



Minutes for Police Officers Retirement System Board of Trustees Meeting

9/14/2022 | 1:33 p.m. – 4:57 p.m. - Eastern Time (US and Canada)

Attendees

Board

In-Person: Rich Barron (out 2:45; in 2:48), Jay Jupiter, Jim Bitner, James Krause (in 1:40; out 4:26), James Dooley, Chris Pietsch

Absent: Ed O'Carroll, Brendan Harold

Staff

In-Person: Jeff Weiler (out 2:58; in 3:01; out 3:08; in 3:14; out 3:25; in 3:35), Katherine Molnar (out 2:46 in 2:48), Andy Spellar (out 3:20), Brian Morales (out 4:32), Tony Vu, Yuko Ando (our 3:41; in 3:44; out 4:45), Amy Bain, Carmen Solis (out 4:23); Filipp Dmitrov (out 3:00); Jennifer Snyder (out 3:15)

Virtual: Andy Spellar (in 3:25)

Guests: Martin Crim with Vanderpool, Frostick and Nishanian PC (Virtual: in 1:44; out 3:56)

Set Agenda

Mr. Barron called the meeting to order at 1:33 p.m.

There were several changes to the order of the agenda.

Administrative Matters

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) (7)

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

The Board entered closed session at 1:34 p.m.

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. Dooley seconded the motion and the motion passed unanimously.

The Board exited closed session at 2:11 p.m.

Benefit Matters

Disability Retirements

Mr. Barron moved:

Motion to Go into Closed Session – Personnel Matters

THAT THE FAIRFAX COUNTY POLICE OFFICERS 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

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

The Board entered closed session at 2:12 p.m.

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. Dooley seconded the motion and the motion passed unanimously.

The Board exited closed session at 2:18 p.m.

Mr. Bitner moved:

TO GRANT OFFICER ZB A SERVICE-CONNECTED DISABILITY RETIREMENT.

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

Action Items

Approval of Minutes

Mr. Dooley moved:

APPROVE THE JULY 2022 BOARD MEETING MINUTES

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

Mr. Dooley moved:

APPROVE THE AUGUST 2022 SPECIAL BOARD MEETING MINUTES

Mr. Krause seconded the motion. Mr. Pietsch abstained and the motion passed.

Motions

Mr. Dooley moved:

APPROVE THE WARRANT TO PAY DR. SAGER

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

Mr. Jupiter moved:

ACCEPT THE MEDICAL EXAMINER'S RECOMMENDATION AND AUTHORIZE AN INDEPENDENT MEDICAL EVALUATION (IME) FOR JK

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

Mr. Krause moved:

TO DELEGATE TO STAFF THE AUTHORITY TO HIRE INVESTMENT MANAGERS OR INVEST IN FUNDS OR DERIVATIVES FOR INCLUSION IN UP TO A 10% ALLOCATION OF THE TOTAL PORTFOLIO TO OPPORTUNISTIC AND/OR TACTICAL INVESTMENT STRATEGIES. THESE INVESTMENTS MAY BE MADE IN ANY ASSET CLASS. THE 10% ALLOCATION IS MEASURED AT THE TIME OF FUNDING THE INVESTMENT. FUNDING WOULD COME FROM AVAILABLE CASH, TRANSITIONAL CASH FLOWS, OR TRIMMING OF EXISTING POSITIONS. TWO OFFICERS OF THE BOARD MUST APPROVE ANY SUCH INVESTMENTS IF APPROVAL IS NOT OBTAINED FROM THE BOARD AT A BOARD MEETING. THE FULL BOARD WILL BE ADVISED AT THE NEXT AVAILABLE BOARD MEETING WHEN INVESTMENTS ARE APPROVED BY TWO OFFICERS.

Mr. Dooley seconded the motion.

TO DELEGATE TO STAFF THE AUTHORITY TO HIRE INVESTMENT MANAGERS OR INVEST IN FUNDS OR DERIVATIVES FOR INCLUSION IN UP TO A 10% ALLOCATION OF THE TOTAL PORTFOLIO TO OPPORTUNISTIC AND/OR TACTICAL INVESTMENT STRATEGIES OR FIRE INVESTMENT MANAGERS AND TO MAKE REDEMPTIONS AND DIVEST. THESE INVESTMENTS MAY BE MADE IN ANY ASSET CLASS. THE 10% ALLOCATION IS MEASURED AT THE TIME OF FUNDING THE INVESTMENT. FUNDING WOULD COME FROM AVAILABLE CASH, TRANSITIONAL CASH FLOWS, OR TRIMMING OF EXISTING POSITIONS. TWO OFFICERS OF THE BOARD MUST APPROVE ANY SUCH INVESTMENTS IF APPROVAL IS NOT OBTAINED FROM THE BOARD AT A BOARD MEETING. THE FULL BOARD WILL BE ADVISED AT THE NEXT AVAILABLE BOARD MEETING WHEN INVESTMENTS ARE APPROVED BY TWO OFFICERS.

The amended motion passed unanimously.

Administrative Matters

Mr. Weiler provided a summary of PORS funds. He spoke about funds in the trust, cash flow and cash on hand, revenue by categories, and expenditures which included benefits, administrative expenses, and investment expenses.

There was a brief review of changing the reference of spousal benefits to "life insurance," but further discussion is continued until next month.

The listing and schedule for code changes was deferred to next month.

Mr. Weiler reviewed the email from Ted Arnn regarding the timing of the health subsidy, the high health insurance premiums, and the cap on the COLA. He suggested that there might be some reprieve when the system is fully funded.

Mr. Krause reminded the board of the staffing crisis and explained how including police cadets in the PORS might be a way to establish a pipeline for hiring new police officers as well as provide relief to the current officers if the cadets could take over some of the duties that don't need to be completed by a sworn police officer (e.g., logistics, parking tickets, crossings).

Mr. Weiler provided an update on the hiring of a deputy director and said waiting for the change in the M-Schedule to be finalized would allow advertisement at the higher salary.

Mr. Weiler explained that the terminology in the PORS Handbook regarding "handicapped" child was outdated and not acceptable. Further discussion is planned for next month.

Investment Matters

Ms. Molnar presented Investment Philosophy – Balancing Risk. She explained risk parity and how the type of investment in the portfolio contributes to the risk calculation.

Mr. Barron moved, Mr. Bitner seconded the motion, and the motion passed to enter closed Session at 4:27 p.m.

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. Dooley seconded the motion, and the motion passed unanimously to exit closed Session at 4:41 p.m.

Performance Snapshot

The Performance Snapshot was noted for the record.

Administration/Benefit Matters

Mr. Weiler referred the board to articles of interest that could be read at their leisure.

The retirement and DROP applications as well as the active DROP participants were reviewed.

Mr. Dooley moved:

APPROVE ALL RETIREMENT AND DROP APPLICATIONS

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, as well as the list of future agenda items.


Adjournment

Mr. Dooley moved to

ADJOURN

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

The meeting adjourned at 4:57 p.m.


Rich Barron, President