

COUNTY OF HENRICO, VIRGINIA
FINANCE BOARD
REGULAR MEETING
October 2, 2024

The Henrico County Finance Board convened a regular meeting on Wednesday, October 2, 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 (via Teams)
John B. Wack, Citizen Member (via Teams)
Carter Whitelow, Citizen Member

Other Attendees:

Charles Ramsay, Finance-Accounting (via Teams)

Mrs. Minor called the meeting to order at 2:07 p.m.

Approval of Minutes of the Meeting of July 8, 2024

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

Review of Portfolio Performance

Mrs. Minor noted that portfolio performance information as of 8/31 was not covered at the annual meeting, but had been provided at her request after the annual meeting. She shared a handout marked "Preliminary" covering Portfolio I as of 8/31 and reviewed some observations from the information. Small Cap and International Equity investments were dragging performance down. However, a new international equity fund manager, approved at the last meeting, hadn't returned their information yet. A Core Real Estate investment was also not performing well compared to the benchmark.

Summary of VML/VACO OPEB Board Meeting – September 20, 2024

Mrs. Minor reviewed excerpts of handouts from the September 20 VML/VACO OPEB Board and Annual meeting materials. She noted that there was a Long/Short Equity Portfolio presentation. She noted that this part of Portfolio I and Portfolio II was invested in nine underlying funds with various strategies. She reviewed the key areas noting that one manager was currently being redeemed. The OPEB Trust policy and guidelines call for a minimum of eight funds in this portfolio.

She reviewed handouts related to a proposed fund, Maple Rock Capital. She reviewed the key characteristics of the portfolio. The presentation compared the performance of this fund to an existing fund that would be replaced. It was noted that this fund did better in the 1 Yr, 3 Yr, and 5 Yr comparison.

Mrs. Minor noted that, during the Annual Meeting, commercial real estate was discussed. She reviewed several slides from that presentation. It was noted that office values have been under pressure for several years and apartments in high supply markets are being watched. Seniors housing appears to be moving in the right direction. Two trillion dollars of commercial real estate loans are maturing in the next several years and there is optimism that loans can be pushed forward. She reviewed a slide showing the potential debt funding gap by type and year. She also reviewed a slide showing office loan delinquency rate trends.

Mrs. Minor reviewed a slide showing Portfolio I returns by fiscal year and a slide related to gains in the Top 6 Tech firms which were nearly the same as for “Big 7” global industry leading companies across sectors and also exceeded GDP of Japan.

Other Business

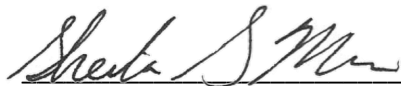
- J. Wack thanked Mr. Ramsay for sending out the Comerica statements showing the balance of investments as of 6/30/23 and 6/30/24 prior to the meeting. He noted that he would be waiting on the release of the year-end audited financial statements for the liability status as Mr. Ramsay had also confirmed that this information was not yet ready.

Next Meeting

Wednesday, December 18, 2024 – 2PM

Adjourn

There being no further business, the meeting was adjourned at 2:26 p.m.



Director of Finance
Finance Board Chairman
Henrico County, Virginia