northern Trust Russell 1000 Value Index and GQG US Equity. Then invest the proceeds with Orbis International, Kiltearn Global Equity, and Wellington Asian Opportunities to increase exposure to international equities.

After discussion, Mr. Ross offered a motion to trim the following:

\$50 million from Northern Trust Russell 1000 Value Index Fund
\$20 million from GQG US Equity

Moving the \$70 million in proceeds to the following:

\$25 million to Orbis International
\$25 million to Kiltearn Global Equity
\$20 million to Wellington Asian Opportunities

Ms. Donnellan seconded the motion, which passed by a vote of 6-0, with Ms. Cowan not present.

PRIVATE MARKETS PROGRAM REVIEW

Messrs. McGovern and Castaldo of Franklin Park reviewed the System's private market program and strategy for the coming years.

CLOSED SESSION

A motion was offered by Ms. Irwin, seconded by Mr. Ross, and passed by a vote of 6-0, with Ms. Cowan not present, to enter into 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 sections §2.2-3711 A (20) & (38) and §2.2-3705.7 (24). The closed session began at 11:29 AM.

The Board returned to the open session at 11:46 AM. On a motion by Ms. Irwin, carried by a vote of 6-0, with Ms. Cowan not present, the voting was recorded as follows:

<u>Member</u>	<u>Vote</u>
Mr. Kinney	Aye
Mr. Alt	Aye
Ms. Donnellan	Aye
Mr. Lynch	Aye
Mr. Ross	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 by the Board.

Upon returning to open session, Ms. Irwin, seconded by Mr. Ross, made a motion to approve a commitment of \$17.5 million to Greyrock Capital Group Partners VI, L.P., subject to satisfactory negotiation of documentation, to be funded via the Northern Trust Short Term Investment Fund or the Vanguard 500 Index Fund, as necessary, at staff's discretion, and authorize staff to take the actions required to implement the investment. The motion passed by a vote of 6-0, with Ms. Cowan absent.

THE MEETING ADJOURNED AT 11:52 AM