DISTRICT OF COLUMBIA RETIREMENT BOARD
BOARD MEETING MINUTES
NOVEMBER 17, 2016
1:00 P.M.

MEMBERS PRESENT
Joseph M. Bress, Chair
Lyle M. Blanchard *
Barbara Davis Blum
Joseph W. Clark
Mary A. Collins
Gary W. Hankins
Darrick O. Ross
Nathan A. Saunders
Edward C. Smith
Thomas N. Tippett
Michael J. Warren
Lenda P. Washington

* arrived after roll call.

DCRB STAFF PRESENT
Eric Stanchfield, Executive Director
Sheila Morgan-Johnson
Erie Sampson
Johnetta Bond
Anthony Shelborne
Peter Dewar
Joan Passerino
Leslie King
Jason Todd
Sebastian Podesta
Yolanda Smith
Deborah Reaves
Johniece Harris
Wukyanos Gebremeskel

MEMBERS NOT PRESENT
Jeffrey Barnette, ex officio

OTHERS PRESENT
Nadia Barbar, Citibank
Fred Duball, Hewlett-Packard

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ROLL CALL
Chairman Bress called the meeting to order at 1:30 p.m., and Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES
Chairman Bress introduced a motion to approve the October 20, 2016 Board meeting minutes.

Motion #1: To approve the October 20, 2016 Board meeting minutes.

The motion was moved by Trustee Collins and properly seconded by Trustee Hankins. The motion was approved (11-0). *(See Tally #1)*

CHAIRMAN'S COMMENTS

Chairman Bress commented on the following topics:

Letter to the African American Environmentalist Association

On November 1, 2016, the Board received a second letter from Norris McDonald, Founder and President of the African American Environmentalist Association, related to the Board's sale of certain fossil fuel investments. A written response from the Board will be sent.

Trustee Elections

The results of the Active Firefighter, Retired Police Officer and Active Teacher elections will be presented at the December Board meeting for certification by the Board followed by publication in the D.C. Register.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, Eric Stanchfield, commented on the following topics:

Trustee Elections

On October 31, 2016, ballots were mailed to qualified voting members for the Active Teacher and Retired Police Officer elections. Ballots will be counted and certified by the Election Administrator on November 29. Because the Active Firefighter election is uncontested, no ballots are required to be cast.

Audit Updates

CliftonLarsonAllen conducted an interim audit during the week of August 15, 2016 and presented their Audit Plan for FY 2016 to the Audit Committee this past October. The audit began on November 14, 2016.

Actuarial Experience Study

As previously noted, DCRB received preliminary information from Cavanaugh Macdonald related to the actuarial experience study for the period October 1, 2010 through September 30, 2015. The results will be presented to the Board early next year after the adoption of a new asset allocation study.

Data Integration

DCRB is now receiving data from the District's PeopleSoft system and transmitting it directly to the U.S. Department of the Treasury's System to Administer Retirement (STAR) program. This process eliminates the need for the manual entry of data for retiring members of the District of Columbia Police Officers and Firefighters' Retirement Plan and Teachers' Retirement Plan, cutting down on the time it takes to provide new retirees with their first retirement benefit payments.

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Public Pension Coordinating Council Award
The Board was presented with the Public Pension Coordinating Council's (the Council) Recognition Award for Funding for 2016. The award, which DCRB has been presented with in the past, is in recognition of meeting professional standards for plan funding as set forth in the Public Pension Standards.

Chairman Bress made the following motion:

Motion #2
To move the Operations Committee report after the Audit Committee report on the Agenda.

The motion was moved by Trustee Collins and properly seconded by Trustee Hankins. The motion was approved (11-0). *(See Tally #2)*

INVESTMENT COMMITTEE REPORT
Committee Chair Blum presented the following motions:

Motion #3: To approve the Moderate Asset Allocation Policy.

The motion was moved by Trustee Collins and properly seconded by Trustee Clark. The motion was approved (11-0). *(See Tally #3)*

Motion #4: To commit up to $25 million to Kildare European Partners II, L.P. (real estate), subject to contract negotiations.

The motion was moved by Trustee Clark and properly seconded by Trustee Hankins. The motion was approved (11-0). *(See Tally #4)*

BENEFITS COMMITTEE REPORT
Committee Chair Smith stated that the Benefits Committee met on November 15, 2016. He highlighted the following matters:

U.S. Treasury Benefit Correction Project and Age-of-Error Standard
The U.S. Department of the Treasury's, Office of DC Pensions (ODCP) has established an Age-of-Error Standard (AES) for debt collection and waiver of collection as part of the equity and good conscience requirement. The AES is applicable to certain past overpayments of federal benefit payments and not to prospective overpayments. None of the annuitants from ODCP's January 2015 Collection Project were found to be at fault for causing or contributing to their overpayment and, consequently, ODCP determined that all of the Collection Project annuitants met the criteria for waiver under the AES. As a result, ODCP has approved waivers of debt collection for all 81 retired police officers, firefighters and teachers involved in that Project. Letters informing the annuitants of ODCP's decision to waive debt collection were mailed Friday, November 4.

