

900 7th Street, NW, 2nd Floor
Washington, DC 20001
www.dcrb.dc.gov



Telephone (202) 343-3200
Facsimile (202) 566-5000
E-mail: dcrb@dc.gov

OPEN SESSION
NOTICE OF REGULAR BOARD MEETING
JOSEPH BRESS, CHAIRMAN

AGENDA
THURSDAY, JUNE 19, 2014
12:30 PM

12:30 PM **ROLL CALL**

➤ **APPROVAL OF BOARD MEETING MINUTES FOR MAY 15, 2014 [TAB 1]**

CHAIRMAN'S COMMENTS [TAB 2]

➤ **WELCOME TRUSTEE JOSEPH CLARK**

EXECUTIVE DIRECTOR'S REPORT [TAB 2]

INVESTMENT COMMITTEE REPORT

OPERATIONS COMMITTEE REPORT

BENEFITS COMMITTEE REPORT [TAB 3]

LEGISLATIVE COMMITTEE REPORT [TAB 3]

AUDIT COMMITTEE [TAB 4]

➤ **ACTION ITEM**

OTHER BUSINESS [TAB 5]

➤ **ARTICLES OF INTEREST**

2:00 PM **ADJOURNMENT**

ADDITIONAL MEETING MATERIALS

- **TRUSTEE MEMBERS LISTING**
- **DCRB FLOOR PLAN**
- **DCRB ORGANIZATIONAL CHART**
- **TRAINING AND TRAVEL REPORT**
- **CONFERENCES & MEETINGS LISTING**



EXECUTIVE DIRECTOR REPORT

June 19, 2014

Executive Updates	Update
DCRB FY 2013 CAFR	The Fiscal Year 2013 Comprehensive Annual Financial Report is included in your Board materials and is also posted online at www.dcrb.dc.gov .
Board Portal Project	This project, kicked-off June 4, 2014, will focus on improving the process of generating board materials, switching from physical to mostly digital representations of Board materials which will improve the delivery of materials to trustees, allow trustees to annotate the documents, alleviate staff production time, reduce agency costs, and create efficiencies across agency by improving information sharing. The project's first steps will include requirements gathering, market research, and procurement of the best solution addressing DCRB's needs. In the next few weeks, staff will schedule in-person interviews with key staff to understand DCRB and Board member requirements. This portal project is tentatively scheduled for an early fall completion. In the near future, a few Board members and staff will be assisting DCRB IT in a pilot of the portal.
Mandatory Ethics Training	Mandatory ethics training is being provided to all DCRB staff. The training is being conducted by Darrin Sobin, Director of Government Ethics with the Board of Ethics and Government Accountability. To accommodate all staff without disrupting service for our members, the training was scheduled for two sessions -- June 12 and July 1. The ethics rules changed recently, and it was important to ensure that DCRB staff was well-informed on the ethical responsibilities and prohibitions. We will arrange for a focused version of the training to be provided to the trustees soon.
DCRB Staff Background Checks	DCRB/HR Department is coordinating with MPD on conducting background checks (including fingerprints) for our employees. To date, all staff have been fingerprinted and this process represents a periodic re-check of employees who have been on staff more than two years.
Certificate of Achievement in Public Plan Policy (CAPPP®) Program Training	<p>We are pleased to announce that DCRB will offer the Certificate of Achievement in Public Plan Policy (CAPPP®) program training for the trustees and staff. This curriculum provides a solid knowledge base in the legal, legislative, plan design and fiduciary aspects of public sector benefit plans. The training is offered in two parts and each part is filled with two-day courses. CAPPP Training Part I will be held on Monday, September 29 and Tuesday, September 30 and CAPPP Training Part II will be held on Monday, October 27 and Tuesday, October 28, 2014.</p> <p>The faculty is drawn from practitioners in the public sector who are well-acquainted with the real issues being faced, allowing rich and current examples of actual situations. We decided offering onsite training as a cost-effective way to get thorough, on-target information to assist in policy-making decisions. The topic overview is appended to this report.</p>

