

OPEN BOARD MEETING MINUTES OCTOBER 16, 2008 -- 12:00 P.M.

MEMBERS PRESENT

BRIAN K. LEE, CHAIRMAN
BARBARA DAVIS BLUM
DIANA K. BULGER
JOSEPH W. CLARK
MARY A. COLLINS
SHIREEN L. DODSON
JUDITH C. MARCUS
GEORGE R. SUTER
THOMAS N. TIPPETT
MICHAEL J. WARREN
LASANA K. MACK, EX-OFFICIO

DCRB STAFF PRESENT

ERIC STANCHFIELD, EXECUTIVE DIRECTOR
ERIE SAMPSON
THOMAS ANDERSON
SHEILA MORGAN-JOHNSON
JOAN PASSERINO
DALE WALKER
LESLIE KING
DEBORAH REAVES
YOLANDA SMITH

MEMBERS NOT PRESENT

LYLE M. BLANCHARD
DARRICK O. ROSS

OTHERS PRESENT

BRIAN HERSEY, WATSON WYATT
BRENDA MATHIS, OCFO
GREG STUMP, EFI

ROLL CALL

Chairman Lee called the meeting to order at 1:20 p.m.

Motion #1: Chairman Lee made a motion to enter into Executive Session (D.C. Code §1-909.05(e), (f)). The motion was approved with a voice vote of 10-0.

[Executive session 1:25 p.m. – 2:30 p.m.]

Motion #2: Chairman Lee made a motion to return to open session, which was passed by a voice vote of 9-0.

APPROVAL OF MINUTES

Motion #3: Chairman Lee made a motion to approve the September 18, 2008, Open Board Meeting minutes. The motion was passed by a voice vote of 7-0.

INVESTMENT COMMITTEE REPORT

Ms. Barbara Blum, Committee Chair, made the following motions:

Motion #4: To authorize the Investment Committee Chair, Chief Investment Officer, Executive Director and Investment Consultant to transfer a portfolio from one investment manager to another investment manager to manage after exploring the available options and completing due

diligence. The motion was passed with a voice vote of 7-0.

Motion #5: To authorize the Chief Investment Officer to rebalance the Board's real estate portfolios as recommended by the Townsend Group, to strengthen the Teachers' Fund. The motion was passed with a voice vote of 7-0.

OPERATIONS COMMITTEE REPORT

Ms. Judith Marcus, Committee Chair, provided an update on the Classification and Compensation Study.

No action items were recommended by the Committee.

BENEFITS COMMITTEE REPORT

In response to a request by the Benefits Committee Chair, Ms. Mary Collins, the General Counsel reported on the D.C. Public Schools teacher coding correction issue. Chairman Lee noted the letter sent by Mr. Stanchfield to the City's Chief Financial Officer regarding the outstanding payment due to the Teachers' Fund as a result of the teacher coding correction issue.

Ms. Collins referred to the written committee report for the pre-tax health care premium (Section 845 of the Pension Protection Act of 2006) update. The Benefits Committee staff recommended that modification of the STAR system to accommodate pre-tax deductions would not be appropriate at this time. Both Mr. Tippett and Mr. Suter objected to the recommendation.

LEGISLATIVE COMMITTEE REPORT

In the Legislative Committee Chair's absence, Chairman Lee made the following motion:

Motion #6: To accept the recommended changes to the statutory language in Bill 17-657, "The Prohibition of the Investment of Public Funds in Certain Companies Doing Business with the Government of Iran Act of 2008," and in Law 17-106, "The Prohibition of the Investment of Public Funds in Certain Companies Doing Business with the Government of Sudan Act of 2007," and to submit those changes to the District's Committee on Finance and Revenue. The motion was passed with a voice vote of 6-0.

STRATEGIC PLANNING COMMITTEE REPORT

Greg Stump of EFI, the Board's actuary, gave an educational training session on contribution strategies for the Board, which focused on goals such as maintaining stable funding, avoiding contribution holidays and ensuring benefit security. Mr. Stump outlined contribution strategies, such as normal cost floor, contribution rate phase-in and special amortization, and explained each strategy extensively. More training on this subject matter will be scheduled for presentation.

No action items were recommended by the Committee.

OTHER BUSINESS

Motion #7: To approve Trustee travel. The motion was passed with a voice vote of 6-0.

