

COUNTY OF HENRICO, VIRGINIA
FINANCE BOARD
REGULAR MEETING
December 21, 2022

The Henrico County Finance Board convened a regular meeting on Wednesday, December 21, 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 (via WebEx)

Other Attendees:

Matthew Chafin, Finance
Charles Ramsay, Finance-Accounting (via WebEx)

Mrs. Minor called the meeting to order at 2:02 p.m.

Approval of Minutes of the Meeting of October 5, 2022

Mr. Crawley 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 – December 9, 2022 and Review of Portfolio Performance

Mrs. Minor noted that she had distributed excerpts of handouts from the VML/VACO OPEB Board meeting via email before the meeting. She noted that overall the portfolio was performing as well as can be expected in a bad market. Referring to a Portfolio I statement for the period ending 10/31/22, she noted that the market value of the private equity investments was down to \$89 million from the prior balance of \$90+ million. Additionally, she pointed out that Marathon-London in the international equity investments was down YTD.

Mrs. Minor noted that there was a small cap investment presentation during the OPEB meeting by Silvercrest. They emphasized two points—growth and value. She reviewed a handout of some of the key points from their presentation including their general investment philosophy.

Mrs. Minor informed the board that VML/VACO had established a new Director of Investments position. She reviewed a handout highlighting the key responsibilities of the position to help distinguish how the role fits with the existing administrative staff; Asset Consulting Group (ACG), the advisor; and Comerica, the investment custodian. She noted that they had already filled the new position with a person from the University of Richmond who had managed private investments. The new director is expected to do more of the heavy lifting working with ACG related to recommendations to the Board. She noted that VML/VACO currently planned to keep ACG on but felt they needed more people internally. They had done research on funds of a certain size. She noted that participating localities currently pay a fee for VML/VACO's administrative work. VML/VACO was covering salary, travel, and tools. They had built a bonus into the new director's package but wanted Board approval of some type of incentive if the portfolio performed above benchmarks. She indicated that it would be a lesser incentive for the first few years since most investments are already in place.

Mr. Whitelow asked if there was any expected change in how the Board operates with the new director vs. ACG. Mrs. Minor noted that there was no change foreseen.

Other Business

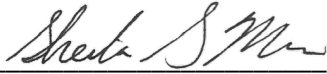
- Mrs. Minor noted that the calendar of 2023 meetings had already been set following the schedule for VML/VaCo meetings and Outlook invitations were sent by Regina Windsor.

Next Meeting

Wednesday, March 29, 2023.

Adjourn

There being no further business, the meeting was adjourned at 2:25 p.m.



Director of Finance
Finance Board Chairman
Henrico County, Virginia