



**DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)
GENERAL VIRTUAL BOARD MEETING MINUTES
THURSDAY, SEPTEMBER 17, 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
Bruno Fernández, Ex officio

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

Greggory Pemberton
Michael J. Warren

ROLL CALL

Chair Hankins called the meeting to order at 3:15p.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 closed session meeting minutes for July 23, 2020.

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

The motion was approved (9-0) (*See Tally #1*)

Tally #1:			Date: September 17, 2020		
<u>Motion #1:</u> To approve the closed session meeting minutes for July 23, 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, Gregory J.					√
Smith, Edward C.	√				
Warren, Michael J.					√

Motion #2: To approve the open session meeting minutes for August 13, 2020.

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

The motion was approved (9-0). (See Tally #2)

Tally #2:			Date: September 17, 2020		
Motion #2: To approve the open session meeting minutes for August 13, 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, Gregory 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 referenced the *Rules of Professional Behavior* specifically as they relate to prompt arrival to meetings and treating each other with respect.
- He noted the resignation of Trustee Warren, who has resigned as Chair of the Investment Committee (Trustee Bress will serve as the Committee Chair).
- He noted the resignation of Trustee Tippett and stated that a resolution regarding his service to the Board is noted in the Board book.
- He noted that attendance at Board meetings will be limited to specific DCRB staff.
- He acknowledged the work contributions of Vernon Valentine (DCRB/HR Director).
- He noted that Procurement training scheduled for today has been postponed.
- He noted that the next Board meeting will be October 15th via WebEx.

Ms. Morgan-Johnson asked Chair Hankins to have Ram Murthy, DCRB IT Director, to discuss laptop-deployment for Trustees. Mr. Murthy noted that trustees who request laptops will be provided one (laptops can help ensure a better connection for Board and committee meetings, and streamline/standardize communication tools). Mr. Murthy also stated that there will not be additional cost for laptops, because IT is using current inventory.

Ms. Deborah Reaves then called the roll for staff in attendance.

EXECUTIVE DIRECTOR'S REPORT

Ms. Morgan-Johnson directed the Trustees to her written report, in the interest of time. She then asked Mr. Vernon Valentine, DCRB's HR Director, to briefly touch on relevant HR matters.

Mr. Valentine commented that DCRB is continuing to maximize teleworking—but added that a small number of staff do come into the office, as needed, to handle certain tasks. He referenced additional items that were noted in the Executive Director's report. He also referenced new hires and active searches which are listed in the report.

Ms. Morgan-Johnson asked Ms. Kawashima to provide a status of the Watson Rice contract. She then asked if there are any questions.

Ms. Collins requested the status of the Executive Director's search. Mr. Valentine briefly spoke about the plan for the Executive Director's search and reminded the Trustees that DCRB had engaged the firm Polihire for executive-search services and is using Polihire to conduct the Executive Director search.

Ms. Collins continued and asked about the rules and policy regarding Trustees taking a leave of absence. Ms. Erie Sampson, DCRB General Counsel, stated that she did not know the particulars surrounding Trustee Warren's absence. Trustee Smith interjected that the Board Governance manual (located in the Resource Center of the Board portal) has information regarding Trustee absences. Trustee Bress stated that Trustee Warren should return by November.

Chair Hankins returned to the conversation about the Executive Director selection process. He then recognized Trustee Daniels, who stated that, in forming the selection group, there should be one member from each member group (i.e., Teacher, Fire, Police); Chair Hankins agreed. (Final formation of a search/selection committee will be subject to board governance rules.)

Trustee Clark asked about the particulars surrounding the executive search and the number of applicants. Mr. Valentine explained the process which consisted of a number of the trustees. Trustees stated that it should

GENERAL COUNSEL REPORT

Ms. Erie Sampson reported that DCRB has been named as a defendant in a lawsuit in the U.S. District Court by a retired annuitant, with the matter stemming from an administrative appeal of a benefits matter. The summons was received on August 27, 2020, and the Office of the Attorney General for the District of Columbia will represent DCRB. A response to the Complaint will be filed on October 16, 2020, in alignment with the federal government's response deadline. DCRB is familiarizing itself with the pleadings and compiling the administrative record. As this case proceeds, relevant updates will be provided to Trustees.

INVESTMENT COMMITTEE REPORT

Committee Vice Chair Bress stated that he had four motions and presented the following recommended by the Investment Committee.

During the Investment Committee, Ms. LeStage of the Meketa Investment Group stated that Tiger Infrastructure Partners III original was scheduled to be presented at the May 2020 meeting, but the allotted time ran out. In July it was not formally presented and to be transparent we are making the formal presentation today.

Motion #3: To approve a re-up commitment of up to \$50 million to Tiger Infrastructure Partners III, LP, a U.S. infrastructure fund, subject to legal review and further due diligence.

