



DISTRICT OF COLUMBIA RETIREMENT BOARD
MEETING MINUTES
MAY 15, 2014
1:00 PM
CORRECTED 6-19-2014

MEMBERS PRESENT

Joseph M. Bress
Lyle M. Blanchard
Barbara Davis Blum
Diana K. Bulger
Gary W. Hankins
Darrick O. Ross
Nathan A. Saunders
Thomas N. Tippett
Jeffrey Barnette, Ex-Officio

DCRB STAFF PRESENT

Eric Stanchfield
Erie Sampson
Sheila Morgan-Johnson
Tom Anderson
Johnetta Bond
Daniel Hernandez
Anthony Shelborne
Peter Dewar
Leslie King
Steven VanRees
Michaela Burnette
Patrick Sahn
Michael Xanthopoulos
Deborah Reaves
Wukyanos Gebremeskel
Yolanda Smith
Johniece Harris
Nina Bridgers

MEMBERS NOT PRESENT

Mary A. Collins
Edward C. Smith
Michael J. Warren
Lenda P. Washington

OTHERS PRESENT

John Henry, OCFO
Augustin Traore, DCRB Contractor

ROLL CALL

Chairman Bress called the meeting to order at 12:50 p.m. Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

Motion #1: Chairman Bress introduced the motion to approve the March 20, 2014 Board meeting minutes. The motion was moved by Mr. Hankins and was properly seconded. The motion was approved 8-0. (*See Tally #1*)

CHAIRMAN'S COMMENTS

Chairman Bress announced that new Trustee Lenda Penn Washington could not attend the meeting due to a family matter.

Chairman Bress reminded the members that the Committee Choice Selection Form was distributed to all Trustees. Mr. Bress indicated that the Audit Committee is at full membership and the first meeting will occur on June 19, 2014.

Chairman Bress informed the Board that there will be a Benefits Committee meeting scheduled for June and the September Investment Committee meeting, along with the full Board meeting, will be moved to September 17, 2014, if there are no objections.

EXECUTIVE DIRECTOR'S REPORT HIGHLIGHTS

Mr. Stanchfield and other DCRB staff presented the following information to the Board:

- The Committee of the Whole Fiscal Year 2015 DCRB Budget Hearing occurred on April 14, 2014. Trustee Gary Hankins delivered the Trustee statement.
- The DCRB move is nearly complete. Staff, along with the architect and project manager, developed a “punch list” of contractor work to ensure minor repairs are completed.
- The Spring 2014 DCRB Newsletter was posted on our website and sent to all members via U.S. mail and email. Additionally, DCRB’s Comprehensive Annual Financial Report (CAFR) is now posted on our website.
- DCRB is gradually incorporating the new logo onto documents, the website, and stationery. Additional logo incorporation will occur during the office signage installation.
- Erie Sampson, General Counsel, informed the Board that Kessler Topaz Meltzer & Check, LLP (DCRB’s securities litigation counsel) completed their audit of State Street relating to the proofs of claim they submitted on behalf of the DCRB from November 2011 through November 2013. DCRB is pleased to report that based on their review of DCRB’s transaction history, State Street identified and filed claim forms in all securities class action settlements for the audit period. DCRB’s securities counsel will continue to audit State Street’s filings on a quarterly basis going forward.
- Within the last two months, DCRB was able to fill key vacancies and welcomed:
 - Anthony Shelborne, Controller
 - John Sahn, Quality, Compliance & Projects Manager
 - Thomas John, Quality, Compliance & Projects Specialist
 - Adu Poku, Security Administrator
 - Johniece Harris, Administrative Specialist (formerly DCRB’s Retirement Specialist)
- Thomas Anderson, Chief Financial Officer, provided an overview of State Street’s eCFM (e-Cash Flow Module) system. Mr. Anderson mentioned this system allows users to securely and efficiently manage the workflow related to cash transactions, such as private equity calls and intra-fund transfers. In addition, the eCFM system will help the Board keep a centralized record of all capital calls and intra-fund transfers, along with the supporting documentation, such as investment managers’ capital call notices.

- Anthony Shelborne, Controller, presented DCRB's Quarterly Financial Report to the Board. Highlights of the report included changes in the cash line item, changes in net position, and categorization of manager fees. Mr. Shelborne also reported that DCRB is on pace to be under budget for this fiscal year.
- Links to recent pension articles from National Association of State Retirement Administrators, the Manhattan Institute's Center for State and Local Leadership Project, and Urban Institute were included in the written Executive Director's Report.

