



**DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)  
GENERAL VIRTUAL BOARD MEETING MINUTES  
THURSDAY, NOVEMBER 19, 2020**

**MEMBERS PRESENT**

Gary W. Hankins, Chair  
Joseph W. Clark, Vice Chair  
Janice M. Adams  
Lyle M. Blanchard  
Joseph M. Bress  
Mary A. Collins  
Denise D. Daniels  
Tracy S. Harris  
Edward C. Smith  
Greggory Pemberton

**DCRB STAFF PRESENT**

Sheila Morgan-Johnson, Executive Director  
Erie Sampson, General Counsel  
Karen Hsu  
Mark Spindel  
Ram Murthy  
Vernon Valentine  
Akiko Kawashima  
Leslie King  
Adina Dorch  
Johniece Harris  
Deborah Reaves, Board Liaison

**MEMBERS NOT PRESENT**

Bruno Fernández, Ex officio  
Michael J. Warren

**ROLL CALL**

Chair Hankins called the meeting to order at 2:05p.m., and Ms. Deborah Reaves called the roll.

**APPROVAL OF MINUTES**

Chair Hankins introduced a motion to approve the Board meeting minutes. He made the following motion.

**Motion #1:** To approve the Board meeting minutes for September 17, 2020.

The motion was moved by Trustee Clark and properly seconded by Trustee Bress.

The motion was approved (10-0) (*See Tally #1*)

Tally #1:		Date: November 19, 2020			
<b><u>Motion #1:</u></b> To approve the Board meeting minutes for September 17, 2020					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Hankins, Gary W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Harris, Tracy S.	√				
Pemberton, Greggory J.	√				

Smith, Edward C.	√				
Warren, Michael J.					√

**CHAIR’S REPORT**

Chair Hankins directed the Trustees to his written report. He stated that any Trustees with questions and/or comments should contact him. He then commented on the following from his report:

- He discussed the end of his term ending January 27, 2021 and thanked the Trustees and staff for being “*the best group of people he has had the pleasure of serving on the Board with.*”
- He noted that Trustee Warren (not present), has indicated his intention to resign from the Board, and will submit his resignation to the Chairman of the D.C. Council. The Chairman will determine Trustee Warren’s replacement; however, Trustee Warren will assist with the identification and presentation of the replacement to the Chairman of the D.C. Council.
- Chair Hankins noted that the 2020 Board Elections have begun, that he has received some feedback from retired police officers, and that their ballots began arriving yesterday.
- He noted the Executive Director search is still underway, and that the Board has engaged Polihire. He added that the Board is not satisfied with the current candidates, and will proceed with identifying more candidates, to close-out the process as soon as possible. He added that the current Executive Director, Sheila Morgan-Johnson, will remain with the agency through the end of this calendar year. He stated that he is not sure whether there will be a candidate in place to replace her prior to her departure, and the discussion will be the subject for next month’s meeting. Finally, he noted that Trustee Clark has taken on the lead responsibility for the process and is providing updates to the Board as the search continues.

Trustee Clark noted he wanted to discuss with the trustees (in Executive Session) a path forward, in terms of the work the trustees are doing, and the slate of candidates they can feel enthusiastic about.

Chair Hankins then presented the revised motion for the Board to approve the *Certificate of Secretary*. The motion is needed to execute the signature of the *Certificate of Secretary*. Trustee Daniels then asked for clarification whether, once Ms. Morgan-Johnson leaves, the Board would need to revisit the motion. Chair Hankins stated that, if another Executive Director will be on Board, the existing motion will hold, since it has already been authorized by the existing Executive Director. Trustee Daniels then asked if the *Certificate of Secretary* will always require two signatures; Chair Hankins then directed the question to Ms. Morgan-Johnson, who replied, yes—two signatures are always required.

Chair Hankins made the following mission.

**Motion #2:** To approve the *Certificate of Secretary* that authorizes the Executive Director and the Chief Investment Officer to execute agreements jointly with Investment Management and Investment Consulting firms.

The motion was moved by Chair Hankins and properly seconded by Trustee Pemberton.