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

The motion was approved (9-0). (See Tally #3)

Tally #3:		Date: September 17, 2020			
Motion #3: To approve a re-up commitment of up to \$50 million to Tiger Infrastructure Partners III, LP, a U.S. infrastructure fund, 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 #4: To rescind the approved motion from January 16, 2020: **“to approve a commitment of up to \$40 million to DivcoWest Fund VI, LP, a U.S. value-added real estate fund, subject to legal review and further due diligence.”**

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

The motion was approved (9-0). (See Tally #4)

Tally #4:		Date: September 17, 2020			
Motion #4: To rescind the approved motion from January 16, 2020: “to approve a commitment of up to \$40 million to DivcoWest Fund VI, LP, a U.S. value-added real estate fund, 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 #5: To approve a re-up commitment of up to \$50 million to DivcoWest Fund VI, LP, a U.S. value-added real estate fund, subject to legal review and further due diligence.

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

The motion was approved (9-0). (See Tally #4)

Tally #5:			Date: September 17, 2020		
Motion #5: To approve a re-up commitment of up to \$50 million to DivcoWest Fund VI, LP, a U.S. value-added real estate fund, 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 #6: To rescind the approved motion from May 21, 2020: “to approve a commitment of up to \$60 million to Artemis Real Estate Partners Income and Growth Fund, LP, a core-plus U.S. real estate fund, subject to legal review and further due diligence.”

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

The motion was approved (7-2). (See Tally #6)

Tally #6:			Date: September 17, 2020		
Motion #6: To rescind the approved motion from May 21, 2020: “to approve a commitment of up to \$60 million to Artemis Real Estate Partners Income and Growth Fund, LP, a core-plus U.S. real estate fund, 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

Committee Chair Smith noted that the Operations Committee met on September 15, 2020. He commented that the committee discussed DCRB’s plan to modify the organizational structure, including the inclusion of a new role of Chief Operations Officer (COO). He concluded his report and stated that there is no date for the next Operations Committee meeting, and there are no action items from the committee.

Trustee Smith stated to Trustee Collins that the Board Governance manual is located in the Resource Center in the Diligent portal.

BENEFITS COMMITTEE REPORT

Committee Chair Collins stated that the Benefits Committee met on September 15, 2020, but there were no action items. She commented that the Committee discussed strategic direction annuitant self-service, and the annual benefit statement project. She applauded the entire Benefits staff for their hard work.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard stated that the Committee met on September 15, 2020 and that the meeting was singularly focused on whether the Board should move forward with the adoption of substantive changes to the Board’s Procurement Rules. He described the path and order of events that would be followed in order to get final rules published.

Committee Chair Blanchard made the following motion:

Motion #7: To approve and adopt substantive and technical amendments to the rules governing the procurement of goods and services for the District of Columbia Retirement Board (“DCRB Procurement Rules.”)

The motion was moved by Trustee Blanchard and seconded by Trustee.

The motion was approved (7-2). (See Tally #7)

Tally #7:		Date: October 17, 2020			
<u>Motion #7:</u> To approve and adopt substantive and technical amendments to the rules governing the procurement of goods and services for the District of Columbia Retirement Board (“DCRB Procurement Rules”.					
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 Clark, as a Mayoral appointee, stated that he is working to get a plaque from the Mayor’s office acknowledging former Trustee Tippet’s service to the Board. He stated that he will work with Trustees Adams and Harris, who are the other Mayoral appointees. Trustee Blanchard also stated that he has contacted the Council regarding the same matter and will provide information.

AUDIT COMMITTEE REPORT

Committee Chair Harris stated that the Audit Committee did not meet this month, and that the next Audit Committee meeting is planned for Thursday, October 15 (immediately prior to the Board meeting). She also stated that this will be an introductory meeting with the Board’s new auditor, Watson Rice.

OTHER BUSINESS

Chair Hankins stated that the procurement training will be postponed; he added, however, that the Board still will enter closed session to discuss other financial matters.

Motion #8: To convene the meeting in closed session pursuant to D.C. §§ 2-575(b)(1), (2), (11) and 1-909.05(e) to discuss investment matters, the disclosure of which would jeopardize the Board’s ability to implement investment decisions or achieve investment objectives.

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

Tally #8:		Date: September 17, 2020			
<u>Motion 8</u> : To convene the meeting in closed session pursuant to D.C. §§ 2-575(b)(1), (2), (11) and 1-909.05(e) to discuss investment matters or final matter, the disclosure of which would jeopardize the Board’s ability to implement investment decisions or achieve investment objectives.					
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.					√
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The motion was approved (9-0). (See Tally #8)

Closed Session began at 4:15 p.m. and ended at 5:35.

Tally #8			Date: September 17, 2020		
Motion #8: To return to open session at 5:36 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.					√

Chair Gary Hankins offered the following resolution:

A RESOLUTION:

Whereas, Meketa Investment Group, Inc. has been providing investment consultant services to the DCRB since 2010;

Whereas, the current 2016 consulting agreement with Meketa Investment Group, Inc., the latest amendment of 2019 and any extensions thereto have expired;

Whereas, in order for DCRB to uphold its fiduciary duties, there is an immediate need for emergency services essential to maintaining DCRB's governmental investment functions and to comply with its fiduciary legal requirements;

Whereas, this immediate need can be addressed by entering into a new agreement on an emergency basis (pursuant to Title 7 of D.C. Municipal Regulations § 1610.5) to retain without delay investment consultant advisory services for the next one year; and

Whereas, the Board has authority under D.C. Code §1-711 to direct the agency.