2016 Health Benefits Open Enrollment
The Federal and District Health Benefits Open Seasons began on Monday, November 14th and will end on Monday, December 12, 2016. New for 2017 are Medicare Healthcare Plans offered by the DC Employees Health Benefits Program. These new plans offer lower premiums for retired Plan members in the DC plans; however, they must be eligible for Medicare as their

primary coverage. Four open season fairs are tentatively scheduled for December 1, 2, 8 and 9, 2016 in DCRB's office building on the ML level.

Equalization Increases

Police and Fire Plan members who retired prior to February 15, 1980 are eligible for equalization pay in the same increase percentage as active-duty police officers and firefighters. Amounts applicable to FY 2017 have been entered and the Benefits staff is working with ODCP to verify them.

Monthly Statistics

The average number of processing days for benefit payments has gone down, with the goal of 30 days or less. Chairman Bress also pointed out the customer service satisfaction rating of 94%.

Benefits Department Operational Improvements

Committee Chair Smith then pointed out the following operational improvements:

> Data Integration – as noted earlier, retirement data is being transmitted electronically from the District's PeopleSoft system to Treasury's STAR program.
>
> Live Chat – the Benefits staff is currently testing software that will provide members with an additional communication channel to contact DCRB's Member Services Center.
>
> Benefit Statements – a small pilot group of firefighters has been selected to review benefit statements and to provide feedback before statements will be rolled to all active members.

A brief discussion followed regarding Treasury's Age-of-Error Standard and the issuance of Treasury's 1099-Cs for waived debt for this tax year.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard stated that there was no report.

AUDIT COMMITTEE REPORT

Committee Chair Hankins stated that there was no report. However, he presented the following motion:

Motion #5: To recommend a renewal of the Board's fiduciary liability insurance policy for $10 million of coverage for a retention fee of $118,994.

The motion was moved by Trustee Hankins and properly seconded by Trustee Tippett. The motion was approved (12-0). *(See Tally #6)*

OPERATIONS COMMITTEE REPORT

Motion #6: Chairman Bress made a motion to go into closed session pursuant to D.C. Code § 2-575(b)(2) to discuss procurement matters.

The motion was moved by Trustee Collins and properly seconded by Trustee Smith. The motion was approved (12-0). *(See Tally #6)*

Motion #7: Chairman Bress made a motion to return to open session.

The motion was moved by Trustee Collins and properly seconded by Trustee Washington. The motion was approved (12–0). *(See Tally #7)*

Committee Chair Collins presented the following motions:

Motion #8: To cancel the Strategic Planning Procurement solicitation until further notice.

The motion was moved by Trustee Collins and properly seconded by Trustee Bress. The motion was approved (12-0). (*See Tally #8*).

Motion #9: To amend the Insightful Pension Consulting Group contract to include up to $10,000 per annum for related travel expenses.

The motion was moved by Trustee Collins and properly seconded by Trustee Blum. The motion was approved (12-0). (*See Tally #9*).

Motion #10: To authorize the Executive Director to expend up to $3.4 million on Phase VI (FY17) of the Retirement Modernization Program budget with quarterly status reports to the Board on: (1) the status of each contract and project (including results and accomplishments) and (2) the amount expended on each project versus the amount budgeted.

The motion was moved by Trustee Collins and properly seconded by Trustee Hankins. The motion was approved (11-1) (*See Tally #10*).

OTHER BUSINESS

None

ADJOURNMENT

Chairman Bress introduced a motion to adjourn the meeting.

Motion #11: To adjourn the meeting at 2:25 p.m.

The motion was moved by Trustee Hankins and properly seconded by Trustee Collins. The motion was approved (11–0). *(See Tally #11)*

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DISTRICT OF COLUMBIA RETIREMENT BOARD
RECORD OF OFFICIAL BOARD ACTIONS

Tally #1:			Date: November 17, 2016		
To approve the October 20, 2016 meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.	√				

Tally #2:			Date: November 17, 2016		
To move the Operations Committee report after the Audit Committee report on the Agenda.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.	√				

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Tally #3:			Date: November 17, 2016		
To approve the Moderate Asset Allocation Policy.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.	√				

Tally #4:			Date: November 17, 2016		
To commit up to $25 million to Kildare European Partners II, L.P. (real estate), subject to contract negotiations.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.	√				

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Tally #5:			Date: November 17, 2016		
To recommend a renewal of the Board's fiduciary liability insurance policy for $10 million of coverage for a retention fee of $118,994.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.	√				

Tally #6:			Date: November 17, 2016		
To go into closed session pursuant to D.C. Code § 2-575(b)(2) to discuss procurement matters.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.	√				

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Tally #7:			Date: November 17, 2016		
To return to open session.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.	√				

Tally #8:			Date: November 17, 2016		
To cancel the Strategic Planning Procurement solicitation until further notice.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.	√				

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Tally #9:			Date: November 17, 2016		
To amend the Insightful Pension Consulting Group contract to include up to $10,000 per annum for related travel expenses.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				
Washington, Lenda P.	√				

Tally #10:			Date: November 17, 2016		
To authorize the Executive Director to expend up to $3.4 million on Phase VI (FY17) of the Retirement Modernization Program budget with quarterly status reports to the Board on: (1) the status of each contract and project (including results and accomplishments) and (2) the amount expended on each project versus the amount budgeted.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.		√			
Warren, Michael J.	√				
Washington, Lenda P.	√				

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Tally #11:				Date: November 17, 2016	
To adjourn the meeting at 2:25 p.m.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√
Washington, Lenda P.	√				

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