



OPEN SESSION
NOTICE OF REGULAR BOARD MEETING
JOSEPH BRESS, CHAIRMAN

AGENDA
THURSDAY, SEPTEMBER 17, 2014
1:00PM

- 1:00 PM **ROLL CALL**
- APPROVAL OF BOARD MEETING MINUTES FOR JULY 17, 2014 [TAB 1]**
- CHAIRMAN'S COMMENTS [TAB 2]**
- EXECUTIVE DIRECTOR'S REPORT [TAB 2]**
- INVESTMENT COMMITTEE REPORT**
➤ **ACTION ITEMS**
- OPERATIONS COMMITTEE REPORT [TAB 3]**
- BENEFITS COMMITTEE REPORT [TAB 3]**
- LEGISLATIVE COMMITTEE REPORT [TAB 3]**
- AUDIT COMMITTEE REPORT**
- 2:30 PM **OTHER BUSINESS [TAB 4]**
➤ **DCRB LETTER TO COUNCILMAN ORANGE RE: SMALL BUSINESS ENTERPRISE EXPENDITURE GOALS**
➤ **PRESENTATION OF PLAQUE TO FORMER TRUSTEE DIANA BULGER**
- 2:45 PM **ADJOURNMENT**
- ADDITIONAL MEETING MATERIALS**
➤ **CONFERENCES & MEETINGS LISTING**
➤ **TRAINING AND TRAVEL REPORT**
➤ **ORGANIZATIONAL CHART**



EXECUTIVE DIRECTOR REPORT
September 17, 2014

| Executive Updates | Update |
|---|---|
| Board Portal Project | <p>The Board Portal Project, which focuses on improving the process of generating Board materials, began on June 4, 2014. The primary goal of this effort is to transition from hard copy (paper) Board materials to mostly digital documents. The project will also improve the delivery of materials to Trustees, allow Trustees to annotate the documents, and reduce staff production time and agency costs, while at the same time creating efficiencies across DCRB by improving information sharing. The project team is currently reviewing vendor proposals and demonstrations, and will solicit trustee input prior to submitting a recommendation to the Board at its October meeting. It is expected that Trustee training for this new solution will take place in November, with implementation of the Portal scheduled for December.</p> |
| Data Reclamation Project | <p>The Data Reclamation Project involves reviewing and reclaiming 4,559 active member service records and transmitting future member activity, including service and contribution histories, to DCRB on a bi-weekly schedule. To date 85% of the records have been reclaimed, with MPD at 98% (1,736 of 1,768), DCPS at 90% (2,020 of 2,265), and FEMS at 34% (97 of 526). It is expected that all records originally identified at the start of the project will be audited and reclaimed by the end of calendar year 2014.</p> <p>Since July 2014, DCRB has been receiving bi-weekly payroll and biographical changes from the District's PeopleSoft system. On August 13, 2014, OCTO transmitted to DCRB the historic files that reside in that system. The project team is currently checking the integrity and accuracy of the data, and will communicate any discrepancies to OCTO for correction.</p> <p>This project will ultimately result in a significant reduction in the time it currently takes to start benefit payments for new retirees.</p> |
| Pension System Feasibility Study | <p>The Pension System Feasibility and Requirements Study has begun with Linea Solutions performing interviews with key agency staff to better understand DCRB's requirements and future initiatives. Some of the topics include service, age and average pay calculations, and health care provisions. This phase is expected to continue until February 2015.</p> |
| Legal Issues | <p><u>Joseph G. O'Rourke vs. DCRB (CA No. 2014 003772B)</u>: Mr. O'Rourke joined MPD in 2001 under the provisions of the Lateral Law Enforcement Act (the "Act"). After eight years of service under the Police Officers and Firefighters' Retirement Plan, he applied for a disability retirement due to injuries sustained in the line-of-duty. On June 25, 2014, Mr. O'Rourke sued DCRB claiming that longevity pay should have been used in his retirement calculation and, in addition, he requested the reimbursement of health care premiums he paid while the case was being litigated.</p> |

