

Police Officers Retirement System Board of Trustees Meeting

April 20, 2022 12:00 PM



Agenda Topic	Presenter	Time	Page
1. SET AGENDA			1
2. Hybrid Meeting Motion	Jeff Weiler	12:00 PM-12:02 PM	3
3. INVESTMENT MATTERS			4
3.a Enter Closed Session - Investment Matters	Jeff Weiler	12:02 PM-12:04 PM	4
3.i Exit Closed Session	Jeff Weiler	12:04 PM-12:05 PM	140
3.j Performance Snapshot	Katherine Molnar	12:05 PM-12:08 PM	141
3.k Upcoming Site Visits, Meetings, and Training Opportunities	Katherine Molnar	12:08 PM-12:11 PM	142
o Midwest (Chicago, Denver, Minneapolis): June 27-30			
o PIMCO Institute			
- Virtual: April 26-28			
- Newport Beach, CA: July 18-21; November 7-10			
o BlackRock Educational Academy (various dates/topics)			
3.k.1 Blackrock Overview			142
4. ACTION ITEMS			149
4.a Approval of March 9, 2022, Minutes	Jeff Weiler	12:11 PM-12:13 PM	149
4.b MOTION: Crestline Oppportunity Fund V	Katherine Molnar	12:13 PM-12:15 PM	153
4.c MOTION: Section Capital V & Section Ventures II	Katherine Molnar	12:15 PM-12:17 PM	154
5. Disability	Jeff Weiler	12:17 PM-12:19 PM	155
6. ADMINISTRATIVE AND BENEFIT MATTERS	Rich Barron		167
6.a Legal Matters	Jeff Weiler	12:19 PM-12:49 PM	167
6.a.1 Enter Closed Session - Legal Matters			167

6.a.2	Exit Closed Session - Legal Matters			168
6.a.3	Motion Regarding Legal Matters (if needed)			
6.b	Personnel Matters	Jeff Weiler	12:49 PM-01:04 PM	169
6.b.1	Enter Closed Session - Personnel Matters			169
6.b.2	Exit Closed Session - Personnel Matters			170
6.b.3	Motion - Personnel Matters			
6.c	Retirement & DROP Applications	Jeff Weiler	01:04 PM-01:06 PM	171
6.d	Retiree Cost of Living (COLA) Calculation	Jeff Weiler	01:06 PM-01:11 PM	175
6.e	Board Requests and Follow-ups	Jeff Weiler	01:11 PM-01:16 PM	181
6.e.1	Open Requests		01:16 PM-01:19 PM	181
6.e.2	Completed Requests	Jeff Weiler	01:19 PM-01:20 PM	183

NEXT MEETING:

WEDNESDAY, MAY 11, 2022, AT 1:30 PM

See Board Portal (www.bit.ly/fairfaxretirementboards) for conference and due diligence schedules and other items of interest.

POLICE OFFICERS RETIREMENT SYSTEM

Asset Allocation Breakdown

Plan Level Asset Detail March 31, 2022	Portfolio Totals	Portfolio MTD	Index MTD	Portfolio FYTD	Index FYTD
Global Equity					
US Small	\$ 352,562,934	-0.02%	1.24%	23.77%	-9.66%
Int'l Developed	\$ 157,641,318	1.03%	0.76%	-4.76%	-3.55%
Int'l Emerging	\$ 29,865,252	-3.89%	-2.22%	-29.64%	-15.41%
Global Fixed Income					
Fixed Core	\$ 492,942,426	-1.13%	-2.78%	-6.48%	-5.87%
Fixed High Yield	\$ 71,702,129	1.56%	-1.15%	7.49%	-3.31%
Global Real Assets	\$ 194,453,529	3.17%	5.94%	9.23%	10.61%
Global Multi-Asset	\$ 243,024,438	-0.67%	-0.09%	-1.88%	6.40%
Absolute Return	\$ 335,413,051	3.71%	0.04%	12.31%	0.15%
Cash	\$ 57,327,444	0.03%		0.15%	
Total	\$ 1,934,932,522	1.16%	0.25%	8.52%	0.23%
% of total	100.0%				
Target	100.0%				
Portfolio Value (6/30/2021)	\$ 1,823,764,720				

*The rate of return information included in this performance report has been calculated internally by Fairfax County Police Officers Retirement System.



