

COUNTY OF HENRICO, VIRGINIA
FINANCE BOARD
REGULAR MEETING
July 8, 2024

The Henrico County Finance Board convened a regular meeting on Monday, July 8, 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
Carter Whitelow, Citizen Member

Members of the Board Absent:

John B. Wack, Citizen Member

Other Attendees:

Charles Ramsay, Finance-Accounting (online)

Mrs. Minor called the meeting to order at 2:29 p.m. after a delay.

Approval of Minutes of the Meeting of March 25, 2024

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

Summary of VML/VACO OPEB Board Meeting – June 21, 2024 and Review of Portfolio Performance

Mrs. Minor reviewed excerpts of handouts from the June 21 VML/VACO OPEB Board (the “OPEB Board”) meeting materials.

She revisited a topic from the prior local board meeting to confirm that the OPEB Board’s approved change of custodians from Comerica to Northern Trust was targeted to be effective on September 30.

She also noted that there had been a request in the OPEB Board’s March meeting about whether fund manager fees were tracked internally. This topic had been scheduled for the June 21 meeting.

Mrs. Minor shared the OPEB Board’s discussions on performance for Portfolio I (where the County is invested) as of April 30 as noted on a handout. She noted that one of the small cap investments was lagging benchmarks due to changes in the market but the general consensus was that it was ok to continue with both as the current mix was performing well relative to peers. The total portfolio was doing well relative to benchmarks.

Mrs. Minor noted that there was a discussion about replacing an international equity investment that was underperforming relative to benchmarks. It was undergoing a partial change at the portfolio management position. Accordingly, there was a presentation from a potential new fund manager, Walter Scott. They covered their investment team experience noting that all have an equal say among the group. She reviewed handouts on their investment philosophy and approach as well as investment growth over time as of March 31. They largely had a buy and hold strategy with average 10-years holding rather than a trendy approach. She noted their office locations and that their investments were concentrated in the Americas and Asia. She reviewed their distributions by sector and location. They were heavier in the information technology sector and lower in the financial sector. They prefer equity to debt and were not a value investor and would pay a premium for long-term performance. She noted that the OPEB Board agreed to move forward, and she would follow up on the timeline for investing.

Mrs. Minor shared a Blended Fee Schedule Analysis for Portfolio I that had been requested at the OPEB Board's March meeting. She noted they were divesting from one manager that had one of the larger blended fees noted on the listing.

Mrs. Minor reviewed a schedule of the actual vs. target allocation for Portfolio I as of May 31. She noted that the US Equity investments were above the target. However, this is the source for private equity investments which take a longer time to enter. They didn't want to hold funds in cash until the private equity opportunities came along.

Other Business

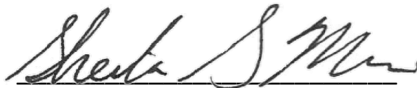
- None

Next Meeting

Wednesday, October 2, 2024

Adjourn

There being no further business, the meeting was adjourned at 2:53 p.m.



Director of Finance
Finance Board Chairman
Henrico County, Virginia