

COUNTY OF HENRICO, VIRGINIA
FINANCE BOARD
REGULAR MEETING
June 13, 2022

The Henrico County Finance Board convened a regular meeting on Monday, June 13, 2022 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 Minor, Director of Finance, Board Chairman
Vaughan G. Crawley, Citizen Member
John B. Wack, Citizen Member (via Webex)
Carter Whitelow, Citizen Member

Other Attendees:

Matthew Chafin, Finance
Charles Ramsay, Finance-Accounting

Mrs. Minor called the meeting to order at 2:03 p.m.

Approval of Minutes of the Meeting of March 30, 2022

Mr. Crawley noted that he had emailed a draft of the minutes for review in advance of the meeting and had received no suggested edits. The Board approved the minutes as presented.

Summary of VML/VACO OPEB Board Retreat – May 31, 2022 – 1 June 2022 and Review of Portfolio Performance

Mrs. Minor noted that she had attended the retreat conducted over two half days in Virginia Beach.

She reviewed highlights of some of the retreat handouts:

- Some brief history had been covered. It was noted that Henrico was one of two original localities that participated in the formation of the Trust in 2008. As allowed by Internal Revenue Code (IRC), the OPEB Trust is set up as a Section 115 trust where the assets revert to its governmental participants in the event OPEB benefits are ever eliminated. The Trust offered two portfolios with the second offering less risk and a lower expected return on more fixed income investments. She noted that there are currently two localities in this second portfolio.
- Some conceptual material had been covered including the “Prudent Investor Rule” and important Trustee responsibilities under the Code of Fiduciary Conduct. She provided examples of decision-making when making changes in the asset mix between Portfolio I and Portfolio II based on the risk tolerance differences. She emphasized Asset Consulting Group’s role as an advisor who doesn’t sell any of the products.
- She reviewed the composition of the OPEB Trustees and locality voting rights. She noted that she was Henrico’s representative on the Board in Class A and the seat would be up for election again in 2024. She pointed out some of the new members who had become trustees.
- She noted that annual meetings are held between September 1 and October 1 of each year. The upcoming meeting would be held in Richmond and all were welcome to attend.
- She reviewed the key players (e.g., the Board of Trustees, staff at VML/VaCo; the consultant; the custodian, Comerica, etc.).
- She reviewed the Fixed Income Portfolio noting the 3 focal points that had been defined for that segment of both Portfolio I and II. She reviewed a depiction of the strategic approach to asset allocation over time noting the changes in the strategy for Portfolio I. She reviewed the approach that had been taken regarding private equity investments.

- She reviewed an actual vs. target allocation summary for Portfolio I for the period ending 4/30/22. She noted that the actual private equity investments were under the target noting that this portfolio was expected to build over time as new investment opportunities were identified.
- She noted that there had been a presentation from Blackstone related to the real estate portion of the Portfolio which focused on their core themes.
- She noted that there was discussion about the need to temper the outlook for the next decade considering a downturn and recession.

Other Business

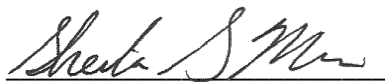
- Mrs. Minor noted that she was working on the letter to the Board of Supervisors similar to what had been prepared and sent out under the County Manager's name in the past.

Next Meeting

Wednesday, October 5th.

Adjourn

There being no further business, the meeting was adjourned at 2:36 p.m.

A handwritten signature in cursive script, appearing to read "Sheila S. Minor", is written over a horizontal line.

Director of Finance
Finance Board Chairman
Henrico County, Virginia