Resolved, in light of the above, the Board directs the following:

In compliance with the applicable DCRB procurement regulations, as adopted on December 31, 2010, the Executive Director and Chief Investment Officer shall as soon as possible enter into a fixed fee contract for non-discretionary investment consultant advisory services with Meketa Investment Group, Inc. for a term of one year and an amount not to exceed \$716,000.00.

IN WITNESS WHEREOF, the Board Secretary attests that this resolution was adopted by the Board on September 17, 2020. The above-referenced action shall be effective as of the date adopted.

The resolution was moved by Trustee Blanchard and seconded by Trustee Harris.

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

Tally #9:		Date: September 17, 2020			
<p>Motion #9: A RESOLUTION: <i>Whereas, Meketa Investment Group, Inc. has been providing investment consultant services to the DCRB since 2010;</i></p> <p><i>Whereas, the current 2016 consulting agreement with Meketa Investment Group, Inc., the latest amendment of 2019 and any extensions thereto have expired;</i></p> <p><i>Whereas, in order for DCRB to uphold its fiduciary duties, there is an immediate need for emergency services essential to maintaining DCRB's governmental investment functions and to comply with its fiduciary legal requirements;</i></p> <p><i>Whereas, this immediate need can be addressed by entering into a new agreement on an emergency basis (pursuant to Title 7 of D.C. Municipal Regulations § 1610.5) to retain without delay investment consultant advisory services for the next one year; and</i></p> <p><i>Whereas, the Board has authority under D.C. Code §1-711 to direct the agency.</i></p> <p><i>Resolved, in light of the above, the Board directs the following:</i></p> <p><i>In compliance with the applicable DCRB procurement regulations, as adopted on December 31, 2010, the Executive Director and Chief Investment Officer shall as soon as possible enter into a fixed fee contract for non-discretionary investment consultant advisory services with Meketa Investment Group, Inc. for a term of one year and an amount not to exceed \$716,000.00.</i></p> <p><i>IN WITNESS WHEREOF, the Board Secretary attests that this resolution was adopted by the Board on September 17, 2020. The above-referenced action shall be effective as of the date adopted.</i></p>					
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.					√

The following resolution was discussed at length in closed session.

Chair Gary Hankins offered the following resolution:

A RESOLUTION:

Whereas, the Board has authority under D.C. Code §1-711 to direct the agency.

Resolved, the Board approves the following:

- A. The Chief Investment Officer (CIO) and the General Counsel shall work directly with outside investment counsel.*
- B. After the board has voted to fund an investment, execution of the same shall reside with the CIO and the Executive Director (ED). Unresolved due diligence or other issues shall be returned to the Board for further review.*
- C. The CIO shall be included in any contract review panel for any investment related product or service.*
- D. The General Counsel shall continue to provide counsel to the CIO, ED, and the Board.*
- E. The Board may retain outside counsel for issues where there is a real or apparent conflict of interest with the agency.*

IN WITNESS WHEREOF, the Board Secretary attests that this resolution was adopted by the Board on September 17, 2020. The above-referenced actions shall be effective as of the date adopted.

The resolution was moved by Trustee Blanchard and seconded by Trustee Harris.

The resolution was approved (9-0). (See Tally #10)

<i>Tally #10:</i>	<i>Date: September 17, 2020</i>				
A RESOLUTION:					
<i>Whereas, the Board has authority under D.C. Code §1-711 to direct the agency.</i>					
<i>Resolved, the Board approves the following:</i>					
<i>A. The Chief Investment Officer (CIO) and the General Counsel shall work directly with outside investment counsel.</i>					
<i>B. After the board has voted to fund an investment, execution of the same shall reside with the CIO and the Executive Director (ED). Unresolved due diligence or other issues shall be returned to the Board for further review.</i>					
<i>C. The CIO shall be included in any contract review panel for any investment related product or service.</i>					
<i>D. The General Counsel shall continue to provide counsel to the CIO, ED, and the Board.</i>					
<i>E. The Board may retain outside counsel for issues where there is a real or apparent conflict of interest with the agency.</i>					
<i>IN WITNESS WHEREOF, the Board Secretary attests that this resolution was adopted by the Board on September 17, 2020. The above-referenced actions shall be effective as of the date adopted.</i>					
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 introduced the following motion:

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.

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

The motion was approved (9-0). (See Tally #11)

<i>Tally #11:</i>			<i>Date: September 17, 2020</i>		
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					
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.					√

ADJOURNMENT

Chair Hankins made the following motion to adjourn the meeting.

Motion #12: To adjourn the meeting at 6:00 p.m.

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

The motion was approved (9-0). (See Tally #12)

<i>Tally #12:</i>			<i>Date: September 17, 2020</i>		
Motion #12: To adjourn the meeting at 6:00 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.					√