

# BOARD MEETING MINUTES

## FEBRUARY 17, 2011

### MEMBERS PRESENT

DARRICK O. ROSS, CHAIRMAN  
LYLE M. BLANCHARD  
BARBARA DAVIS BLUM  
JOSEPH M. BRESS  
DIANA K. BULGER  
JOSEPH W. CLARK  
DEBORAH HENSLEY  
JUDITH C. MARCUS  
EDWARD C. SMITH  
GEORGE E. SUTER  
THOMAS N. TIPPETT  
MICHAEL J. WARREN

### DCRB STAFF PRESENT

ERIC STANCHFIELD, EXECUTIVE DIRECTOR  
ERIE SAMPSON, GENERAL COUNSEL  
SHEILA MORGAN-JOHNSON  
JOAN PASSERINO  
THOMAS ANDERSON  
DANIEL HERNANDEZ  
MICHAEL WILLIAMSON  
GURVINDER SHERGILL  
LESLIE KING  
PATRICK SAHM  
JASON OSTROSKI  
DONNIE BRYANT  
SUE SCRAPPER\*  
PETER DEWAR  
SUSAN WASHINGTON  
SEBASTIAN PODESTA  
DEBORAH REAVES  
KATIE SCHULTZ  
FLORENCE JONES\*  
DENICE MCSEARS

### MEMBERS NOT PRESENT

LASANA MACK, EX-OFFICIO

### OTHERS PRESENT

BRENDA MATHIS, OCFO  
LEON WECHSLER, L.R. Wechsler, Ltd.  
TOM HESELTINE, CLIFTON GUNDERSON

\*NOT PRESENT AT ROLL CALL

### ROLL CALL

Chairman Ross called the meeting to order at 12:46 p.m. Ms. Deborah Reaves called the roll.

### APPROVAL OF MINUTES

Mr. Bress made the following motion, which was seconded by Mr. Suter:

**Motion #1:** To approve the December 16, 2010, Board meeting minutes. The motion was approved by a voice vote of 12-0. (See Tally #1)

### GENERAL COUNSEL REPORT

Ms. Sampson updated the Board on the following activities:

- Pension Protection and Sustainability Amendment Act of 2011 (B19-77): This bill would amend the Police Officers and Firefighters and Teachers' Plans (Plans) to require a disallowance of overtime earnings, vacation time, leave without pay (LWOP), or bonuses in the retirement benefit calculation; a disallowance of LWOP in retirement eligibility

determinations; a reduction in the cost-of-living adjustments (COLAs) to 50% of the consumer price index increase with a 3% cap and 1% floor and increase COLA eligibility until a retiree has reached full retirement age for Social Security.

- Procurement Practices Reform Act of 2010 (A18-723): This Act requires DCRB to procure goods and services in accordance with the terms of the Act.
- Review of Plans: DCRB and the District's Office of the Chief Financial Officer have retained outside legal counsel to review, amend or restate plan provisions, as needed.
- Fiduciary Training: Training will be provided at the April 21, 2011, Board meeting.
- Ethics Training: Training will be provided to all DCRB staff in April 2011.
- Annual Financial Disclosure Statements: Trustees should note the deadlines to ensure timely filing.

### **INVESTMENT COMMITTEE REPORT**

The Investment Committee Chair, Ms. Blum, informed the Board of the following activities:

- Fund Performance.
- Past Year's Actions.

The following motion was made by Ms. Blum and seconded by Mr. Suter:

**Motion #2:** To adopt the proposed asset allocation plan. The motion was approved by a voice vote of 11-1. (See Tally #2)

The following motion was made by Ms. Blum and seconded by Mr. Clark:

**Motion #3:** To accept the custodial bank's fee proposal. The motion was approved by a voice vote of 12-0. (See Tally #3)

### **OPERATIONS COMMITTEE REPORT**

The Operations Committee Chair, Mr. Clark, updated the Board on:

- Active Police Officer Election: Darrick O. Ross was reelected as the Active Police Officer trustee.
- Award-winning Agency: DCRB received the Certificate of Achievement of Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for the Agency's Comprehensive Annual Financial Report for a second consecutive year.
- Review of DCRB's lease.
- Mr. Michael Williamson is the new Deputy Director of Organizational Transformation and System Integration.
- Auditor's Report by Clifton Gunderson LLP: DCRB received an unqualified opinion.

The following motion was made by Ms. Blum and seconded by Mr. Suter:

**Motion #4:** To enter into Executive Session (D.C. Code § 1-909.05(e), (f)) at 1:50 p.m. The motion was approved by a voice vote of 12-0. (See Tally #4)

The following motion was made and properly seconded:

**Motion #5:** To exit Executive Session and return to regular Open Session at 2:15 p.m. The motion was approved by a voice vote of 12-0. (See Tally #5)

The following motion was made by Mr. Tippet and seconded by Mr. Suter:

**Motion #6:** To accept the auditor's report. The motion was approved by a voice vote of 12-0. (See Tally #6)

### **BOARD ELECTIONS**

Pursuant to Section 1502.14 of the Board Rules, the Election of Officers will be conducted by secret ballot.

