



DISTRICT OF COLUMBIA RETIREMENT BOARD
MEETING MINUTES
DECEMBER 19, 2013
10:00 AM

MEMBERS PRESENT

Lyle M. Blanchard (Acting Chairman)
Diana K. Bulger
Gary W. Hankins
Judith C. Marcus
Darrick O. Ross
Edward C. Smith
Thomas N. Tippet
Jeffrey Barnette, Ex-Officio

DCRB STAFF PRESENT

Eric Stanchfield, Executive Director
Erie Sampson, General Counsel
Tom Anderson
Sheila Morgan-Johnson
Johnetta Bond
Daniel Hernandez
Peter Dewar
Corinne Koch
Steven VanRees
Susan Scrapper
Michael Xanthopoulos
Wukyanos Gebremeskei
Sebastian Podesta (phone)
Yared Desta
Deborah Reaves
Yolanda Smith
Robin Chester
Nina Bridgers

MEMBERS NOT PRESENT

Joseph M. Bress
Barbara Davis Blum
Nathan A. Saunders
Michael J. Warren

OTHERS PRESENT

Edward J. Koebel, Cavanaugh Macdonald
Thomas J Cavanaugh, Cavanaugh Macdonald
Jonathan T Craven, Cavanaugh Macdonald
Brenda Mathis, OCFO
John Henry, OCFO
Daniel Michon, Neal R. Gross Transcriber

ROLL CALL

Acting Chairman Blanchard called the meeting to order at 10:25 a.m. Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

Motion #1: Acting Chairman Blanchard moved to approve the Board meeting minutes for November 17, 2013. Ms. Judith Marcus seconded the motion.

A voice vote was called and the motion was approved 7-0.

CHAIRMAN'S COMMENTS

Acting Chairman Blanchard welcomed Ms. Johnetta Bond to DCRB as the new Chief Benefits Officer.

OPERATIONS COMMITTEE REPORT HIGHLIGHTS

The 2013 Annual Actuarial Evaluation Results:

DCRB's actuary, Cavanaugh Mac Donald Consulting, LLC, presented the FY2015 Actuarial Valuation results to the Board. They presented five key findings to the Board:

1. 11.4% investment return for fiscal year ending September 30, 2013 on a Market basis (assumption is 6.5%)
2. Funded status on an Actuarial value basis has improved slightly for Police; decreased for Teachers and Fire.
3. Teachers Retirement Plan Contribution for FY15 is estimated at \$39.5 million (up from \$31.6 for the 2014 fiscal year).
4. Police Officers and Firefighters' Retirement Plan Contribution for FY2015 is estimated at \$103.4 million (down from \$110.8 million for the 2014 fiscal year).
5. Total contribution for 2015 fiscal year is estimated at \$142.9 million.
6. The past prediction of \$179 million contribution was not this valuation's outcome because the salary increases for fire and police did not occur. Future contributions will rise when salary increases are given.

Mr. Tippett inquired about why the teacher contribution is so different than the other groups. Mr. Craven explained that the normal cost for a teacher is less and they have longer careers than employees in public safety positions. Mr. Tippett then asked about the normal cost rate and the comparability to other systems. Mr. Cavanaugh responded that teachers' plans are usually 5-10%, while public safety is 40-45%. It is also important to look at the big picture and add in all contributions.

Ms. Marcus asked if a 7-year smoothing is appropriate. Mr. Craven indicated that 5-year smoothing (typical economic cycles) is most common and the Board will look at the smoothing policy trends in the next experience study.

The FY 2015 DCRB Budget Presentation:

Sebastian Podesta presented the proposed FY2015 budget to the Board. Mr. Podesta shared that again DCRB is managing its growth with staff and technology while keeping their operating budget the same as FY2014.

Mr. Blanchard inquired about the increase in overtime pay. Mr. Podesta explained that it is anticipated that with a new pension system acquisition, staff will be expected to run two systems at the same time. Mr. Smith stated that he is in support of enhanced benefits staffing so that processing of new retirees can be improved.

Mr. Stanchfield explained to the Board that a Request for Proposal should be released in the 4th quarter of FY 2014 for a pension system and Mr. Dewar gave an overview of the status of the Pension Modernization goals.

At the conclusion of the presentations, Acting Chairman Blanchard proposed the following motions:

Motion #2: To Accept the FY 2015 Operating Budget. Mr. Smith seconded the motion.

A voice vote was called and the motion was approved 7-0.

Motion #3: That the Board adopts the certified District Contribution, as presented in the actuarial valuation report as of October 1, 2013 for FY 2015 contributions. Mr. Tippett seconded the motion.

A voice vote was called and the motion was approved 7-0.

Mr. Ross introduced the following motion:

Motion #4: That the Board authorize the Executive Director to execute a one year contract with iCore for telephone services in the amount of \$60,000. Mr. Tippett seconded the motion.

