
Minutes

A regular meeting of the Virginia Retirement System Administration, Finance and Talent Management Committee was held on September 16, 2026, with the following members participating:

Susan T. Gooden, Ph.D., Chair

A. Scott Andrews, Vice Chair

Lawrence A. Bernert III (*attended remotely from Norfolk, VA under § 2.2-3708.3(B)(4)*)

John M. Bennett

Board members present:

Jessica L. Hood (*attended remotely from Norton, VA under § 2.2-3708.3(B)(3)*)

William H. Leighty

VRS Staff:

Patricia Bishop, Andrew Junkin, Jennifer Schreck, Michael Cooper, David Cotter, Juanita Cribbs, Valerie Disanto, Curtis Doughtie, Pam Elam, Kenji Epling, Jonathan Farmer, Laurie Fennell, Laura Fields, Antonio Fisher, LaShaunda King, Leslie LaBrie, Daniel Lipok, Curt Mattson, Matt Priestas, Shawn Rabalais, Paula Reid, Mark Rein, Amethyst Sloane, Virginia Sowers and Emily Trent.

Guests:

Robert Leopold; Alex Jansson, Joint Legislative Audit and Review Commission; and Jacob Rose-Seiden, Osmosis.

The meeting convened at 1:01 p.m.

Opening Remarks

Dr. Gooden called the meeting to order and welcomed everyone to the September 16, 2026, meeting of the Administration, Finance and Talent Management Committee.

Approval of Minutes

Following a motion by Mr. Andrews, with a second by Mr. Leighty, the Committee approved the minutes of its June 17, 2026, meeting.

RBA – Reappointment of Investment Advisory Committee Members

Andrew Junkin, Chief Investment Officer, advised the Committee that the Investment Advisory Committee terms for Theodore Economou, Palmer Garson, Larry Kochard and Thomas Gayner are set to expire in the coming months. All four members are interested in continuing to serve on the committee.

Upon a motion by Mr. Andrews, with a second by Mr. Leighty, the Committee recommended approval of the action to the full Board of Trustees:

Request for Board Action: *The Board approves the reappointment to the Investment Advisory Committee (IAC) for two-year terms the following members: (i) Theodore Economou for a term ending September 13, 2028, (ii) Palmer Garson for a term ending October 16, 2028, (iii) Larry Kochard for a term ending February 19, 2029, and (iv) Thomas Gayner for a term ending February 19, 2029.*

Dr. Gooden thanked Mr. Junkin for his presentation.

Review Attainment of FY2026 Agency Performance Outcomes (APOs) and Operational Measures

Michael Cooper, Chief Operating Officer, reviewed the results of the FY 2026 agency performance outcomes (APOs) and operational measures. Mr. Cooper noted that the agency had four APOs for the fiscal year, with a target of completing at least three. Staff met this goal by successfully completing all four APOs. In addition, there were 16 operational measures for the year, of which 13 had to be met to achieve the target for the year. Staff successfully met their target by meeting 14 of the 16 operational measures.

Upon a motion by Mr. Andrews with a second by Mr. Leighty, the Committee recommended approval of the action to the full Board of Trustees:

RBA – Attainment of FY 2026 APOs and Operational Measures (and corresponding lump-sum bonus)

Request for Board Action: *The Board approves the attainment of FY 2026 Agency Performance Outcomes (APOs) and Operational Measures and a lump-sum bonus equal to 2.5% of salary for eligible administrative employees and eligible Investment Department operations and administration employees.*

Dr. Gooden thanked Mr. Cooper for his presentation.

Review Performance Bonuses for Eligible Administrative and Investment Operations and Administration Employees

Paula Reid, Director of Human Resources, presented a request for board action to approve performance bonuses for eligible administrative and investment operations and administration employees. Eligible employees who earn an “exceptional” rating on their performance evaluation qualify for a 4% bonus. Employees who earn an “exceeds” rating on their performance evaluation are eligible for a 2% bonus.

