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OPEN SESSION
NOTICE OF VIRTUAL BOARD MEETING
JOSEPH M. BRESS, CHAIR
THURSDAY, NOVEMBER 16, 2023
1:30 P.M.

| | | | |
|-------------------------------|----------------------------|--|----------------------------------|
| WebEx Meeting | Telephone: 650-479-3208 | Conference Access Code: 2303 643 4659 | Meeting Password: ccQPb9mTc53 |
|-------------------------------|----------------------------|--|----------------------------------|

AGENDA

- 1:30 PM **OPEN SESSION -- CALL TO ORDER AND ROLL CALL**
- 1:35 PM **APPROVAL OF BOARD MEETING MINUTES -- ACTION ITEM** **TAB 2**
 ➤ APPROVAL OF OPEN SESSION MEETING MINUTES FOR SEPTEMBER 21, 2023
- CHAIR’S COMMENTS-- ACTION ITEMS** **TAB 3**
 ➤ MOTION: CERTIFICATE OF SECRETARY
 ➤ MOTION: CERTIFICATE OF INCUMBENCY
- EXECUTIVE DIRECTOR’S REPORT** **TAB 4**
- LEGAL DEPARTMENT REPORT** **TAB 5**
- 2:15PM **INVESTMENT COMMITTEE REPORT- ACTION ITEMS** **TAB 6**
- OPERATIONS COMMITTEE REPORT-ACTION ITEMS** **TAB 7**
- AUDIT COMMITTEE REPORT- ACTION ITEM** **TAB 8**
- BENEFITS COMMITTEE REPORT** **TAB 9**
- LEGISLATIVE COMMITTEE REPORT** **TAB 10**
- 2:30 PM **OTHER BUSINESS- EXECUTIVE SESSION** **TAB 11**
 ➤ MOTION: PURSUANT TO DC CODE §2-575(B)(4)(A)), TO CLOSE THE BOARD MEETING TO CONSULT WITH AN ATTORNEY FOR LEGAL ADVICE AND PRESERVE THE ATTORNEY-CLIENT PRIVILEGE.
- 3:00 PM **ADJOURNMENT** **TAB 12**

“This meeting is governed by the Open Meetings Act. Please address any questions or complaints arising under this meeting to the Office of Open Government at opengovoffice@dc.gov.”



**DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)
DRAFT* OPEN BOARD MEETING MINUTES
THURSDAY, September 21, 2023
1:30 P.M. via WebEx**

***These draft minutes must be approved by the Board at its next Open Board meeting.
Full meeting minutes will be posted after the next Open Board meeting.**

MEMBERS PRESENT

Chair, Joseph M. Bress
Joseph W. Clark
Mary A. Collins
Lyle M. Blanchard
Christopher Finelli
Geoffrey P. Grambo
Danny C. Gregg
Tracy S. Harris
Nathan A. Saunders @1:47 p.m.
Adam Weers

MEMBERS NOT PRESENT

Greggory Pemberton
Carmen Pigler-Ex Officio

DCRB STAFF PRESENT

Gianpiero “JP” Balestrieri, Executive Director
Emily Bowie
Ram Murthy
Munetsi Musara
Patrick Sahn
Daniel Hernandez
Lori Morgan
Vernon Valentine
Lauren Smith
Lori Morgan
Leslie West
Jaininne Edwards
Johniece Harris, Board Liaison

OTHERS PRESENT

Joe Ebisa- WithIntelligence
Gar Chung-Financial News
Bela Kirpalani- MandateWire

ROLL CALL

Chair Joseph Bress called the meeting to order at 1:34 p.m. and Ms. Johniece Harris called the roll.

APPROVAL OF MINUTES

Chair Joseph Bress introduced a motion to approve the open session Board meeting minutes.

Motion #1: To approve the July 20, 2023 open session Board meeting minutes.