A voice vote was called and the motion was approved 7-0.

EXECUTIVE SESSION

Motion #5: Acting Chairman Blanchard moved to enter into Executive Session at 11:42 am.

A voice vote was called and the motion was approved 7-0.

Motion #6: Acting Chairman Blanchard moved to return to open session at 12:28 pm. The motion was seconded by Mr. Smith.

A voice vote was called and the motion was approved 7-0.

George Suter Resolution for Service to the Board

Acting Chairman Blanchard expressed his and the Board's appreciation and thanks to George Suter for serving on the Board from 1997-2013.

Motion #7: Acting Chairman Blanchard moved to break for lunch at 12:38 pm. Ms. Bulger seconded the motion.

A voice vote was called and the motion was approved 7-0.

Open Session

Motion #8: Acting Chairman Blanchard moved to re-open the meeting at 1:05 pm.

A voice vote was called and the motion was approved 7-0.

EXECUTIVE DIRECTOR'S REPORT HIGHLIGHTS

- Mr. Stanchfield discussed the B20-627, "Post-Employment Benefits Trust Fund Jurisdiction Amendment Act of 2013" introduced by Chairman Mendelson.

- Mr. Hernandez presented an update to the Board regarding a new logo design and selection process.
- Mr. Stanchfield reported on the construction of DCRB's office space on the 2nd floor.
- Mr. Stanchfield introduced Johnetta Bond, DCRB's new Chief Benefits Officer, and thanked Corinne Koch, Deputy Chief Benefits Officer, for her contribution during this interim period.

GENERAL COUNSEL REPORT HIGHLIGHTS

No report this month.

BENEFITS COMMITTEE REPORT HIGHLIGHTS

Mr. Smith reported the following business:

- Business Process Reengineering (BPR) has continued with training of staff in their new roles.
- The disability income review for Police Officers and Firefighters is underway.
- To address corrections, DCRB will reach out to members with invalid addresses using their email address.
- The COLA lookback error and 80% Maximum benefit codification error projects have estimated fiscal impacts, but additional project work and final figures will be forthcoming.

INVESTMENT COMMITTEE REPORT HIGHLIGHTS

No report this month.

LEGISLATIVE COMMITTEE REPORT HIGHLIGHTS

No report this month.

ADJOURNMENT

Motion #9: Vice-Chairman Blanchard moved to adjourn the meeting at 1:36 p.m. Ms. Bulger seconded the motion.

A voice vote was called and the motion was approved 7-0.

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

Motion #1		Date: December 19, 2013			
To approve the November 21, 2013 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.	√				
Hankins, Gary W.	√				
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Saunders, Nathan					√
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Motion #2		Date: December 19, 2013			
To Accept the FY 2015 Operating Budget.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair					√
Blanchard, Lyle	√				
Blum, Barbara Davis					√
Bulger, Diana K.	√				
Hankins, Gary W.	√				
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Saunders, Nathan					√
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Motion #3		Date: December 19, 2013			
That the Board adopts the certified District Contribution, as presented in the actuarial valuation report as of October 1, 2013 for FY 2015 contributions.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair					√
Blanchard, Lyle	√				
Blum, Barbara Davis					√
Bulger, Diana K.	√				
Hankins, Gary W.	√				
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Saunders, Nathan					√
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Motion #4		Date: December 19, 2013			
That the Board authorize the Executive Director to execute a one-year contract with iCore for telephone services in the amount of \$60,000.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair					√
Blanchard, Lyle	√				
Blum, Barbara Davis					√
Bulger, Diana K.	√				
Hankins, Gary W.	√				
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Saunders, Nathan					√
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Motion #5		Date: December 19, 2013			
To enter into Executive Session at 11:42 am.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair					√
Blanchard, Lyle	√				
Blum, Barbara Davis					√
Bulger, Diana K.	√				
Hankins, Gary W.	√				
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Saunders, Nathan					√
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Motion #6		Date: December 19, 2013			
To re-open the meeting at 12:28 pm.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair					√
Blanchard, Lyle	√				
Blum, Barbara Davis					√
Bulger, Diana K.	√				
Hankins, Gary W.	√				
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Saunders, Nathan					√
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Motion #7		Date: December 19, 2013			
To break for lunch at 12:38 pm.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair					√
Blanchard, Lyle	√				
Blum, Barbara Davis					√
Bulger, Diana K.	√				
Hankins, Gary W.	√				
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Saunders, Nathan					√
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Motion #8		Date: December 19, 2013			
To re-open the meeting at 1:05 pm.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair					√
Blanchard, Lyle	√				
Blum, Barbara Davis					√
Bulger, Diana K.	√				
Hankins, Gary W.	√				
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Saunders, Nathan					√
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Motion #9			Date: December 19, 2013		
To adjourn the meeting at 1:36 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.	√				
Hankins, Gary W.	√				
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Saunders, Nathan					√
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√