ADJOURNMENT

Motion #8: Chairman Lee moved to adjourn the meeting. The motion was passed with a voice vote of 6-0. The meeting was adjourned the meeting at 4:00 p.m.

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

| MOTION #1 | | DATE: 10/16/08 | | | |
|---------------------|------------|------------------------|-----------------------------|----------------------------|---------------|
| MEMBERS | AYE | NAY/ OPPOSE | NO VOTE/ ABSTAIN | NO VOTE/ RECUSE | ABSENT |
| LEE, BRIAN K. | ✓ | | | | |
| BLANCHARD, LYLE M. | | | | | ✓ |
| BLUM, BARBARA DAVIS | ✓ | | | | |
| BULGER, DIANA K. | ✓ | | | | |
| CLARK, JOSEPH W. | ✓ | | | | |
| COLLINS, MARY A. | ✓ | | | | |
| DODSON, SHIREEN L. | ✓ | | | | |
| MARCUS, JUDITH C. | ✓ | | | | |
| ROSS, DARRICK O. | | | | | ✓ |
| SUTER, GEORGE R. | ✓ | | | | |
| TIPPETT, THOMAS N. | ✓ | | | | |
| WARREN, MICHAEL J. | ✓ | | | | |

| MOTION #2 | | DATE: 10/16/08 | | | |
|---------------------|------------|------------------------|-----------------------------|----------------------------|---------------|
| MEMBERS | AYE | NAY/ OPPOSE | NO VOTE/ ABSTAIN | NO VOTE/ RECUSE | ABSENT |
| LEE, BRIAN K. | ✓ | | | | |
| BLANCHARD, LYLE M. | | | | | ✓ |
| BLUM, BARBARA DAVIS | ✓ | | | | |
| BULGER, DIANA K. | | | | | ✓ |
| CLARK, JOSEPH W. | ✓ | | | | |
| COLLINS, MARY A. | ✓ | | | | |
| DODSON, SHIREEN L. | ✓ | | | | |
| MARCUS, JUDITH C. | ✓ | | | | |
| ROSS, DARRICK O. | | | | | ✓ |
| SUTER, GEORGE R. | ✓ | | | | |
| TIPPETT, THOMAS N. | ✓ | | | | |
| WARREN, MICHAEL J. | ✓ | | | | |

* Mr. Bulger left before returning to open session.

| MOTION #3 | | | DATE: 10/16/08 | | |
|---------------------|-----|----------------|---------------------|--------------------|--------|
| MEMBERS | AYE | NAY/ OPPOSE | NO VOTE/ ABSTAIN | NO VOTE/ RECUSE | ABSENT |
| LEE, BRIAN K. | ✓ | | | | |
| BLANCHARD, LYLE M. | | | | | ✓ |
| BLUM, BARBARA DAVIS | ✓ | | | | |
| BULGER, DIANA K. | | | | | ✓ |
| CLARK, JOSEPH W. | | | | | ✓ |
| COLLINS, MARY A. | ✓ | | | | |
| DODSON, SHIREEN L. | ✓ | | | | |
| MARCUS, JUDITH C. | ✓ | | | | |
| ROSS, DARRICK O. | | | | | ✓ |
| SUTER, GEORGE R. | ✓ | | | | |
| TIPPETT, THOMAS N. | ✓ | | | | |
| WARREN, MICHAEL J. | | | | | ✓ |

* Mr. Clark and Mr. Warren left after returning to open session.

| MOTION #4 | | | DATE: 10/16/08 | | |
|---------------------|-----|----------------|---------------------|--------------------|--------|
| MEMBERS | AYE | NAY/ OPPOSE | NO VOTE/ ABSTAIN | NO VOTE/ RECUSE | ABSENT |
| LEE, BRIAN K. | ✓ | | | | |
| BLANCHARD, LYLE M. | | | | | ✓ |
| BLUM, BARBARA DAVIS | ✓ | | | | |
| BULGER, DIANA K. | | | | | ✓ |
| CLARK, JOSEPH W. | | | | | ✓ |
| COLLINS, MARY A. | ✓ | | | | |
| DODSON, SHIREEN L. | ✓ | | | | |
| MARCUS, JUDITH C. | ✓ | | | | |
| ROSS, DARRICK O. | | | | | ✓ |
| SUTER, GEORGE R. | ✓ | | | | |
| TIPPETT, THOMAS N. | ✓ | | | | |
| WARREN, MICHAEL J. | | | | | ✓ |