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

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

| Tally #1 | | | Date: September 21, 2023 | | |
|--|-----|----------------|--------------------------|-----------------------|--------|
| Motion #1: To approve the July 20, 2023 open session Board meeting minutes. | | | | | |
| Members | Aye | Nay/ Oppose | No Vote/ Abstain | No Vote/ Recuse | Absent |
| Bress, Joseph M., Chair | √ | | | | |
| Blanchard, Lyle M. | √ | | | | |
| Clark, Joseph W. | √ | | | | |
| Collins, Mary A. | √ | | | | |
| Finelli, Christopher | √ | | | | |
| Grambo, Geoffrey P. | √ | | | | |
| Gregg, Danny C. | √ | | | | |
| Harris, Tracy S. | √ | | | | |
| Pemberton, Gregory J. | | | | | √ |
| Saunders, Nathan A. | | | | | √ |
| Weers, Adam | √ | | | | |

Motion #2: To approve the August 15, 2023 closed session Board meeting minutes.

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

The motion was approved (8-1) with one abstention. (See Tally #2)

| Tally #2 | | | Date: September 21, 2023 | | |
|--|-----|----------------|--------------------------|-----------------------|--------|
| Motion #2: To approve the August 15, 2023 closed session Board meeting minutes. | | | | | |
| Members | Aye | Nay/ Oppose | No Vote/ Abstain | No Vote/ Recuse | Absent |
| Bress, Joseph M., Chair | √ | | | | |
| Blanchard, Lyle M. | √ | | | | |
| Clark, Joseph W. | √ | | | | |
| Collins, Mary A. | √ | | | | |
| Finelli, Christopher | √ | | | | |
| Grambo, Geoffrey P. | √ | | | | |
| Gregg, Danny C. | √ | | | | |
| Harris, Tracy S. | √ | | | | |
| Pemberton, Gregory J. | | | | | √ |
| Saunders, Nathan A. | | | | | √ |
| Weers, Adam | | | √ | | |

CHAIR REPORT

Chair Bress referred trustees to his written report and commented on the following topics:

- **In-Person Board Attendance:** Board meetings will continue virtually as well as in-person meetings. Those who want to meet in the Board room are welcome to do so, please let staff know.

- **Updates on Investments:**
 - Last month I wrote that we are in an up-and-down economy. While inflation has stabilized to a degree at 3.7%, the impact of the increase in the price of oil due to OPEC's decreased production and some food prices still higher than desired, the Fed is expected to do at least one more 0.25% increase to continue to tamp down inflation toward its 2% target.

 - The auto strike may result in an agreement that also will impact the economy on new car prices. UPS resolved its recent negotiations with healthy increases and the airlines have reached agreements providing increases over the next several years. While these increases are overdue to attempt to ward off the negative impact of inflation on workers, the carom effect is what they will do to the inflation rate — potentially increasing prices to cover them. There has always been a tension between salary increases and inflation impact. Will there be this time?

 - Whether there will be a government shutdown is also an open question at this moment with little legislative time for action to avoid one. Historically during the last several government shutdowns, there has been a minor impact on the markets. Whether a continuing resolution or new budget approvals for the next federal fiscal year may impact the market, or particularly the cost of loans to the government, only time will tell.

 - Lastly, Covid seems to have had a resurgence this fall. As a result, we will continue to meet virtually for the next several months. The new 23-24 Covid variant vaccines are available now locally for those who desire to receive them.

- **Trustee's Election Timetable:** The 2023 Elections have begun for the Retired Firefighter Representative. Notice of Election and Request for Nominations, including Statement of Candidacy Forms were sent to eligible members on September 08, 2023. Members of this constituent group may cast their vote from November 16 through December 15, 2023 by mail, phone, or internet.

- **DCRB Issues New iPads for Trustees:** New iPads are being issued to all the trustees. If you have not received a new iPad, please contact Ram Murthy, Director of Information Technology at ram.murthy2@dc.gov or at 202 343-3215 to coordinate a day and time for pick up.