INVESTMENT COMMITTEE REPORT

The Investment Committee Chair, Ms. Blum, presented the Board with four motions:

Motion #2: To ratify the Board motion of May 16, 2013, i.e., to terminate investment in the BlackRock Core Plus portfolio. The motion was moved by Mr. Bress and seconded by Mr. Blanchard. A vote was called and the motion was approved 8-0. *(See Tally #2)*

Motion #3: To ratify the Board motion of October 17, 2013 to commit up to \$15 million to Wheelock Street Real Estate Fund II. The motion was moved by Mr. Bress and seconded by Ms. Bulger. A vote was called and the motion was approved 8-0. *(See Tally #3)*

Motion #4: To approve the additions to the Real Assets & Private Equity Forward Calendar. The motion was seconded by Mr. Saunders. A vote was called and the motion was approved 8-0. *(See Tally #4)*

Motion #5: To commit \$25 million to Spectrum Equity Fund VII, private equity, subject to contract negotiations. The motion was seconded by Mr. Bress. A vote was called and the motion was approved 8-0. *(See Tally #5)*

OPERATIONS COMMITTEE REPORT

The Operations Committee Chair, Mr. Ross, indicated that the Operations Committee met on May 13, 2014 and there was not a need to present a formal motion to extend the contract for the current enterprise architecture and infrastructure management services since the authority rests with the Executive Director to extend a contract. As a result of the Operations Committee meeting, Mr. Ross presented the following motions:

Motion #6: To authorize the Executive Director to release a request for proposal for Enterprise Architecture and Infrastructure Management Services subject to procurement best practices. The motion was seconded by Mr. Bress. A vote was called and the motion was approved 8-0. *(See Tally #6)*

Motion #7: To adopt the roles and responsibilities of the existing standing committees as the new committee charters within the Board's Governance Policies and to revise the Board's governance rules accordingly with regard to the committee structures and specific staff roles. Mr. Stanchfield and Ms. Sampson informed the Board that this will provide rulemaking flexibility and is consistent with best practices. The motion was moved by Mr. Ross and seconded by Mr. Hankins. A vote was called and the motion was approved 8-0. *(See Tally #7)*

Motion #8: To authorize the Executive Director to enter into a one-year contract with four 1-year options with the following:

1. Mobomo, LLC for the Microsoft SharePoint upgrade and development services not to exceed " [redacted pursuant to DC Code §2-575(b)(2) since the price would adversely affect the Board's negotiating strategy]" (for the 5-year period) subject to contract negotiations and industry best practices.
2. Mobomo, LLC for mobile development services not to exceed " [redacted pursuant to DC Code §2-575(b)(2) since the price would adversely affect the Board's negotiating strategy]" (for the 5-year period) subject to contract negotiations and industry best practices.
3. Projects Made Easy Inc. for the Microsoft Project Server upgrade and implementation services not to exceed " [redacted pursuant to DC Code §2-575(b)(2) since the price would adversely affect the Board's negotiating strategy]" (for the 5-year period) subject to contract negotiations and industry best practices.

The motion was moved and seconded by Mr. Hankins. A vote was called and the motion was approved 8-0. (*See Tally #8*)

Mr. Bress asked that the procurement evaluation and selection process be explained to the full Board. Michael Xanthopoulos, Source Selection Chairperson, indicated that proposals were reviewed and evaluated on factors such as the performance work statement, past performance, technical approach and methodology, and assigned staff. Additionally, with the guidance of DCRB's procurement staff, the proposals that presented the best technical capabilities were compared to the typical service rates seen in the General Services Administration (GSA) schedule for information technology staff proposed by the vendors. Upon review, the quotes were competitive within GSA published rates.

Peter Dewar, Director of Information Technology, informed the Board that all tasks performed as part of the projects will be completed by task orders, enabling DCRB to control deliverables and costs. Ms. Blum asked if this was a common practice to have a contract options over a 5-year period. Steven VanRees, Procurement Manager, indicated that the use of options years was a very common practice based on fund availability. Mr. Bress inquired about work completion in these contracts. Mr. VanRees responded that there are termination clauses in the contracts and the work will be completed by DCRB issuing task orders with deliverables and timeframes.

BENEFITS COMMITTEE REPORT

Mr. Saunders highlighted the following items of the written Benefits Committee Report:

- The Charter School Project and communications are proceeding with a tentative June 9, 2014 meeting with all stakeholders scheduled.
- Written communication and websites are continuing and members appreciate being well-informed.

- Improvements related to member customer service are reflective in statistics and information presented to the committee. Ms. Johnetta Bond, Chief Benefits Officer, indicated that 99% of the retirement cases are now completed within 60 days. The remaining 1% of cases with delays is caused by inaccurate or incomplete data submitted to staff. DCRB is working with other agencies to research and resolve those issues.
- The Benefits Department mailed letters to 168 disability annuitants under the Police Officers and Firefighters Plan requesting earned income for the calendar year 2013. This review will determine whether annuitants have been restored to earning capacity and whether their annuities should be terminated.

