

COUNTY OF HENRICO, VIRGINIA
FINANCE BOARD
REGULAR MEETING
March 25, 2024

The Henrico County Finance Board convened a regular meeting on Monday, March 25, 2024, at 2:00 p.m. in the Finance Conference Room, Administration Building, Henrico County Government Center, Parham and Hungary Spring Roads, Henrico County, Virginia.

Members of the Board Present:

Sheila S. Minor, Director of Finance, Board Chairman
Vaughan G. Crawley, Citizen Member
John B. Wack, Citizen Member
Carter Whitelow, Citizen Member

Other Attendees:

Charles Ramsay, Finance-Accounting

Mrs. Minor called the meeting to order at 2:01 p.m.

Approval of Minutes of the Meeting of December 20, 2023

Mrs. Minor reminded everyone that a draft of the minutes had been emailed the prior day for review in advance of the meeting. The Board approved the minutes as presented.

Summary of VML/VACO OPEB Board Meeting – March 8, 2024

Mrs. Minor reviewed excerpts of handouts from the March 8 VML/VACO OPEB Board meeting materials.

She noted that there was a presentation from a potential new fund manager, Principal Enhanced Property Fund, LP (“PEPF”). She noted that there had been a plan to divest from UBS as there was concern about performance in light of benchmarks and changes in management. She reviewed highlights from PEPF’s presentation noting that there was a little more risk with this fund manager than some strict core property managers. She reviewed their property sector diversification, fund performance as of 12/31/23, lease rollover strategy, and annual performance summary since 2005. She pointed out that their performance was better than benchmarks during a majority of the negative periods. She noted that the plan was to commit approximately \$61 million with investments over time and draws starting in the 4th quarter of 2024.

Mrs. Minor reviewed ACG’s “Market Snapshot” as of January 31, 2024. She reviewed asset class valuations and where it was considered that rebalancing was necessary.

Review of Portfolio Performance

Mrs. Minor reviewed total portfolio performance for Portfolio I (where the County is invested) noting that the FYTD was just slightly under benchmark driven somewhat by private equities underperformance. There was no benchmark for the private equity component due to their nature. She also reviewed the private equity portfolio noting the amount committed vs. currently invested as there is a longer process for getting into these types of investing opportunities.

She noted that the custodian has been Comerica for a long time. They have had reporting glitches over the last several months. Staff felt like they were not getting the level of customer service expected. The new investment staff were familiar with better reporting tools and other custodians. Accordingly, an RFP was issued and they found a better solution for half of the cost, Northern Trust. The VML/VACO OPEB Board agreed with the proposal. Mr. Ramsay asked about the timeline for conversion. Mrs. Minor

knew they were avoiding year-end timeframes but would confirm when the custodian switch was scheduled to take place.

Mr. Wack asked if Henrico had one of the larger balances in the Trust. Mrs. Minor was pretty certain that Henrico was not the largest but likely had one of the larger balances. She noted that she would confirm.

Other Business

- None

Next Meeting

Monday, July 8, 2024

Adjourn

There being no further business, the meeting was adjourned at 2:23 p.m.



Director of Finance
Finance Board Chairman
Henrico County, Virginia