- **Trustees' Retreat:** The trustees' retreat has been re-scheduled for November 17, 2023, from 8:30-5, at 900 7th Street NW Washington, DC on the ML level. If you plan to attend, please contact Johniece Harris at johniece.harris@dc.gov or at 202-343-3251 to confirm access to the building and ample chaser tickets for parking are on hand. Breakfast and lunch will be provided for the trustees.
- **Next Board Meeting:** The next meeting will be held on November 16, 2023.
- **Board Motions:** As a reminder, when voting on Board motions and resolutions, individual voice votes are required.
- **Member Complaints:** Trustees who receive any complaints or concerns from Retirement Plan members should forward those complaints to the Executive Director and the appropriate DCRB department head.

Trustees moved to the next item on the agenda.

EXECUTIVE DIRECTOR REPORT

Executive Director, Gianpiero "JP" Balestrieri, gave an update on the following topics:

1. Staffing Update

- a. **New Hires: Team Additions and Pending Hires**
- b. **Current Vacancies to Fill**
- c. **Classification and Compensation Study**

DCRB has issued an RFP to select an independent firm to review and assess the overall competitiveness of DCRB's total compensation program. The overarching objective is to ensure that the agency remains as competitive as possible in the job market for highly talented prospective employees. We last completed a "Class/Comp" study in May 2018.

2. Fiscal Year 2023 Fund Performance and Investment Update (as of September 20th, 2023)

- a. **Total Market Value of the Fund**
- b. **Firm Fund Liquidity:**
- c. **Net Returns of the Fund**

3. Asset Allocation & Rebalancing Update as of September 14th, 2023

The Investment Team monitors the portfolio's asset allocation daily to ensure the asset allocation stays in line with targets and that there is sufficient liquidity to meet benefit payments, capital calls, and other operational needs.

- a. The Investment Team has completed a total of 72 rebalancing transactions valued at over \$2.5 billion for the fiscal year 2023 to date.

- b. Since the last board meeting: the Investment Team has completed another 5 rebalancing transactions valued at about \$100 million.

4. Transaction Cost Analysis/Transition Management Consulting (TCA/TMC) Update

The Investment Team has worked with its consultant, Zeno AN, to gather all trade data needed to complete historical review for DCRB's public equity accounts to complete the historical and ongoing trade cost analysis for the period between 3rd quarter 2019 and 2nd quarter 2023 to date. DCRB management and the consultant will be presenting the results and evaluation to the Board in January 2024.

5. Investment Fees and Expenses Verification Services Update

During FY 2023, we established a transparent and independent process for reporting investment manager fees and expenses in awarding an RFP to Colmore.

To date, Colmore has completed its first deliverable of the recalculation, review, verification analysis and benchmarking of investment manager fees and expenses for FY2020, FY2021 and FY2022. The report was submitted by Colmore for our internal review in August 2023. We will have Colmore present the results and its evaluation to the Board in October 2023.

6. Benefits & Pension Administration Stakeholder Update

On September 19th, 2023 DCRB had a follow up meeting with various stakeholder agencies (DCHR, MPD, DCPS, FEMS, and OCTO, among others, "Stakeholders") to update them on issues with and opportunities to jointly accomplish improvements to the member retirement and benefits administration processes. Over the course of the discussion, DCRB updated the agencies on key initiatives that impact our members, reviewed the effective interagency collaboration that took place this year and provided an overview of our FY2024 plans and additional opportunities for agency collaboration.

7. RFI for Feasibility Review on Potential BAPS Investment Update:

The Request for Information (RFI) process for the feasibility review of the Benefits Administration Pension Systems (BAPS) was closed on June 19th, 2023.

The primary focus of the RFI was on implementation approach, cost estimate, timeline, the system architecture, and staff resources that DCRB will need on an ongoing basis to maintain the system.

- Gain a firm understanding of solution options for implementing a fully functioning automated system.
- Obtain vital data on the projected costs and timelines for implementing this pension system.
- Identify and review potential system integrators and vendors capable of providing and implementing the new pension system options.
- Provide respondents an opportunity to comment on the scope and requirements for implementing a pension system.