LEGISLATIVE COMMITTEE REPORT

Mr. Blanchard informed the Board that the District of Columbia Committee of the Whole Budget Mark-up meeting was occurring later today. DCRB's budget is included in the mark-up process. Mr. Stanchfield told the Board that the oversight hearing went smoothly and there are no anticipated budget cuts. Within a couple of weeks, the Council will release a committee report which will present findings and budget recommendations for all District agencies, including DCRB.

OTHER BUSINESS

Mr. Hankins notified the Board that the Police Union arbitration award was accepted and approved by the District of Columbia Council. Once the Mayor signs the legislation, implementation of the award will begin. This will affect retirees that retired during the retroactive pay schedule period and members receiving equalization adjustments to their annuities. Ms. Bond indicated that DCRB will be ready to implement the adjustments once official notification is sent to DCRB. Mr. Hankins also predicted that there are a large number of members eligible to retire in the upcoming year, which would put pressure on retirement processing.

Ms. Blum requested that the Board materials be printed on both sides of the paper. Mr. Bress also expressed his interest in having all materials electronically. Mr. Dewar explained that a pilot project will begin shortly to select a software solution to manage electronic distribution of materials which will reduce mailing costs and staff time.

ADJOURNMENT

Motion #9: Chairman Bress moved to adjourn the meeting at 1:55 p.m. The motion was properly seconded and unanimously approved 8-0. (*See Tally #9*)

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

Tally #1		Date: May 15, 2014			
To approve the March 20, 2014 Board meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Bulger, Diana K.	√				
Collins, Mary A.					√
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.	√				
Washington, Lenda P.					√
Warren, Michael J.					√

Tally #2		Date: May 15, 2014			
To ratify the Board motion of May 16, 2013, i.e., to terminate investment in the BlackRock Core Plus portfolio.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Bulger, Diana K.	√				
Collins, Mary A.					√
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.	√				
Washington, Lenda P.					√
Warren, Michael J.					√

Tally #3		Date: May 15, 2014			
To ratify the Board motion of October 17, 2013 to commit up to \$15 million to Wheelock Street Real Estate Fund II.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Bulger, Diana K.	√				
Collins, Mary A.					√
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.	√				
Washington, Lenda P.					√
Warren, Michael J.					√

Tally #4		Date: May 15, 2014			
To approve the additions to the Real Assets & Private Equity Forward Calendar.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Bulger, Diana K.	√				
Collins, Mary A.					√
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.	√				
Washington, Lenda P.					√
Warren, Michael J.					√

Tally #5		Date: May 15, 2014			
To commit \$25 million to Spectrum Equity Fund VII, private equity, subject to contract negotiations.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Bulger, Diana K.	√				
Collins, Mary A.					√
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.	√				
Washington , Lenda P.					√
Warren, Michael J.					√

Tally #6		Date: May 15, 2014			
To authorize the Executive Director to release a request for proposal for Enterprise Architecture and Infrastructure Management Services subject to procurement best practices.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Bulger, Diana K.	√				
Collins, Mary A.					√
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.	√				
Washington , Lenda P.					√
Warren, Michael J.					√

Tally #7		Date: May 15, 2014			
To adopt the roles and responsibilities of the existing standing committees as the new committee charters within the Board's Governance Policies and to revise the Board's governance rules accordingly with regard to the committee structures and specific staff roles.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Bulger, Diana K.	√				
Collins, Mary A.					√
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.	√				
Washington , Lenda P.					√
Warren, Michael J.					√

Tally #8		Date: May 15, 2014			
To authorize the Executive Director to enter into a one-year contract with four 1-year options with the following:					
<ol style="list-style-type: none"> 1. Mobomo, LLC for the Microsoft SharePoint upgrade and development services not to exceed " [redacted pursuant to DC Code §2-575(b)(2) since the price would adversely affect the Board's negotiating strategy]" (for the 5-year period) subject to contract negotiations and industry best practices. 2. Mobomo, LLC for mobile development services not to exceed " [redacted pursuant to DC Code §2-575(b)(2) since the price would adversely affect the Board's negotiating strategy]" (for the 5-year period) subject to contract negotiations and industry best practices. 3. Projects Made Easy Inc. for the Microsoft Project Server upgrade and implementation services not to exceed " [redacted pursuant to DC Code §2-575(b)(2) since the price would adversely affect the Board's negotiating strategy]" (for the 5-year period) subject to contract negotiations and industry best practices. 					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Bulger, Diana K.	√				
Collins, Mary A.					√
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.	√				
Washington , Lenda P.					√
Warren, Michael J.					√

Tally #9		Date: May 15, 2014			
To adjourn the meeting at 1:55 p.m					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis	√				
Bulger, Diana K.	√				
Collins, Mary A.					√
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.	√				
Washington , Lenda P.					√
Warren, Michael J.					√