Executive Updates	Update
DCRB Human Resources	<p>New Staff: Camille Castro</p> <p>Camille joins us as Staff Attorney, and will be working in Legal on a broad range of legal matters. She will have a specific emphasis in working to support the legal needs of our Benefits Department.</p> <p>Camille previous employment was at the U.S. Department of Treasury, and brings with her a strong focus in employee benefits law, as well as an understanding of and familiarity with the District pension plans our agency administers. As part of her role at U.S. Treasury, Camille supported the Office of D.C. Pensions (ODCP) on matters related to the District of Columbia Police Officers and Firefighters', Teachers', and Judges' Retirement Plans. Her daily tasks included providing guidance on plan interpretation, drafting responses to benefit appeals and requests for debt waiver and compromise, monitoring legislation, and assisting with other general matters to support the ODCP.</p> <p>Camille earned her J.D. degree from Syracuse University College of Law, and went on to attend Georgetown University Law Center where she earned an LL.M. degree in Taxation with a Certificate in Employee Benefits Law.</p>
National Institute of Retirement Security Webinar (NIRS)	<p>The National Institute of Retirement Security (NIRS) is hosting a members-only webinar on Thursday, June 26th at 3 PM ET to review their new Pension Education Toolkit. You may register at https://www2.gotomeeting.com/register/412783010.</p>
National Institute of Retirement Security – response to Washington Post Retirement Article	<p>On May 15th, the Washington Post published an opinion piece by Andrew J. Rotherham and Chad Aldeman entitled “Many Teachers Face a Retirement Savings Penalty When Leaving the Profession.” According to the authors, less than one in five teachers will work a full career and reach the pension plan’s “normal retirement age.” Most teachers will leave their public service with little retirement savings due to vesting schedules and turnover. The authors state that the largest rewards go to those who remain in the system for 30 or more years, something few workers do today.</p> <p>In response to this article, NIRS indicated that the State of Maryland, which was cited by the authors as an example, initiated pension payments in 2013 to 7,260 new retirees who retired with various years of service, and for more than seven out of ten retirees, their average retirement check exceeds the average amount of the Social Security checks sent to retirees in Maryland. To describe such a plan as poorly structured, misleads and fails to consider the workforce advantages of defined benefit plans.</p> <p>NIRS also states that although teacher turnover is highest in the early working years, public employees have significantly higher median tenure when compared to the turnover in the private sector. In Maryland, those teachers who leave before they vest reap the benefit of the pension plan’s forced savings as their contributions are returned with a guaranteed 5% interest. This has proven to be a positive benefit over the last decade, in light of the much lower returns available in the financial markets for stable investments.</p> <p>http://www.nirsonline.org/index.php?option=com_content&task=view&id=26&Itemid=50</p>

GOVERNMENT OF THE DISTRICT OF COLUMBIA

ADMINISTRATIVE ISSUANCE SYSTEM


Mayor's Order 2014-102
May 6, 2014

SUBJECT: Appointment – District of Columbia Retirement Board


ORIGINATING AGENCY: Office of the Mayor

By virtue of the authority vested in me as Mayor of the District of Columbia pursuant to section 422(2) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 790; Pub. L. 93-198; D.C. Official Code § 1-204.22(2) (2012 Repl.)), and in accordance with section 121 of the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 869; Pub. L. 96-122; D.C. Official Code § 1-711 (2012 Repl.)), it is hereby **ORDERED** that:

1. **LEND A P. WASHINGTON** is re-appointed as a member of the District of Columbia Retirement Board, for a four-year term to end January 27, 2019.
2. **JOSEPH CLARK** is appointed as a member of the District of Columbia Retirement Board to complete the remainder of an unexpired four-year term to end January 27, 2018.
3. **EFFECTIVE DATE:** This Order shall become effective immediately.