The motion was approved (10-0). (*See Tally #2*)

Tally #2:	Date: November 19, 2020
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**Motion #2:** To approve the *Certificate of Secretary* that authorizes the Executive Director and the Chief Investment Officer to execute agreements jointly with Investment Management and Investment Consulting firms.

Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Hankins, Gary W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Smith, Edward C.	√				
Warren, Michael J.					√

Chair Hankins then introduced a Board-reinstated motion (# 11), which was made and passed in September 2019 in error. The motion was characterized as a private meeting, which does not comply with or adhere to the statutory requirements to describe our closed sessions. The reinstated motion is to amend and conform to the intent of the law and our intent.

**September 17, 2020 Motion #11:** The tape or written minutes of private Board meetings shall not be available to staff or others without approval of the chair of the Board.

**Motion #3:** To amend and restate its motion #11 adopted at the Board’s September 17, 2020 meeting to read: “In accordance with the applicable provisions of District Law, the recordings or written materials of closed sessions shall not be made available to DCRB staff or others without the prior written approval of the chair of the Board.”

The motion was moved by Chair Hankins and properly seconded by Trustee Daniels.

The motion was approved (9-1). (See Tally #3)

Tally #3:			Date: November 19, 2020		
To amend and restate its motion #11 adopted at the Board’s September 17, 2020 meeting to read: “In accordance with the applicable provisions of District Law, the recordings or written materials of closed sessions shall not be made available to DCRB staff or others without the prior written approval of the chair of the Board.”					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Hankins, Gary W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Clark, Joseph W.	√				
Collins, Mary A.		√			
Daniels, Denise D.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				

Smith, Edward C.	√				
Warren, Michael J.					√

Trustee Adams then stated that Chair Hankins said, “approval of the Board and proxy,” and wanted to make sure the motion reads exactly as the trustees were voting on. Chair Hankins then replied that Trustee Adams was correct, and the motion should read “approval of the chair of the Board.”

Trustee Collins stated that there is a deadline by which Board minutes must be prepared, and the tapes must be verified that the information is correct. She would like the General Counsel to confirm this, because she (trustee Collins) doubts the legality of the restated motion.

Ms. Sampson then responded that there was a conversation with Chair Hankins and Trustee Clark regarding the motion, and that there were some concerns that are a bit unusual and sensitive regarding the recording. The motion was redrafted as a result, to reflect that the correct language should be “closed” rather than “private” meeting.

Trustee Collins then asked for clarification of the difference. Ms. Sampson stated that there are no private Board meetings, and that the Board meetings are either open to the public or closed to the public. She also clarified that all recordings and minutes are subject to review by DCRB legal staff, and by certain staff in the executive office. She explained that Chair Hankins and Trustee Clark did not agree with this protocol, and that the Board had voted on the motion in September. She noted that the protocol and the drafted motion is, in her view, atypical and not generally consistent with the law. Chair Hankins then stated that it was not a personal decision by Trustee Clark or himself to do this, and that the motion was approved by the Board in the closed session. Ms. Sampson then stated that she was referring to the meeting that she had had with Ms. Dorch, Chair Hankins, and Trustee Clark, in which it was advised the decision was with the Board.

Trustee Collins then stated that the motion was passed unanimously by all trustees that were present and noted that this applied to only one specific meeting. She questioned how, then, would staff prepare minutes accurately if they are not able to verify the accuracy of what is being reported; she stated that she thought that DCRB would be liable if they did not have access to review minutes from closed meetings. Trustee Collins then stated that approval can be given by the Chair of the Board but asked about what happens if the Chair is not available and there is a deadline to prepare the minutes. Trustee Collins stated that her understanding was that it was for one meeting and not every meeting.

Chair Hankins stated that the minutes from the closed session had been prepared by Vice-Chair Clark, and that the concern was the privacy of the closed session, where a full and open dialogue can occur. He further noted that the Chair of the Board and all Chairs are available via telephone, email, and messenger. He also stated that it was the will of the Board to protect the privacy of the Board when in closed session to discuss specific matters, as they come up.