| | |
|---------------------------------------|--|
| | <p>On September 8, 2014, the Court dismissed the longevity claim, since the Act clearly states that transferees are to be treated as “new hires,” unless they purchase the prior service (which he did not). Further, since DCRB had already refunded Mr. O’Rourke’s health care premiums, the Court ruled that issue to be moot and also dismissed that claim, noting that Mr. O’Rourke should first have pursued administrative remedies with DCRB before seeking redress via judicial review.</p> |
| <p>Treasury MOU</p> | <p>An MOU between DCRB and the U.S. Department of the Treasury’s Office of DC Pensions (“ODCP”) for FY 2015 has been drafted and forwarded to ODCP’s Director, Nancy Ostrowski. It is expected that the MOU will be signed by the end of this month.</p> <p>For your information, the cost-sharing percentage for DCRB benefits administration operations during FY 2015 will be 57.5% ODCP and 42.5% DCRB. The numbers for FY 2014 were 59.7% vs. 40.3%, respectively. Some Trustees may recall that those percentages were 75% ODCP and 25% DCRB, when the Benefits administration function was transferred to DCRB in 2005. Among other things, these costs are reflective of the number of retirees, and corresponding benefits, for which each entity is responsible.</p> |
| <p>New Trustee Orientation</p> | <p>New Trustees Joseph Clark, Mary Collins, Gary Hankins, Nathan Saunders, and Lenda Penn Washington received Trustee Orientation Training on August 19, 2014. They all provided positive feedback on the training, but indicated that they would have liked the training to have been a bit longer.</p> |
| <p>DCRB Staffing Changes</p> | <ul style="list-style-type: none"> • <u>Member Services Representative</u>: Shalanda Brown, who previously worked as a Customer Service Representative with the District’s Health Benefit Exchange Authority, joined the Benefits Department in this similar role on July 27, 2014. Shalanda is currently pursuing a Bachelor’s Degree in Communications at the University of the District of Columbia. • <u>Chief Technology Officer</u>: Peter Dewar officially moved into this new position on August 11, 2014. While Peter will continue to lead DCRB’s Information Technology Department, he will be serving in an expanded leadership role, reporting to the Executive Director, as a member of the Executive Leadership Team. • <u>Director of Special Benefits Projects</u>: Also effective August 11, 2014, Daniel Hernandez moved to the Benefits Department, reporting directly to Johnetta Bond. In this new role, Daniel will be focusing on supporting the needs of the Benefits group related to key Benefit-project initiatives. Daniel will also work very closely with the IT Department as DCRB implements its pension modernization program • <u>Director, Stakeholder Communication and Outreach</u>: Joan Passerino, who served as the Board’s Chief Benefits Officer from September 2005 through September 2013, rejoined DCRB in this new communications role on August 25, 2014. Joan will be responsible for creating and maintaining ongoing communication with and outreach to DCRB’s key constituents, organizational partners, and stakeholders. • <u>Procurement Manager</u>: Steven VanRees, who has assisted DCRB with its procurement efforts since August 5, 2013, will be leaving DCRB, effective September 24, 2014. Steven, who previously worked as a high-level procurement professional with the Federal Government’s Office of Personnel Management, has been an enormous help to DCRB staff in our recent procurement and contracting efforts; we have all learned much from him. |

| | |
|--|--|
| <p>Certificate of Achievement in Public Plan Policy (CAPPP®) Program Training</p> | <p>As reported at the June Board meeting, DCRB will offer the two-part Certificate of Achievement in Public Plan Policy (CAPPP®) program training to Trustees and Staff this fall. CAPPP Training Part I will be held on Monday, September 29 and Tuesday, September 30 and CAPPP Training Part II will be held on Monday, October 27 and Tuesday, October 28. The curriculum, which is taught by public sector practitioners who are well-versed in the covered subjects, provides a solid base of knowledge in the legal, legislative, plan design, and fiduciary aspects of public sector benefit plans. Thus far, 26 persons have indicated their intent to attend the training.</p> |
| <p>Staff Appreciation Day</p> | <p>The DCRB Executive Leadership Team held its annual Staff Appreciation Day on the roof of the IBEW Building on July 25, 2014. As in past years, this event was well received by staff members, who enjoyed the good food and group activities.</p> |

Member Services
900 7th Street, NW
2nd Floor
Washington, DC 20001
www.dcrb.dc.gov



Telephone (202) 343-DCRB
(866) 456-DCRB
TTY/Federal Relay (800) 877-8339
Facsimile (202) 566-5001
E-mail: dcrb.benefits@dc.gov

TO: BOARD OF TRUSTEES
FROM: EDWARD SMITH, CHAIRMAN
DATE: SEPTEMBER 17, 2014
SUBJECT: BENEFITS COMMITTEE REPORT

The Benefits Committee did not meet during the months of August or September. The following report reflects Benefits Department activities and projects that occurred since the July Board meeting:

District of Columbia Public Schools (DCPS) Refunds and Retirements

On September 2, 2014, the DCRB Benefits Department received a final list of 176 DC Public Schools (DCPS) employees who accepted the Declaration of Intent (DINR) Application bonus and either resigned or retired at the end of the 2014 school year. Over the past two months, Benefits staff have received 71 requests for refunds and 55 retirement applications from DCPS.

Resolution 20-482 MPD Union Increase

Tier I Retired Police Impact:

The above resolution provided active Tier I MPD officers with a 4% pay increase, effective and retroactive to April 7, 2013. This increase also impacted approximately 500 Tier 1 annuitants, who received both the equalization increase and the retroactive payments with their August 1, 2014 benefit payments. In addition, MPD nonunion police officers have since been afforded an additional 1% increase (Resolution 20-485), which requires an extra equalization increase to be paid.