Upon a motion by Mr. Leighty, with a second by Mr. Andrews, the Committee recommended approval of the action to the full Board of Trustees:

RBA – Review Performance Bonuses for Eligible Administrative and Investment Operations and Administration Employees

Request for Board Action: *The Board approves performance lump-sum bonuses for eligible administrative employees and eligible Investment Department operations and administration employees.*

Quarterly Budget Update

Jon Farmer, Budget and Reporting Manager, presented the FY 2026 year-end budget results, explaining that VRS finished with an unexpended appropriation of \$8.2 million, which remained in the Fund. Mr. Farmer noted that most of the unexpended appropriation was the result of delays in completing several initiatives due to additional time needed to finalize agreements with third-parties, resource constraints and staff bandwidth surrounding concurrent priorities. Mr. Farmer also provided an overview of the agency's FY 2027 budget, noting that this is the first year of the new biennium budget and the total operating budget for the year is \$166 million.

Informational Item (Internal Audit Director's Performance Review)

Dr. Gooden informed the Committee that the Audit and Compliance (A&C) Committee reviewed the Internal Audit Director's performance at its September 16, 2026, meeting. Each year, the A&C Committee reviews the Internal Audit Director's performance and makes a recommendation for a performance bonus to the Board of Trustees. A copy of the request for board action to provide a performance bonus in the amount of 7% was shared with the Committee for informational purposes.

FOIA Electronic Meeting Attendance Policy

David Cotter, Director of Policy, Planning and Compliance, advised the Committee that in accordance with Va. Code § 2.2-3708.3(D), the Board must approve its remote meeting policy by recorded vote at a public meeting at least once annually. No changes are proposed this year. Therefore, the Board will affirm its current FOIA Electronic Meeting Attendance Policy.

Upon a motion by Mr. Leighty, with a second by Mr. Andrews, the Committee recommended approval of the action to the full Board of Trustees:

RBA – Affirm FOIA Electronic Meeting Attendance Policy

Request for Board Action: The Board affirms its FOIA Electronic Meeting Attendance Policy.

Compensation and Benefits (Closed Session)

Mr. Andrews moved, with a second by Mr. Bernert, that the Administration, Finance and Talent Management Committee of the Virginia Retirement System Board of Trustees convene a closed meeting under the Virginia Freedom of Information Act to discuss the compensation and benefits of specific employees pursuant to the personnel exemption at *Code of Virginia* § 2.2-3711(A)(1).

Upon return to open meeting, Mr. Andrews moved, with a second by Mr. Bernert, the following resolution:

WHEREAS, the Administration, Finance and Talent Management Committee of the Virginia Retirement System Board of Trustees convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, *Code of Virginia* § 2.2-3712 requires a certification by this Committee that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Committee certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Committee.

As required by Va. Code 2.2-3712(D), prior to the certification vote, Mr. Leighty stated that he believed that it would have also been appropriate to present some of the information presented in the closed session in open session. The Committee approved the resolution upon the following roll call vote:

Mr. Andrews: Aye
Mr. Bernert: Aye
Ms. Hood: Aye
Mr. Leighty: Nay
Dr. Gooden: Aye

RBA: Approve FY 2026 Incentive Pay for Investment Professionals

Upon a motion by Mr. Andrews, with a second by Mr. Leighty, the Committee recommended approval of the action to the full Board of Trustees:

Request for Board Action: *The VRS Board of Trustees approves payment of an incentive amount of approximately \$9,433,064.51 for FY 2026 to VRS investment professionals as authorized by the Investment Professionals' Pay Plan.*

Internal Audit reviewed the proposed investment incentive compensation for the fiscal year that ended June 30, 2026, and found that the aggregate amount was accurately computed in accordance with the Investment Professionals' Pay Plan.

RBA: Director's Performance Review

Upon a motion by Mr. Andrews, with a second by Mr. Leighty, the Committee recommended approval of the action to the full Board of Trustees:

Request for Board Action: *The VRS Board of Trustees approves a performance bonus for the VRS Director payable on October 16, 2026, and a supplemental payment made December 1, 2026, as authorized in the 2026 Appropriation Act.*

Other Business

Dr. Gooden noted the Administration, Finance and Talent Management Committee will hold an additional meeting to review the results of the Mercer study of the Investment Professionals Pay Plan¹.

Adjournment

There being no further business and following a motion by Mr. Leighty, with a second by Mr. Andrews, the Committee agreed to adjourn the meeting at 2:43 p.m.


Chair

10/15/2026
Date

¹The additional meeting was subsequently scheduled for October 15, 2026, at 10:30 a.m.