

**MINUTES OF APRIL 5, 2023 RETIREMENT BOARD
CITY OF ALEXANDRIA
SUPPLEMENTAL RETIREMENT BOARD
INTERIM MEETING**

PRESENT:

<u>Members</u>	<u>Others</u>
Kelsea Bonkoski (Medics/Fire Marshal – Alternate)	Adriana Bradford, Staff
Cassandra Branch (Deputy Sheriff – Alternate), virtually	Kadira Coley, Staff
Jina Edwards (General Schedule)	Denise Cummings, Staff
Julian Gonsalves (Management)	Nicole LaPoint, Staff
Jean Kelleher ¹ (Management)	Arthur Lynch, Staff
Katherine Key (Management)	
James Moore (General Schedule)	
Sharath Reredy (General Schedule – Alternate)	
Kendel Taylor (Management)	

¹Technical Corrections and Plan Document Review Committee

²Vendor & Service Provider

Absent:

Robert Gilmore¹ (Deputy Sheriff)

Jesse Maines (Management - Alternate)

James Mikell (Medics/Fire Marshals)

Dana Wedeles (General Schedule – Alternate)

CALL TO ORDER

The meeting was called to order at 8:52 AM on Wednesday, April 5, 2023.

MEETING RECORD

Mr. Moore made a motion to:

Approve the January 4, 2023, and February 1, 2023 minutes.

Ms. Kelleher seconded the motion. The motion was unanimously approved (8–0)

FINACIAL & QUARTERLY REPORT REVIEW

- Mr. Bryant presented a board educational on the 6 events in history that have shaped pension board experience.
- Mr. Bryant gave an overview of the current market trends:
 - The Fund earned 5.6% for the quarter and landed in the 60th percentile. The average public pension fund earned 5.9% so we were slightly below the average. The Manager Shadow Index was 5.3% so the active managers helped the fund.
 - GDP was around 3%. The FED is trying to lower to fight inflation.
 - Unemployment is down to 3.5%, the lowest level in 40 years.
 - CPI is currently at 6.5%, The FED is aiming for 2%
 - Mr. Bryant explained the Silicon Valley Bank Situation.
- Ms. Kelleher inquired about Mr. Bryant’s opinion on private equity valuations and if they may be too high.

- Mr. Bryant agreed that the valuations are high. The business real estate market valuations were not updated during COVID and have not been updated until recently due to inactivity in the market. The valuations will not realize the actual numbers until the June fiscal year ends.
- Mr. Bryant noted that the Plan’s real estate investment distributions have been reinvested into the market instead of being paid to the Fund but with the illiquidity of the market right now they recommend electing to start receiving the distributions.

Ms. Kelleher made a motion to:

Elect to receive distributions from the real estate investments.

Ms. Edwards seconded the motion. The motion was unanimously approved (8–0)

- Mr. Bryant presented the investment policy statement and explained the structure for the new trustees.

Ms. Kelleher made a motion to:

Approve the Investment Policy Statement.

Ms. Bonkoski seconded the motion. The motion was unanimously approved (8–0)

- Mr. Bryant went over the newly elected asset allocation and how the changes would be implemented. He explained how the manager’s search will be conducted where needed. Dahab will issue an RFP for international small cap managers as a first step to implementing the new asset allocation.
- Mr. Bryant gave an overview of the benefits of active versus passive management of investments.
 - There are several advantages to passive management such as the cheap price, the ease of implementation, and no need for manager discussions.
 - The advantages of active management include the added educational perspective and the possibility of beating the market.

ADMINISTRATORS REPORTS

Regular Investment Reports

- Mr. Bryant and Ms. Coley reviewed the new quarterly rebalancing report done as of February 28th that Dahab prepared and the transactions that took place.
- Ms. Key asked why the cash percentage was so high when the target was 0.
 - Ms. Coley explained that the cash cannot be 0 due to the need to pay benefits and administrative expenses. A change in our method of grouping for the rebalancing also affected the higher percentage.
 - Mr. Bryant noted that before it didn’t matter if the fund was heavy in cash versus fixed income due to the interest rate but now it does.

Other Items

Education, seminars, conferences & training

- An updated list of educational opportunities was provided.
- Mr. Moore and Ms. Key commented on their recent training in Florida.
- Ms. Kelleher noted that she will be attending training later this month.

COMMITTEE REPORTS

Technical Corrections and Plan Document Review Committee

No report was given.

Vendor & Service Provider Review Committee

No report was given.

OLD BUSINESS

None.

NEW BUSINESS

None.

NEXT MEETINGS

- a. Wednesday, May 3rd at 8:45 AM, Interim Meeting
- b. Thursday, June 8th at 8:45 AM, Joint Due Diligence Meeting
- c. Wednesday, July 5th at 8:45 AM, Interim Meeting

ADJOURNMENT

The meeting adjourned at 11:20 AM.

HANDOUTS

Distributed to Board members in the Board Packet:

Agenda
Minutes of Prior Meeting
Upcoming Education Listing
Investment Policy Statement
Asset Allocation Implementation
Rebalancing Report

Distributed to Board members at the meeting:

Dahab Performance Review December 2022
Dahab Active/Passive Handout