



DISTRICT OF COLUMBIA RETIREMENT BOARD
BOARD MEETING MINUTES
OCTOBER 15, 2015

MEMBERS PRESENT

Joseph M. Bress, Chairman (by phone)
Lyle M. Blanchard
Barbara Davis Blum
Joseph W. Clark
Mary A. Collins
Gary W. Hankins
Nathan A. Saunders
Darrick O. Ross
Edward C. Smith
Thomas N. Tippet
Michael J. Warren *
Lenda P. Washington
Jeffrey Barnette, ex-officio

*Not present at roll call.

MEMBERS NOT PRESENT

DCRB STAFF PRESENT

Eric Stanchfield, Executive Director
Erie Sampson, General Counsel
Sheila Morgan-Johnson
Johnetta Bond
Peter Dewar
Anthony Shelborne
Joan Passerino
Leslie King
Camille Castro
Deborah Reaves
Johniece Harris
Wukyanos Gebremeskel
Jason Todd

OTHERS PRESENT

Jacqueline Gallant, DC Divest
Ian Lanoff, Groom Law Group
Sarah Adams, Groom Law Group
Fred Duball, Hewlett-Packard

ROLL CALL

On behalf of Chairman Bress (who participated via telephone), Trustee Clark called the meeting to order at 10:52 a.m. Ms. Deborah Reaves called the roll.

FIDUCIARY TRAINING

Ian Lanoff and Sarah Adams of the Groom Law Group provided trustees and staff with training on fiduciary best practices and current issues. This session was closed pursuant to D.C. Code § 2-575(b)(12) and ended at 12:35 p.m.

The Open meeting resumed at 1:07 p.m.

APPROVAL OF MINUTES

Trustee Clark introduced a motion to approve the September 17, 2015 Board meeting minutes.

Motion #1: To approve the September 17, 2015 Board meeting minutes.

The motion was moved by Trustee Tippet and properly seconded by Trustee Hankins. The motion was approved (9-0, with 2 abstentions). (*See Tally #1*)

CHAIRMAN'S COMMENTS

On behalf of Chairman Bress, Trustee Clark commented on the following topics:

Update on Retired Firefighter Trustee Election

The Retired Firefighter Trustee election process is on track with the election schedule, a copy of which is included with the Operations Committee materials. Certified results will be presented to the Board at its November 2015 meeting.

GFOA-Comprehensive Annual Financial Report (CAFR) Award

For the seventh consecutive year, DCRB has been awarded the GFOA certificate of achievement for excellence in financial reporting for the FY 2014 CAFR. Receiving the award this year is even more significant because of new disclosures, schedules and other required supplementary information related to the implementation of GASB 67.

Ethics and Open Meetings Act Training

DCRB has arranged for training on ethics and the Open Meetings Act during the December Board meeting, which will be a closed session.

EXECUTIVE DIRECTOR'S REPORT

Mr. Eric Stanchfield presented the following highlights to the Board:

NIRS Visionary and Director Circle

On October 6, 2015, DCRB hosted the National Institute on Retirement Security's Visionary and Director Circle. This year's meeting was attended by 30 members, primarily executive directors, and research and communications staff, who discussed national issues confronting public sector defined benefit pension plans.

INVESTMENT COMMITTEE REPORT

Investment Committee Chair Blum indicated that there was no report, since the Committee did not meet this month.

OPERATIONS COMMITTEE REPORT

Committee Chair Ross indicated that the Operations Committee will meet in November for the purpose of reviewing the FY 2016 Retirement Modernization Program budget request and pending contract actions. He provided the following report of events that have occurred since the May 2015 Operations Committee Meeting.

FIDUCIARY LIABILITY INSURANCE RENEWAL

The Board's fiduciary liability policy is scheduled for its annual renewal on November 1, 2015. Aon Risk Services Inc., DCRB's insurance broker, will conduct a competitive process on behalf of DCRB to select the insurance carrier to provide this coverage through October 31, 2016. There are no material changes to the policy.

Motion #2: To recommend a renewal of the Board's fiduciary liability insurance policy for \$10 million of coverage for a retention fee of \$110,000.

The motion was moved and properly seconded by Trustee Collins. The motion was approved 12-0. (See Tally #2)

BENEFITS COMMITTEE REPORT

The Benefits Committee did not meet in September. Committee Chair Smith reported the following Benefits Department activities and projects that occurred during September.