Chair Hankins then presented a motion to go into closed session to attend the Fiduciary Training. Ms. Reaves stated that the Trustees must go into another call-link to attend the training.

**Motion #4:** Meeting convenes in closed session to train and develop Board Trustees pursuant to D.C. CODE §2-575(B)(12).

The motion was moved by Chair Hankins and properly seconded by Trustee Bress

The motion was approved (10-0). (See Tally #4)

Tally #4:			Date: November 19, 2020		
<b>Motion #4:</b> Meeting convenes in closed session to train and develop Board Trustees pursuant to D.C. CODE §2-575(B)(12).					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Hankins, Gary W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Smith, Edward C.	√				
Warren, Michael J.					√

Chair Hankins presented the motion to return to open session at 4:14 p.m.

**Motion #5:** To return to open session.

The motion was moved by Chair Hankins and properly seconded by Trustee Bress.

The motion was approved (8-0). (See Tally #5)

Tally #5:			Date: November 19, 2020		
<b>Motion #5:</b> To return to open session at 4:14 p.m.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Hankins, Gary W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.					√
Bress, Joseph M.	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Smith, Edward C.					√
Warren, Michael J.					√

**EXECUTIVE DIRECTOR’S REPORT**

Ms. Morgan-Johnson directed the Trustees to her written report, in the interest of time. She then stated that the contract for the FY 2020 with the auditors Watson Rice was fully executed on October 14, 2020. She advised that the auditors are currently conducting online meetings with each department and gathering data for the audit process, that the submission of the DCRB draft financial statements are due to the District on December 14<sup>th</sup> and that the audited financial

statements and disclosures are due December 31, 2020. She added that the information is part of package of the District's general-purpose financial statements for FY 2020. DCRB's previous auditor, McConnell and Jones, had recommended that the Board retain an accounting firm to research and reconcile unmatched ending account balances in the financial statements, and continue moving the procurement that's in process. Ms. Morgan-Johnson noted that she is requesting a Special Board Meeting on Tuesday November 24<sup>th</sup> at 10:30 a.m., or Wednesday November 25<sup>th</sup> (sometime after 10:30 a.m. to 11:30 a.m.) to approve the proposed award to an accounting firm, selected by the internal search panel (which is scheduled to meet tomorrow). She noted that Bolton, the actuarial firm, must receive the Board's financial statements to in order to complete its work on the actuarial evaluation report, and that the additional audit work must be coordinated with Watson Rice to ensure the financial deadlines are met and time is of the essence. The Special Board Meeting was voted on and will meet on Wednesday, November 25<sup>th</sup> at 11:00 a.m.

Ms. Morgan-Johnson asked Ram Murthy to speak about the Cisco Jabber application. Mr. Murthy stated the IT department has recently deployed the software application on all the DCRB laptops. With this software, staff can receive and make calls, using the same number as their desk number. When the desk phone rings, it also rings on the staff member's laptop. If someone calls the main number, Ms. Reaves' staff can receive the calls. Mr. Murthy also mentioned that it is time for all to complete the Cyber Security Training, which must be completed by the end of December. He stated that the training is mandated by DCHR, and that all staff should have received the link to the training. and. He stated that staff can reach out to IT staff or "computer issues," if they experience technical issues. He added that 100% agency compliance is expected.

### **GENERAL COUNSEL REPORT**

Ms. Erie Sampson pointed out that, due to recent legislation, the *Diversity Merging Fund Managers and Reporting Requirements Act*, the comprehensive annual financial report (the CAFR) will need to include a provision to cover the first and any matching fund determinations. She noted that regarding "substantial diversity," the report will expose the methods and criteria used by the Board in determining a "diverse" fund manager. So, as a result, she recommended that the Board consider several definitions of "substantial diversity" and include its definition in a policy statement to ensure the Board is clear on the definition, going forward. She noted that the divestment report for Iran and Sudan will now be included in the comprehensive annual financial report. The second item is an informational item for the Trustees, regarding budget and audit meetings that are coming up. She noted that the information is publicly available on the Council's website and was presented in the Legislative Committee report; however, she wanted to remind everyone that there are certain items that DCRB has committed to bring closure to before the next performance hearing. Finally, she noted that there is a quick reference sheet for Trustees to rely upon for the *Open Meeting Act*.