VINCENT C. GRAY
MAYOR

ATTEST: 

CYNTHIA BROCK-SMITH
SECRETARY OF THE DISTRICT OF COLUMBIA

Member Services
900 7th Street, NW
2nd Floor
Washington, DC 20001
www.dcrb.dc.gov



Telephone (202) 343-DCRB
(866) 456-DCRB
TTY/Federal Relay (800) 877-8339
Facsimile (202) 566-5001
E-mail: dcrb.benefits@dc.gov

TO: BOARD OF TRUSTEES

FROM: EDWARD SMITH, CHAIRMAN

DATE: JUNE 19, 2014

SUBJECT: BENEFITS COMMITTEE REPORT

The Benefits Committee did not meet in June. The following report reflects Benefits Department activities that have occurred since the May 15, 2014 Board meeting.

COLA LOOK-BACK ERROR AND 80% MAXIMUM BENEFIT PUBLICATION ERROR

The Office of DC Pensions (ODCP) notified DCRB that contractors have been procured and they will soon begin the review associated with the COLA Look-Back error and the 80% Maximum Benefit Publication Error. In both cases, ODCP plans to move forward with prospective benefit payment corrections by March 1, 2015.

Per ODCP's data on the COLA Look-Back Error, approximately 585 annuitants are impacted. Per ODCP's data on the Federal Max 80 Error, the Federal benefit of approximately 177 annuitants (30 may be split cases of both Federal and District responsibility) are impacted. This count does not include annuitants where the Max 80 error is a 100% District responsibility.

In preparation for the next Benefits Committee Meeting, DCRB Staff will begin the following actions:

- Review ODCP's data
- Review financial impact on the Fund and Members
- Discuss with outside legal counsel what, if any, action is recommended for this error
- Discuss with ODCP its proposed approach
- Review and update DCRB's 2009 correction policy
- Recommend a statute of limitations for errors

CHARTER SCHOOL COMMUNICATIONS

DCRB Benefits, the OCFO Office of Finance & Treasury, and the DC Charter School Board (PCSB) have been working together to improve the communication to charter schools regarding the eligibility and reporting requirements for former DCPS employees. This communication will assist in a smooth transition for continued participation in the DC Teachers Retirement Plan by DCPS employees who terminate or take a leave-of-absence to

work in a DC charter school (*D. C. Code § 38-1802.07*). Brochures, applications, and Question and Answers were presented at a meeting of charter school local education agencies on June 9, 2014.

THE NEXT BENEFITS COMMITTEE MEETING

The date of the next Benefits Committee meeting will be sent to members via e-mail.

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Telephone (202) 343-3200
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TO: BOARD OF TRUSTEES

FROM: LYLE BLANCHARD, CHAIRMAN

DATE: JUNE 19, 2014

SUBJECT: LEGISLATIVE COMMITTEE REPORT

The following report reflects activities of interest since the May Board Meeting.

COUNCIL OF THE DISTRICT OF COLUMBIA

B20-627, “Post-Employment Benefits Trust Fund Jurisdiction Amendment Act of 2013”

This proposed bill would subject the District’s Other Post-Employment Benefits Fund (“OPEB Fund”) to similar requirements applicable to the Teachers, Police Officers and Firefighters’ Retirement Funds by requiring procedures and obligations for the calculation and payment of the District’s annual contribution to the OPEB Fund, and annual auditing and reporting requirements. The legislation also would create an advisory committee that would include one DCRB trustee or one of its professional staff members to advise the District’s Office of the Chief Financial Officer in administration of the OPEB Fund.

Status: The bill, originally introduced by Chairman Phil Mendelson on December 17, 2013, was approved on June 3, 2014 (First Reading).

B20-809, “Retirement Parity Act of 2014”

This proposed bill would institute an employer matching program to the District’s 457(b) plan, and increase the District’s contribution to its 401(a) plan from 5% to 7%.

Status: Councilmember Jack Evans introduced this bill on May 29, 2014. The bill has been referred to the Committee on Finance and Revenue.

B20-749, “Fiscal Year 2015 Budget Request Act of 2014”

This proposal would approve appropriation of \$103,430,000 from local funds for the Police Officers and Firefighters’ Retirement System; \$30,338,000 from local funds for the Teachers’ Retirement System; and \$30,338,000 from the Teachers, Police Officers and Firefighters’ Retirement Funds for the District of Columbia Retirement Board.

Status: The D.C. Council passed the bill on May 28, 2014 (First Reading). A second vote will be held on June 17, 2014.