



## Minutes for Employees' Retirement System Board of Trustees

9/21/2022 | 3:33 p.m. – 6:47p.m. - Eastern Time (US and Canada)  
Hybrid Meeting

### Attendees

- Board:** Bob Carlson (out 5:04; in 5:06); Anthony Griffin; Catherine Schafrik (out 4:30; in 4:34); Kevin North (out 4:30; in 4:34); Chris Pietsch; Daniel McGraw; Terry Kellogg
- Virtual:** Ricky Brown; John Yeatman (in 3:39)
- Absent:** Jon Miskell
- Staff:** Andy Spellar (out 5:35); Katherine Molnar (out 5:35); Brian Morales (out 4:30; in 4:32; out 5:35); Jeff Weiler (out 4:35; in 4:37); Tony Vu (out 5:35); Jennifer Snyder (out 5:35); Yuko Ando (out 5:35); Filipp Dmitrov (out 4:29; in 4:46; out 5:35); Amy Bain (out 5:35); Carmen Solis (out 5:35)
- Guests:** Fiona Liston - Cheiron (virtual, in 4:31, out 5:33); Coralie Taylor - Cheiron (in 4:31, out 5:33); Adam Craddock, Deputy Director HR (out 5:35)

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### Set Agenda

Mr. Carlson called the meeting to order at 3:30 p.m.

#### Approval of Remote Participation:

1. Verification that the Remote Participant's voice is clear, audible and at an appropriate volume for the meeting room (those who are not in the room do not participate in this vote), and confirmation of their location: Board Member Mr. Brown: are you connected to this meeting remotely and where are you located? I move that Mr. Brown's voice may be adequately heard in this location.
2. Verification that the Remote Participant's physical absence comports with the policy: Pursuant to the ERS Board of Trustees Policy for Participation in Meetings by Electronic Communication, I move that Board Member(s): Mr. Brown be permitted to participate remotely in this meeting because it comports with the policy, and a physical quorum is present here in the Retirement Systems Board Room.

Mr. North moved, Mr. Griffin seconded, and the motion passed.

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### INVESTMENT MATTERS

Mr. North moved, Mr. Griffin seconded the motion, and the motion passed unanimously:

**Enter Closed Session:**

THAT THE FAIRFAX COUNTY EMPLOYEES' 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:

- (i) 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,
- (ii) 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
- (iii) SPECIFICALLY RELATES TO
  - Investment Manager Presentations
  - Recommendations
  - Portfolio Updates and actions
  - Market Value Report
  - Manager Quarterly Reports
  - Closed Session Notes

The Board entered closed session at 3:32 p.m.

Mr. North moved, Mr. Griffin seconded the motion, and the motion passed to:

**Exit Closed Session:**

IN ACCORDANCE WITH VIRGINIA CODE SECTION 2.2-3712, I MOVE THAT THE FAIRFAX COUNTY EMPLOYEES' 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

The Board exited closed session at 3:46 p.m.

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**LEGAL MATTERS**

Mr. North moved, Ms. Kellogg seconded the motion, and the motion passed unanimously to:

**Enter Closed Session:**

THAT THE FAIRFAX COUNTY EMPLOYEES' 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)8

The Board entered closed session at 3:47 p.m.

Mr. North moved, Mr. Griffin seconded the motion, and the motion passed unanimously to:

**Exit Closed Session:**

IN ACCORDANCE WITH VIRGINIA CODE SECTION 2.2-3712, I MOVE THAT THE FAIRFAX COUNTY EMPLOYEES' 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

The Board exited closed session at 4:01 p.m.