Minutes for Police Officers Retirement System Board of Trustees Meeting

3/9/2022 | 1:32 pm – 3:50 pm - Eastern Time (US and Canada)

Attendees

Board

In-Person: Rich Barron, Chris Pietsch, Jay Jupiter, Ed O'Carroll, Jim Bitner; James Dooley, James Krause (arrived at 2:35 pm), Brendan Harold (arrived at 2:53 pm)

Staff

In-Person: Jeff Weiler, Katherine Molnar, Yuko Ando; Tony Vu, Amy Bain

Virtual: Andy Spellar, Jennifer Snyder (signed on 1:59 pm)

Guests: Mike Graninger and Andrew Giordano from Sands Global Venture Fund III (arrived 1:40 pm, departed 1:59 pm)

Set Agenda

Mr. Barron called the meeting to order at 1:32 PM

Investment Matters

Mr. Barron moved, Mr. Dooley seconded the motion, and the motion passed to enter closed Session at 1:33 pm.

Motion to Go into Closed Session - Virginia Code Section 2.2-3711(A)(8):

CHAIR: I MOVE THAT THE FAIRFAX COUNTY POLICE OFFICERS RETIREMENT BOARD OF TRUSTEES GO INTO CLOSED SESSION, PURSUANT TO VIRGINIA CODE SECTION 2.2-3711{A}{(20)}, FOR DISCUSSION REGARDING THE ACQUISITION, HOLDING OR DISPOSITION OF A SECURITY OR OTHER OWNERSHIP INTEREST IN AN ENTITY. THE SECURITY OR OWNERSHIP INTEREST IS NOT TRADED ON A GOVERNMENTALLY REGULATED SECURITIES EXCHANGE. THE DISCUSSION: CONCERNS CONFIDENTIAL ANALYSES PREPARED FOR THE BOARD OF TRUSTEES, AND WAS PROVIDED TO THE BOARD OF TRUSTEES UNDER A PROMISE OF CONFIDENTIALITY OF THE FUTURE VALUE OF SUCH OWNERSHIP INTEREST OR THE FUTURE FINANCIAL PERFORMANCE OF THE ENTITY,

WOULD HAVE AN ADVERSE EFFECT ON THE VALUE OF THE INVESTMENT TO BE ACQUIRED, HELD, OR DISPOSED OF BY FAIRFAX COUNTY POLICE OFFICERS RETIREMENT BOARD OF TRUSTEES SPECIFICALLY RELATES TO:
INVESTMENT MANAGER PRESENTATIONS

- i. Recommendations
- ii. Portfolio Updates and actions
- iii. Market Value Report
- iv. Manager Reports
- v. Closed Session Notes

The closed session was ended upon completion of closed session business.

Cleansing Motion Coming Out of Closed Session:

CHAIR: IN ACCORDANCE WITH VIRGINIA CODE SECTION 2.2-3712, I MOVE THAT THE FAIRFAX COUNTY POLICE OFFICERS RETIREMENT BOARD OF TRUSTEES MEMBERS CERTIFY THAT, TO THE BEST OF EACH MEMBER'S KNOWLEDGE, ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER THE VIRGINIA FREEDOM OF INFORMATION ACT AND ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED SESSION WAS CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN CLOSED SESSION.

Mr. Barron moved, Mr. O'Carroll seconded the motion, and the motion passed unanimously to exit closed Session at 2:50 pm.

Performance Snapshot

The Performance Snapshot was noted for the record.

Action Items

Approval of Minutes

Mr. O'Carroll moved:

APPROVE THE FEBRUARY 2022 BOARD MEETING MINUTES

Mr. Dooley seconded the motion and the motion passed unanimously.

Mr. Dooley moved:

APPROVE THE FEBRUARY 17, 2022, SPECIAL BOARD MEETING MINUTES

Mr. Bitner seconded the motion, Mr. O'Carroll abstained, and the motion passed 7 to zero.

Mr. Bitner moved:

TO COMMIT ~\$19 MILLION TO SANDS GLOBAL VENTURE FUND III WHICH REPRESENTS A 1% TARGET POSITION SIZE.

Mr. O'Carroll seconded the motion, Mr. Herald and Mr. Jupiter abstained, and the motion passed 6 to zero

Mr. Barron moved, Mr. Krause seconded the motion, and the motion passed to enter closed Session.

I MOVE THAT THE BOARD GO INTO CLOSED SESSION FOR: DISCUSSION OR CONSIDERATION OF MEDICAL AND MENTAL RECORDS EXCLUDED FROM THIS CHAPTER PURSUANT TO SUBDIVISION 1 OF 2.2-3705.5 PURSUANT TO VIRGINIA CODE SECTION 2.2.3711(A)15 REGARDING ...

The closed session was ended upon completion of closed session business.

Mr. Baron moved, Mr. Krause seconded the motion and the motion passed unanimously to exit closed Session.

Cleansing Motion Coming Out of Closed Session:

CHAIR: IN ACCORDANCE WITH VIRGINIA CODE SECTION 2.2-3712, I MOVE THAT THE FAIRFAX COUNTY POLICE OFFICERS RETIREMENT BOARD OF TRUSTEES MEMBERS CERTIFY THAT, TO THE BEST OF EACH MEMBER'S KNOWLEDGE, ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER THE VIRGINIA FREEDOM OF INFORMATION ACT AND ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED SESSION WAS CONVENEED WERE HEARD, DISCUSSED, OR CONSIDERED IN CLOSED SESSION.