### **INVESTMENT COMMITTEE REPORT**

Committee Vice Chair Bress stated that he had four motions and presented the following recommended by the Investment Committee and they are as follows:

**Motion #6:** To approve BlackRock's Intermediate and Long-Term Government Bond Index Non-Lendable Funds consistent with the present Asset Allocation Policy.

The motion was moved by Vice-Chair Bress and properly seconded by Trustee Harris.

The motion was approved (9-0). (See Tally #6)

Tally #6:			Date: November 19, 2020		
<b>Motion #6:</b> To approve BlackRock’s Intermediate and Long-Term Government Bond Index Non-Lendable Funds consistent with the present Asset Allocation Policy.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Hankins, Gary W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Smith, Edward C.					√
Warren, Michael J.					√

**Motion #7:** To reduce exposure to **Bridgewater’s Pure Alpha Fund** by 50% (\$150 million) and re-invest capital in cash and/or public/private markets.

The motion was moved by Vice-Chair Bress and properly seconded by Trustee Pemberton.

The motion was approved (9-0). (See Tally #7)

Tally #7:			Date: November 19, 2020		
<b>Motion #7:</b> To reduce exposure to Bridgewater’s Pure Alpha Fund by 50% (\$150 million) and re-invest capital in cash and/or public/private markets.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Hankins, Gary W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Smith, Edward C.					√
Warren, Michael J.					√

**Motion #8:** To approve to reduce exposure to Stone Harbor by \$180 million dollars and approve investment in Wellington Blended Opportunistic Emerging Market Debt Strategy, a blended (hard/local/corporate) emerging market debt manager, of \$180 million dollars, subject to legal review and further due diligence.

The motion was moved by Vice-Chair Bress and properly seconded by Trustee Daniels.

The motion was approved (9-0). (See Tally #8)

Tally #8:		Date: November 19, 2020			
<b>Motion #8:</b> To approve to reduce exposure to Stone Harbor by \$180 million dollars and approve investment in Wellington Blended Opportunistic Emerging Market Debt Strategy, a blended (hard/local/corporate) emerging market debt manager, of \$180 million dollars, subject to legal review and further due diligence.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Hankins, Gary W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Smith, Edward C.					√
Warren, Michael J.					√

**Motion #9:** To approve a re-up commitment of up to \$50 million to **Centerbridge Partners Real Estate Fund II**, an opportunistic real estate fund focused on the U.S. and Western Europe, subject to legal review and further due diligence.

The motion was moved by Vice-Chair Bress and seconded by Trustee Collins.

The motion was approved (9-0). (See Tally #9)

Tally #9:		Date: September 19, 2020			
<b>Motion #9:</b> To approve a re-up commitment of up to \$50 million to <b>Centerbridge Partners Real Estate Fund II</b> , an opportunistic real estate fund focused on the U.S. and Western Europe, subject to legal review and further due diligence.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Hankins, Gary W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				



Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Smith, Edward C.					√
Warren, Michael J.					√

**OPERATIONS COMMITTEE REPORT**

Chair Hankins noted that the Operations Committee did not meet in October and its report can be found in Diligent, the Board’s portal

**BENEFITS COMMITTEE REPORT**

Committee Chair Collins stated that the Benefits Committee report can be referenced in Diligent and if anyone has questions, please ask.

**LEGISLATIVE COMMITTEE REPORT**

Committee Chair Blanchard stated that the Committee did not meet in October, but he noted that his report included a summarization of the bill introduced by Eleanor Holmes Norton, which is not exactly related to our members or beneficiaries. He noted that there is a new Chief of the Fire and Emergency Medical Services Department, John Donnelly, who was appointed by the Mayor.