SSA Medicare Part B Premium Increase

The Social Security Administration recently announced that as a result of low inflation over the past federal fiscal year, there will be no COLA paid to Social Security recipients in 2016. Due to a “hold harmless” provision within the Social Security Act, when there is no COLA for a given year, certain recipients (around 70%) will not be required to pay any increase in Medicare – Part B premiums. Under the law, the 30% of Medicare recipients who are not shielded by the hold harmless provision, which include those who do not have Medicare - Part B premiums deducted from their Social Security benefits, those with high incomes, and certain others, will be expected to shoulder the entire 2016 premium increase. Consequently, unless Congress intervenes, an estimated increase of around 52% of the current premium (from \$104.90 to \$159.30 per month) is expected next year for most standard Medicare – Part B enrollees).

Health Benefits Open Enrollment

On October 2, 2015, Open Enrollment letters were sent to all annuitants currently participating in the federal and District healthcare programs. This year, both the federal and District Employees Health Benefit Programs are scheduled to begin on November 9, 2015 and continue through December 14, 2015. OPM has reported a 6.4% increase in federal health benefit rates and, as previously reported, they are offering a new enrollment type, Self Plus One.

Equalization Increases

In accordance with D.C. Code § 5-745, Police and Fire annuitants who retired before February 15, 1980, will receive equalization increases on the first day of the month following the effective date of pay increases awarded to active employees. Since both active MPD union and nonunion police officers, and active FEMS nonunion Fire employees, received pay increases effective October 4, 2015, eligible annuitants will receive an equalization increase starting November 1, 2015, and payable December 1, 2015 and thereafter.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard referred Trustees to the written Legislative Committee Report covering legislative activity since the September Board Meeting. Highlights are as follows:

L21-29, “Fiscal Year 2016 Budget Request Act of 2015.” This law, effective September 29, 2015, approved the appropriation of \$136,115,000 from local funds for the Police Officers and Firefighters’ Retirement System; \$44,469,000 from local funds for the Teachers’ Retirement System; and \$32,302,000 from the Teachers’ and Police Officers and Firefighters’ Retirement Funds for the District of Columbia Retirement Board.

B21-397, “Procurement Practices Reform Amendment Act of 2015.” This act revises the criteria for review by the Council of multiyear contracts, contracts in excess of \$1 million, and contract options which increase the value of a contract to over \$1 million. This bill was introduced by Chairman Mendelson on September 22, 2015, and on October 6, 2015, was referred to the Committee of the Whole.

B21-357, “Public Safety and Criminal Code Revisions Amendment Act of 2015.” Title VII of this act allows retired police officers, with the exception of disability annuitants, to be eligible for rehire at the discretion of the Director of the Department of Forensic Sciences as a temporary full-time or part-time employee without jeopardy to their retirement benefits. This bill was introduced by Chairman Mendelson on September 21, 2015, and was referred to the Committee on the Judiciary and the Committee of the Whole on September 22, 2015. A public hearing is scheduled for October 21, 2015.

AUDIT COMMITTEE REPORT

The Committee met this morning and Committee Chair Hankins provided the following report:

The scope of the 2015 audit will include DCRB’s financial statements as of September 30, 2015, internal controls and compliance, and written communication with the Board. Critical areas will include investments, contributions, benefit payments, and actuarial data. The 2015 audit will be conducted by DCRB’s Auditor, CliftonLarsonAllen.

Trustee Hankins indicated that preliminary audit work was completed in August 2015, which included an understanding and testing of internal controls. He stated that substantive procedures would occur in November, and that a final audit report would be provided to DCRB in December 2015. He noted that GASB 68 would be implemented this year.

OTHER BUSINESS

None

ADJOURNMENT

Motion #3: Trustee Clark introduced a motion to adjourn the meeting at 2:00 p.m.

The motion was properly moved by Trustee Tippett and seconded by Trustee Saunders. The motion was approved 12–0. (*See Tally #3*)

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

Tally #1:		Date: September 17, 2015			
To approve the September 17, 2015 Board 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: October 15, 2015			
To recommend a renewal of the Board's fiduciary liability insurance policy for \$10 million of coverage for a retention fee of \$110,000.					
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.	√				

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

Tally #3:		Date: October 15, 2015			
To adjourn the meeting at 2:00 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.	√				