The nominations for Board Officers for 2011 were:

- Chairman – Michael J. Warren
- Secretary – Joseph M. Bress
- Treasurer – Lyle M. Blanchard
- Parliamentarian – Judith C. Marcus
- Sergeant-at-Arms – Diana K. Bulger

The elected Board Officers for 2011 are:

- Michael J. Warren was elected Chairman of the Board by unanimous vote;
- Joseph M. Bress was elected Secretary by unanimous vote;
- Lyle M. Blanchard was elected Treasurer by unanimous vote;
- Judith C. Marcus was elected Parliamentarian by unanimous vote; and
- Diana K. Bulger was elected Sergeant-at-Arms by unanimous vote.

The following motion was made by Mr. Tippett and seconded by Ms. Hensley:

**Motion #7:** To conduct the meeting out of order. The motion was approved by a voice vote of 12-0. (See Tally #7)

*Without further objection, the Board meeting was then conducted out of order.*

### **BENEFITS COMMITTEE REPORT**

Mr. Suter, Benefits Committee Chair, updated the Board on the following activities:

- Systems Acquisition Project.
- Accumulation Clearance Project.
- Treasury's Split Benefit Regulations: The comment period ends April 21, 2011.
- 2011 COLAs: Retired police officers and firefighters will receive a COLA of 1.5% in 2011, and retired teachers will receive a COLA of 1.7%. These increases are effective March 1, 2011, and will be included in annuity payments in April.
- Systems Project Report.

### **OPERATIONS COMMITTEE REPORT, CONTINUED:**

Mr. Clark, Operations Committee Chair, reported on the following activities:

- DCRB FY 2012 Budget Presentation.
- Certification of FY 2012 District Contribution Letter to Mayor Vincent Gray.
- Quarterly Financial Statements.

Mr. Clark made the following motion, which was seconded by Mr. Tippett:

**Motion #8:** To accept the FY 2012 Operating Budget. The motion was approved by a voice

vote of 11-0. (See Tally #8)

### **LEGISLATIVE COMMITTEE REPORT**

The Legislative Committee Chair, Mr. Blanchard, directed the Board to the legislative committee report.

### **EXECUTIVE DIRECTOR REPORT**

Mr. Stanchfield provided updates on the following:

- DCRB Audit Results: DCRB was given a clean opinion on its recent audit.
- The Balanced Budget Holiday Furlough Emergency Act of 2011 (A19-3): Effective February 2, 2011, this Act requires District employees, including DCRB staff, to be furloughed for 4 public holidays.
- Federal Legislation on Market Value Liability: Legislation that is currently pending before Congress would require plans to define asset value by the value of bonds.
- Introduction of New Staff: Michael Williamson, Deputy Director of Organizational Transformation and System Integration; Ferdinand Frimpong, Database Administrator; Dennis Morgan, Records Coordinator; and Corinne Koch, Deputy Benefits Coordinator, who will start in late March or early April.
- Employee Training: PRM conducted employee training on strategic change management in January, and is conducting diversity training in February.

### **OTHER BUSINESS**

- Letter from CalPERS.
- Trustee travel.

Mr. Tippet made the following motion, which was seconded by Mr. Suter:

**Motion #9:** To allow Ms. Marcus to attend the International Foundation Conference of Public Benefits. The motion was approved by a voice vote of 11-0. (See Tally #9)

### **ADJOURNMENT**

**Motion #10:** Chairman Ross moved to adjourn the meeting at 3:21 p.m. The motion was seconded by Ms. Blum. The motion was approved by a voice vote of 11-0. (See Tally #10)

**DISTRICT OF COLUMBIA RETIREMENT BOARD  
RECORD OF OFFICIAL BOARD ACTION**

<b>TALLY #1</b>			DATE: FEBRUARY 17, 2011		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>TALLY #2</b>			DATE: FEBRUARY 17, 2011		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.		√			
WARREN, MICHAEL J.	√				

<b>TALLY #3</b>			DATE: FEBRUARY 17, 2011		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>TALLY #4</b>			DATE: FEBRUARY 17, 2011		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>TALLY #5</b>			DATE: FEBRUARY 17, 2011		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>TALLY #6</b>			DATE: FEBRUARY 17, 2011		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>TALLY #7</b>			DATE: FEBRUARY 17, 2011		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>TALLY #8</b>			DATE: FEBRUARY 17, 2011		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.					√
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>TALLY #9</b>			DATE: FEBRUARY 17, 2011		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.					√
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

<b>TALLY #10</b>			DATE: FEBRUARY 17, 2011		
<b>MEMBERS</b>	<b>AYE</b>	<b>NAY/ OPPOSE</b>	<b>NO VOTE/ ABSTAIN</b>	<b>NO VOTE/ RECUSE</b>	<b>ABSENT</b>
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.	√				
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.					√
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				