He stated that, due to the recent D.C. Council election, Robert White was reelected as the at-large member and Christina D. Henderson is replacing Councilmember David Grosso. Brooke Pinto earned her seat at Ward 2, Denise Lewis George was elected in Ward 4, Vincent Gray is still the councilmember for Ward 7, and Trayon White was reelected for Ward 8. He stated that, now that there are new councilmembers in place, the Board may reach out to them to conduct briefings, which will help articulate DCRB’s mission and priorities. He stated that he anticipates that DCRB may stay under the Committee of the Whole, which is chaired by Councilmember Chairman of the City Council Phil Mendelson. He also noted that the Board anticipates getting a clearer sense of who might be a suitable replacement for Michael Warren and discussing that with Mr. Mendelson. Trustee Pemberton asked Committee Chair Blanchard if he had any more information on Eleanor Holmes Norton resolution about buying civil service time.

Committee Chair Blanchard stated that he has received something from the Congressional Record that he or Ms. Dorch can forward, and that there is a statement that provides more detail. Trustee Adams then asked Committee Chair Blanchard about the tenure of Chairman Mendelson. Chair Blanchard responded that council representatives are elected on “staggered terms;” more specifically, he explained that all council members serve four-year terms, and that seats come open for election every two years. He noted that, two years from now, there will be an election for both the Chair of the City Council, as well as for seats in Wards 1, 3, 5 and 6. Trustee Collins stated that it would advantageous for all Trustees to receive a copy of the resolution introduced by Eleanor Holmes Norton. Committee Chair Blanchard then asked Ms. Sampson and Ms. Dorch to provide all Board Trustees with a copy of the Congressional Record Statement.

**AUDIT COMMITTEE REPORT**

Committee Chair Harris stated that the Audit Committee did not meet this month, however they did hire Watson and Rice and are working on the annual audit in time to be included in the annual CAFR. Trustee Collins then asked if the auditor’s report included the teachers at the charter schools who still participate in the Teachers’ Retirement Plan and teachers who are on workers’ compensation leave (in the database of the District Government).

## **OTHER BUSINESS**

Chair Hankins stated that the Board will need to go back into closed session to discuss the search for the Executive Director. Trustee Clark then stated that documents in the Resource Center can answer some of the questions that came up during the last conversation, which includes material around the Classification and Compensation study. After a few more statements on the search from trustee Clark, trustee Bress asked whether this part of the discussion should be conducted in open or closed session; trustee Clark stated that everything he was stating is suitable for the open meeting. Trustee Clark then asked whether the Board wanted to table the discussion until next week at the meeting (on Tuesday or Wednesday). Chair Hankins said that Wednesday would be great at 11:00 a.m., and asked whether there were any objections to the suggestion by Trustee Clark

Ms. Morgan-Johnson stated that if the Trustees meet next Wednesday, Trustee Daniels would not be able to attend. Trustee Daniels responded that she would try to rearrange her schedule. Trustee Clark suggested it be added to the agenda for Wednesday.

Trustee Adams stated she would like the *Open Meetings Act* reference sheet be emailed to them, and thanked Ram Murthy for setting her up with the new equipment. Trustee Daniels thanked him as well, noting that this was the first time she was using the new equipment for the Board meeting, and the new set up was much better. Trustee Harris stated that she does not have her new equipment, and Mr. Murthy replied that DCRB/IT would get the equipment to her. Trustee Collins stated that she loved the system, and also thanked Mr. Murthy. Chair Hankins thanked everyone and extended his well-wishes to all for the weeks ahead. He closed by stating that he hoped everyone had an enjoyable holiday and expressed his wish that there are improvements in the COVID-19 infection rate, and that a vaccine might be delivered soon, and that January finds everyone back on the road to normalcy.

## **ADJOURNMENT**

Chair Hankins made the following motion to adjourn the meeting.

**Motion #10:** To adjourn the meeting at 4:48 p.m.

The motion was moved by Chair Hankins and properly seconded by Trustee Adams.

The motion was approved (9-0) (*See Tally #10*)

Tally #10		Date: <i>November 19, 2020</i>			
<b><u>Motion #10:</u></b> To adjourn the meeting at 4:48 p.m.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Hankins, Gary W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Clark, Joseph W.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				

Smith, Edward C.					√
Warren, Michael J.					√