

**ARLINGTON COUNTY VIRGINIA
EMPLOYEES' RETIREMENT SYSTEM**

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

Voting Members: Mr. Jonathan Kinney, President (left at 10:04 AM)
Mr. Richard Alt, Vice President (via TEAMS)
Ms. Michelle Cowan, Treasurer
Ms. Michael-dharma Irwin, Secretary
Mr. William Ross, Assistant Treasurer
Ms. Barbara Donnellan
Mr. Brian Lynch

Substitute Members: Ms. Emily Hughes
Mr. Matt Martin

Substitute Members Absent: Mr. Carl Newby

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. 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 February 2, 2023, meeting minutes, was offered by Ms. Donnellan and seconded by Mr. Ross. 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 8:31 AM.

The Board returned to the open session at 8:48 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.

INVESTMENT PERFORMANCE REVIEW

Messrs. Gooderham, Musto, and Barner of Windmark Investment Partners reviewed System investment performance for the quarter that ended December 31, 2022. Fund returns for various periods were:

(%)	Quarter	Fiscal YTD (6-Months)	1 Year	5 Years	10 Years	20 Years
Total Fund (Net)	6.7	1.4	-11.3	6.1	7.6	7.8
Policy Benchmark	6.8	1.0	-15.7	4.1	6.2	6.6
CPI + 3.5% Annualized	0.9	2.0	10.2	7.5	6.3	5.8

FIXED INCOME INVESTMENT RECOMMENDATION

Messrs. Gooderham, Barner, and Musto with Windmark Investment Partners recommended reducing the Cash/STIF and investing the proceeds in the Northern Trust Aggregate Bond Index to increase the duration of the fixed income portfolio.

After discussion, Ms. Donnellan offered a motion to trim the Cash/STIF account by \$90 million and move the proceeds to the Northern Trust Aggregate Bond Index.

Ms. Irwin seconded the motion, which subsequently passed by a vote of 6-1, with Mr. Lynch dissenting.

CLOSED SESSION

A motion was offered by Ms. Irwin, seconded by Ms. Cowan, 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 sections §2.2-3711 A (20) & (38) and §2.2-3705.7 (24). The closed session began at 10:15 AM.

The Board returned to the open session at 10:41 AM. On a motion by Ms. Irwin, carried by a vote of 6-0, with Mr. Kinney absent, the voting was recorded as follows:

<u>Member</u>	<u>Vote</u>
Mr. Alt	Aye
Ms. Cowan	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, Mr. Ross, seconded by Ms. Cowan, made a motion to approve a commitment of \$20 million to Clearhaven Partners II, 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 Mr. Kinney absent.

KEY INITIATIVES

Mr. Ross gave an update on an IFEBP Investment Education Institute he attended.

Ms. Ardeshir discussed canceling the April 6, 2023, meeting. After discussion, Ms. Irwin motioned to cancel the April 6, 2023, meeting unless circumstances warrant otherwise. The motion was seconded by Ms. Donnellan and passed by a vote of 6 – 0, with Mr. Kinney absent.

The Board also discussed the date and format of the July Board meeting, considering an electronic meeting for July 6, 2023.

THE MEETING ADJOURNED AT 11:14 AM