| MOTION #5 | | DATE: 10/16/08 | | | |
|---------------------|------------|------------------------|-----------------------------|----------------------------|---------------|
| MEMBERS | AYE | NAY/ OPPOSE | NO VOTE/ ABSTAIN | NO VOTE/ RECUSE | ABSENT |
| LEE, BRIAN K. | ✓ | | | | |
| BLANCHARD, LYLE M. | | | | | ✓ |
| BLUM, BARBARA DAVIS | ✓ | | | | |
| BULGER, DIANA K. | | | | | ✓ |
| CLARK, JOSEPH W. | | | | | ✓ |
| COLLINS, MARY A. | ✓ | | | | |
| DODSON, SHIREEN L. | ✓ | | | | |
| MARCUS, JUDITH C. | ✓ | | | | |
| ROSS, DARRICK O. | | | | | ✓ |
| SUTER, GEORGE R. | ✓ | | | | |
| TIPPETT, THOMAS N. | ✓ | | | | |
| WARREN, MICHAEL J. | | | | | ✓ |

| MOTION #6 | | DATE: 10/16/08 | | | |
|---------------------|------------|------------------------|-----------------------------|----------------------------|---------------|
| MEMBERS | AYE | NAY/ OPPOSE | NO VOTE/ ABSTAIN | NO VOTE/ RECUSE | ABSENT |
| LEE, BRIAN K. | ✓ | | | | |
| BLANCHARD, LYLE M. | | | | | ✓ |
| BLUM, BARBARA DAVIS | | | | | ✓ |
| BULGER, DIANA K. | | | | | ✓ |
| CLARK, JOSEPH W. | | | | | ✓ |
| COLLINS, MARY A. | ✓ | | | | |
| DODSON, SHIREEN L. | ✓ | | | | |
| MARCUS, JUDITH C. | ✓ | | | | |
| ROSS, DARRICK O. | | | | | ✓ |
| SUTER, GEORGE R. | ✓ | | | | |
| TIPPETT, THOMAS N. | ✓ | | | | |
| WARREN, MICHAEL J. | | | | | ✓ |

* Ms. Blum left before the Benefits Committee motion was presented.

| MOTION #7 | | | DATE: 10/16/08 | | |
|---------------------|-----|----------------|---------------------|--------------------|--------|
| MEMBERS | AYE | NAY/ OPPOSE | NO VOTE/ ABSTAIN | NO VOTE/ RECUSE | ABSENT |
| LEE, BRIAN K. | ✓ | | | | |
| BLANCHARD, LYLE M. | | | | | ✓ |
| BLUM, BARBARA DAVIS | | | | | ✓ |
| BULGER, DIANA K. | | | | | ✓ |
| CLARK, JOSEPH W. | | | | | ✓ |
| COLLINS, MARY A. | ✓ | | | | |
| DODSON, SHIREEN L. | ✓ | | | | |
| MARCUS, JUDITH C. | ✓ | | | | |
| ROSS, DARRICK O. | | | | | ✓ |
| SUTER, GEORGE R. | ✓ | | | | |
| TIPPETT, THOMAS N. | ✓ | | | | |
| WARREN, MICHAEL J. | | | | | ✓ |

| MOTION #8 | | | DATE: 10/16/08 | | |
|---------------------|-----|----------------|---------------------|--------------------|--------|
| MEMBERS | AYE | NAY/ OPPOSE | NO VOTE/ ABSTAIN | NO VOTE/ RECUSE | ABSENT |
| LEE, BRIAN K. | ✓ | | | | |
| BLANCHARD, LYLE M. | | | | | ✓ |
| BLUM, BARBARA DAVIS | | | | | ✓ |
| BULGER, DIANA K. | | | | | ✓ |
| CLARK, JOSEPH W. | | | | | ✓ |
| COLLINS, MARY A. | ✓ | | | | |
| DODSON, SHIREEN L. | ✓ | | | | |
| MARCUS, JUDITH C. | ✓ | | | | |
| ROSS, DARRICK O. | | | | | ✓ |
| SUTER, GEORGE R. | ✓ | | | | |
| TIPPETT, THOMAS N. | ✓ | | | | |
| WARREN, MICHAEL J. | | | | | ✓ |