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**MOTIONS**

Mr. Griffin moved; Mr. McGraw seconded the motion and the motion passed unanimously to:

APPROVE THAT THE LETTER FROM THE CHAIRMAN TO THE COUNTY ATTORNEY BE SENT

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**ADMINISTRATION/BENEFIT MATTERS**

**Approval of January 2022 Minutes**

Ms. Schafrik moved:

TO APPROVE THE JANUARY 2022 MEETING MINUTES

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

**Approval of May 2022 Minutes**

Ms. Schafrik moved:

TO APPROVE THE MAY 2022 MEETING MINUTES

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

**Approval of July 2022 Minutes**

Ms. Schafrik moved:

TO APPROVE THE JULY 2022 MEETING MINUTES

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

Ms. Schafrik introduced Mr. Craddock as the Deputy Director of Human Resources. She said he would be attending meetings when she was unavailable.

#### **Retiree Payroll Fraud**

Mr. Yeatman described recent fraudulent activity regarding his Fairfax County Retirement benefit check that was deposited to a different bank. Mr. Weiler explained the new protocol for confirming retirees have initiated changes. Mr. Pietsch shared that the Finance Department calls all vendors when bank information is being changed. Ms. Schafrik confirmed that HR does the same.

#### **Deputy Director Position**

Mr. Weiler said the Deputy Director position has not yet been advertised due to salary scale updates. Ms. Schafrik confirmed that if the request is submitted by September 23, then the posting would be next week, and the new scale would be used.

#### **Public Meetings Guidelines**

Mr. Weiler provided the FOIA Public Meeting Compliance chart. It is for informational purposes only and includes addresses as well as times for posting agendas to the public website.

#### **Governance Articles**

Mr. Weiler referred the Board to several articles in the agenda, from Funston Governance Advisors, which address the fiduciary duties of trustees.

#### **Measuring Public Pension Health**

He also talked about the Measuring Public Pension Health article which describes different ways to measure the health of pension plans. It is more than just looking at funded status. The actuarial status and the fiscal status of the government need to also be considered.

#### **Mortality and COVID**

Mr. Weiler reviewed an article that discusses COVID-19 and the Short-Term Impact on Future US Mortality article. Mortality rates changed due to COVID-19. This is considered a short-term impact and will affect lifespan until about 2030 when the excess mortality number near expected levels.

#### **Future Agenda Items and Board Requests**

Mr. Weiler referred the Board to the Future Agenda Items and Open Board Requests.

#### **Actuarial Valuation**

Ms. Liston and Ms. Taylor, both from Cheiron, provided the Actuarial Valuation for FY 2022. Ms. Liston gave a historical review of the ERS and then Ms. Taylor reviewed the current statistics. The actuaries presented an option that would lower the required County contribution slightly. To-date, any remaining actuarial liabilities have been effectively amortized over 14 years. The proposed change would extend the amortization period to 15 years, which is the Board-approved assumption.

Mr. Griffin moved, and Mr. North seconded the motion to:

ADOPT THE NEW COUNTY CONTRIBUTION RATE OF 31.45% FOR FY 2024

Mr. McGraw and Ms. Kellogg abstained, and the motion carried.

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## PERSONNEL MATTERS

Mr. North moved, Ms. Schafrik seconded the motion, and the motion passed unanimously:

### Enter Closed Session:

THAT THE FAIRFAX COUNTY EMPLOYEES' RETIREMENT BOARD OF TRUSTEES GO INTO CLOSED SESSION FOR DISCUSSION, CONSIDERATION, OR INTERVIEWS 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 SECTION 2.2.37(A) 1

The Board entered closed session at 5:33 p.m. All staff members, except for Mr. Weiler, left the meeting at 5:38.

Mr. Griffin moved, Ms. Schafrik seconded the motion, and the motion passed unanimously to:

### Exit Closed Session:

IN ACCORDANCE WITH VIRGINIA CODE SECTION 2.2-3712, I MOVE THAT THE FAIRFAX COUNTY EMPLOYEES' 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

The Board exited closed session at 6:45 p.m.

### **Adjourn**

Ms. Schafrik moved:

TO ADJOURN

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

The meeting adjourned at 6:47 p.m.



Robert C. Carlson, Chairman



Jeffrey K. Weiler, Executive Director