Mr. O'Carroll moved:

THAT THE BOARD CONTINUE THE DISABILITY BENEFIT OF SB.

Mr. Bitner seconded the motion and the motion passed unanimously.

Retirement & DROP Applications .

Mr. O'Carroll moved,

TO ACCEPT THIS MONTH'S RETIREMENTS AND DROP ENTRIES

Mr. Bitner seconded the motion and the motion passed unanimously.

CLOSED SESSION – LEGAL MATTERS

Mr. Barron moved:

Motion to Go into Closed Session – Legal Matters

THAT THE FAIRFAX COUNTY POLICE OFFICERS RETIREMENT BOARD OF TRUSTEES GO INTO CLOSED SESSION FOR CONSULTATION WITH LEGAL COUNSEL AND BRIEFINGS BY STAFF MEMBERS OR CONSULTANTS PERTAINING TO ACTION OR PROBABLY LITIGATION AND CONSULTATION WITH LEGAL COUNSEL ON SPECIFIC LEGAL MATTERS REQUIRING LEGAL ADVICE BY COUNSEL PURSUANT TO VIRGINIA CODE SECTION 2.2.3711(A)1

Mr. Dooley seconded the motion and the motion passed unanimously.

Mr. Barron moved:

Cleansing Motion Coming Out of Closed Session:

CHAIR: IN ACCORDANCE WITH VIRGINIA CODE SECTION 2.2-3712, I MOVE THAT THE FAIRFAX COUNTY POLICE OFFICERS RETIREMENT BOARD OF TRUSTEES MEMBERS CERTIFY THAT, TO THE BEST OF EACH MEMBER'S KNOWLEDGE, ONLY PUBLIC BUSINESS MATTERS LAWFULLY EXEMPTED FROM OPEN MEETING REQUIREMENTS UNDER THE VIRGINIA FREEDOM OF INFORMATION ACT AND ONLY SUCH PUBLIC BUSINESS MATTERS AS WERE IDENTIFIED IN THE MOTION BY WHICH THE CLOSED SESSION WAS CONVENED WERE HEARD, DISCUSSED, OR CONSIDERED IN CLOSED SESSION.

Mr. Bitner seconded the motion and the motion passed unanimously.

Board Requests and Follow-ups

Mr. Weiler referred the Board to the lists of open and completed Board requests..

Adjournment

Mr. Dooley moved to

ADJOURN

Mr. Herald seconded the motion and the motion passed unanimously.

The meeting adjourned at 3:50 p.m.

Rich Barron, President

FOOTNOTE: This information has been prepared by Fairfax County and has not been provided or approved by the General Partners, Investment Managers or the Funds.

Motion

- COMMIT \$25 MILLION TO CRESTLINE OPPORTUNITY FUND V WHICH REPRESENTS 125% OF A 1% TARGET POSITION SIZE.

Motion

- COMMIT \$13MM (67 BP) TO SECTION CAPITAL FUND V AND \$6MM (33 BP) TO SECTION VENTURES FUND II WHICH REPRESENT A 1% TARGET FUND SIZE IN AGGREGATE.



Board Followups and Requests

Police Officers

OPEN

Requested	Followup or Request	Requestor	DueDate	Closed?	Details	Status Indicator	Status Notes
07/08/2020	Look into feasibility of mirroring spousal options from VRS	Ed O'Carroll	06/24/2022	No			Need to be presented to BOS Personnel committee for action.
02/10/2021	Change "Spousal Option" to "Life Insurance"	Rich Barron	06/30/2022	No	Instead of in Code, how about in manual and training?	In Process	This will need to be changed in County Code
03/10/2021	How many times has the County Attorney waived Morgan Lewis's conflict of interest?	James Bitner	04/20/2022	No	When Morgan Lewis represents the other side in investment contract reviews	Awaiting Input	Requested County Attorney provide a response on March 11, 2021. Having no response, followed up on April 13, 2021. County Attorney said she was still reviewing this question. As of April 18, 2022 the County Attorney has still not responded. The Board can ask her about this when she attends the April 20, 2022 Board meeting.
04/14/2021	Have Cheiron update the 2013 estimates for the cost of military service purchases and place it on a future agenda for discussion.		06/24/2022	No			Will need to be presented to BOS Personnel subcommittee for action.
02/09/2022	CPI calculation clarification	Jim Dooley	03/17/2022	No	Mr. Dooley believes that the way that COLA is the is not correct, based on Code. He believes that it should be the average of all 12 months.	In Process	