Tier II/III Retired Police Impact

The Benefits Department is currently recalculating the annuities of approximately 116 Police annuitants who retired after April 7, 2013. Due to STAR limitations, these recalculations require manual input of new average salaries, which increases the monthly workload of the Benefits staff. The Benefits Department is using overtime to assure that the increases will be processed in time for the November 3, 2014 benefit payment.

Resolution 20-588 Fire Union Increase

The above resolution provided the following pay increases for Fire Department personnel:

- 3% increase, effective April 8, 2012
- 3.5% increase, effective April 7, 2013

- 3.5% increase, effective April 6, 2014

Again, due to STAR limitations, benefits staff will be required to manually input data to recalculate annuities for 109 Fire annuitants who retired after April 8, 2012. As with MPD increases, the Benefits Department is using overtime to complete the increases in time for the November 1, 2014 benefit payment.

Teachers Voluntary Contribution Project

In August, the Benefits staff completed a project to refund voluntary pension contributions made by DCPS Teachers under the supplemental annuity provision of the Teachers' Plan. These contributions were made prior to the May 1, 2013 plan amendment that repealed the Plan's voluntary contribution provision. These refunds were paid to 11 teachers.

2009 EMS Supervisors Transfer– Purchase of Service Project

DCRB met with the Interim DC Fire Chief, Eugene Jones, on August 24, 2014, to update him on issues related to retirement for previously transferred EMS Supervisors. In August 2009, over 30 EMS Supervisors were transferred to the Fire Department as part of the EMS/Fire Department Transition Plan and became participants of the Police Officers and Firefighters' Retirement Plan. Plan provisions allow this population to use previous District service for retirement eligibility, but require a purchase of previous District service in order to receive an increased retirement benefit. DCRB is in the process of calculating the actual costs for these members to purchase their prior service. DCRB is also creating a process to assist the members in transferring funds from their 401(a) and 457 retirement accounts to offset the cost. Once completed, we will meet with the Fire Chief to develop a communication plan for the members.

900 7th Street, NW, 2nd Floor
Washington, DC 20001
www.dcrb.dc.gov



Telephone (202) 343-3200
Facsimile (202) 566-5001
E-mail: dcrb@dc.gov

TO: BOARD OF TRUSTEES
FROM: LYLE BLANCHARD, CHAIRMAN
DATE: SEPTEMBER 17, 2014

SUBJECT: LEGISLATIVE COMMITTEE REPORT

The following report reflects activities of interest since the July Board Meeting.

COUNCIL OF THE DISTRICT OF COLUMBIA

A20-421 (B20-627), “Other Post-Employment Benefits Fund Amendment Act of 2014”

This act subjects the District’s Other Post-Employment Benefits Fund (“OPEB Fund”) to similar requirements applicable to the Teachers, Police Officers and Firefighters’ Retirement Funds by requiring procedures and obligations for the calculation and payment of the District’s annual contribution to the OPEB Fund, and annual auditing and reporting requirements. The act also creates an advisory committee that includes one DCRB trustee or one of its professional staff members to advise the District’s Office of the Chief Financial Officer in administration of the OPEB Fund.

Status: The bill, originally introduced by Chairman Phil Mendelson on December 17, 2013 as the “Post-Employment Benefits Trust Fund Jurisdiction Amendment Act of 2013,” was enacted with Act Number A20-421 on August 19, 2014.

B20-890, “Firefighter Retirement While Under Disciplinary Investigation Amendment Act of 2014”

This proposed act would add conditional retirement procedures for a member of Fire and Emergency Medical Services who retires during a disciplinary investigation. One of the procedures would not be enforceable since it would violate the District of Columbia Police Officers and Firefighters’ Retirement Plan anti-alienation provision by offsetting a member’s annuity for any penalties due the District of Columbia by a member in conditional retirement.

Status: Councilmember Tommy Wells introduced this bill on July 14, 2014. The bill has been referred to the Committee on Judiciary and Public Safety.

A20-384 (B20-874), “Interest Arbitration Award and Compensation Agreement between the District of Columbia Fire and Emergency Medical Services Department and Local 36 International Association of Firefighters (Compensation Unit 4) Emergency Approval Act of 2014”

This act approves, on an emergency basis, the interest arbitration award and compensation agreement between the District of Columbia Fire and Emergency

Medical Services Department and Local 36 International Association of Firefighters (Compensation Unit 4), which was transmitted by the Mayor to the Council on June 25, 2014.

Status: This act, originally introduced by Chairman Mendelson on July 14, 2014, was enacted July 30, 2014 and expires October 28, 2014.

R20-594 (PR20-845), “Career and Excepted Service Employees Compensation System Changes for Police Officials Emergency Approval Resolution of 2014”

This resolution approves, on an emergency basis, the proposed compensation system changes submitted by the Mayor for certain uniformed members of the Metropolitan Police Department not covered by collective bargaining. The compensation system changes are retroactive to April 7, 2013.

Status: This resolution, originally introduced by Chairman Mendelson on June 9, 2014, was approved and effective July 14, 2014.