Board Followups and Requests

Police Officers

OPEN

Requested	Followup or Request	Requestor	DueDate	Closed?	Details	Status Indicator	Status Notes
02/09/2022	Some of the items on the list are old. Requesting that staff make these a priority to complete ASAP.	James Krause	04/30/2022	No		In Process	



Board Followups, Requests, and Upcoming Agenda Items

Police Officers

COMPLETED

Requested	Followup or Request	Requestor	DueDate	Completed	Details	Status Notes
06/10/2020	Scope of Board's authority to delegate to staff	James Bitner	09/15/2021	Yes	Relating to memo from Ben Jacewicz dated October 19, 2019	In discussions with the County Attorney and staff over many months, it is their position that the bylaws be fairly brief and that Board Policies be developed to define and document delegation of authority and other high level areas (budget and payments, board meeting guidelines, etc.)
07/08/2020	Investigate possibility of having one-time 18 month window for officers to buy service credit	Ed O'Carroll	03/10/2021	Yes	For Police Officers who were unaware they could when hired or were told they could not	Per discussions with County Attorney's Office, this will require a Code change. Also, it will have to be evaluated by County leadership as to precedence for other systems.
09/09/2020	Why can the Board NOT hire outside counsel?	Jim Dooley		Yes	They had outside counsel before, from McClandish and Lillard, and believe they can still do so.	Based on discussion by the Board at their February 10, 2021 meeting, Jeff will request that the County Attorney put in writing why the Police Board does not have this authority. The Board met with the County Attorney on December 3, 2021 and this was discussed but not resolved.<div> </div><div>Subsequently the County Attorney has not provided additional information or opinions. </div>
01/13/2021	Would like a list of goals and board requests	James Krause		Yes	Requested that a list of requests and followups to Board agenda be created	In Board agenda for February 10, 2021 meeting



Board Followups, Requests, and Upcoming Agenda Items

Police Officers

COMPLETED

Requested	Followup or Request	Requestor	DueDate	Completed	Details	Status Notes
01/13/2021	Why must volunteer Board members fill out Statements of Economic Interest forms?	Brendan Harold		Yes		At February 2021 Board meeting, the County Attorney referenced the State Code and guidelines, with no explanation
01/13/2021	Provide a list of members who entered DROP since 6/30/20	James Krause		Yes		List provided in Board agenda in February 10 2021 meeting
02/10/2021	Provide the Board with the current bylaws	James Krause		Yes		Jeff emailed them to the Board on Februry 10, 2021
02/10/2021	Present the draft new bylaws to the Board	James Krause		Yes		Included in April 2021 Board agenda, along with comparison (redline) with new draft prepared by the County Attorney
02/10/2021	Provide list of all members currently in DROP	James Krause		Yes		Provided in email
02/10/2021	Place Code Changes item on March Agenda	Ed O'Carroll	03/10/2021	Yes	1) mirror VRS spousal options & 2)	Delayed, need further details on what is being requested
02/10/2021	What is the status of staff & the Board's request that additional investment counsel firms be engaged?			Yes		Discussed with County Attorney on December 3, 2021. The costs of legal reviews, going forward, will be paid for from the County's General Fund and not from the Police Retirement Systems' assets.
03/10/2021	Include DROP entrants in monthly retirement list	James Krause		Yes		Included in April Board agenda, and from now on
03/10/2021	Schedule a special meeting on March 24th to discuss legal matters	Brendan Harold	03/10/2021	Yes		Scheduled and completed.



Board Followups, Requests, and Upcoming Agenda Items

Police Officers

COMPLETED

Requested	Followup or Request	Requestor	DueDate	Completed	Details	Status Notes
03/10/2021	Present all the ways that we can pay for things, in particular attorneys	Brendan Harold		Yes		Presented at March 2021 Board meeting
05/12/2021	Hire Brent Baber to advise on Board's legal authority and to review bylaws	Rich Barron	06/09/2021	Yes		
12/03/2021	Contact other Virginia retirement systems to see if they have outside counsel and if they attend Board meetings.	James Bitner		Yes		List emailed to Board Members on 12/22/21
12/03/2021	Provide Board with list of legal firms that have experience working for retirement systems and could serve the PORS Board in a similar manner	Brendan Harold		Yes		Memo from BJ PORS BOT not a body corporate 122221
12/03/2021	Prepare a memo to County Attorney as followup from the December 3, 2021 meeting with her	James Bitner		Yes	Thank her for coming, asking for a timely response to questions raised, and reiterating that the Board insists on hiring outside counsel.	Memo emailed to County Attorney on 12/16/21
12/03/2021	Produce and send out notes from meetings, talking points, and minutes out at least 1 week prior to each meeting	Brendan Harold		Yes		
12/03/2021	Send out meeting invitations for all 2022 meetings before the end of December, 2021	James Krause		Yes		