8. Implementation of Internal Audit Process and Plan

We have implemented an internal audit process, plan and charter that defines the role, organizational status, authority, responsibilities, compliance actions, priorities, and scope of activities of the internal

audit function. We intend to present this for review at the October 2023 session of the Audit Committee. It will also include the underlying objectives of the function and the application thereof into integrated operational quality and risk management activities and processes - in collaboration with dedicated staff members of various departments.

Trustee Harris stated that the Internal Audit Process Plan has not been approved through the Audit Committee yet. Mr. Balestrieri responded that the Director of Internal Audit will be providing the package for Trustee Harris' review early next week well ahead of the Audit Committee meeting in October 2023.

Trustee Collins asked for clarification about what "closed" on June 19, 2023 means with respect to the BAPS system. Mr. Balestrieri responded that the time within which to respond to the RFI closed on June 19, 2023, and DCRB received submissions from 10 different providers. Staff has narrowed the eligible provider pool down to 7 providers, and IT and management are conducting further interviews and Q & A in October and November 2023 before moving with next steps in the process.

Trustees moved to the next item on the agenda.

LEGAL DEPARTMENT REPORT

Emily Bowie, Interim General Counsel, referred the Board to the written report, which highlighted the following:

BENEFITS LITIGATION UPDATE

Clark v. District of Columbia et al. (1:23-cv-01564-RDM)

A group of lateral Emergency Medical Technicians (EMTs) who transferred into the D.C. Police Officers and Firefighters' Retirement Plan as uniformed firefighters under the Paramedic and Emergency Medical Technician Lateral Transfer to Firefighting Amendment Act of 2001 (DC Code § 5-409.01) brought a purported class action against the District of Columbia challenging the terms and implementation of the legislation. The Complaint was amended to attempt to add DCRB as a defendant to assert a fiduciary breach claim, arguing primarily that DCRB should have lobbied for more favorable legislation for the lateral EMTs, but DCRB is not properly named in the amended complaint. We expect the plaintiffs to amend their pleading again to properly name DCRB as a defendant. DCRB's responsive pleading deadline will begin to run after it is properly named and served. The D.C. Office of the Attorney General is representing DCRB in this action.

Gerry O. Scott (2021 CA 004206B)

Mr. Scott, a retired police officer, sued DCRB in D.C. Superior Court for not including his longevity pay in his retirement annuity calculation and for attorney fees. The parties reached a mutual settlement, and the case was dismissed by stipulation of the parties on July 22, 2023.

LEGAL SERVICES CONTRACTS

DCRB's legal services contracts in the areas of (1) investments, (2) fiduciary, employee benefits, and tax, and (3) securities litigation are expiring at the end of this calendar year. The Legal Department has been conducting market surveys and will present its recommendations to the Operations Committee in October.

SUMMARY PLAN DESCRIPTIONS

The Summary Plan Descriptions are with the printer to be finalized.

Trustee Danny Gregg asked for details about the terms of the mutual settlement in the case of Scott vs DCRB. Ms. Bowie responded that the terms of the settlement agreement are subject to a confidentiality provision, but she will be happy to describe the terms of the settlement with the trustees in closed session.

Trustee Collins congratulated Ms. Bowie on doing a great job and asked from a legal perspective what are some of the things trustees cannot have access to or ask questions about? Ms. Bowie responded that as trustees you have access to privileged information, which might not be given in open session meetings. Trustee Collins asked if the contents of the annual financial disclosures are confidential or if they can be shared with other trustees?

Ms. Bowie responded that the information goes over to the District, so it is public and not necessarily confidential. Chair Bress stated the financial disclosures are online for the public and can be accessed from anywhere.

Trustee Clark stated that during the closed session meeting he would like to get more in-depth information on the merits of the legal issues raised in the Clark vs District of Columbia case. Trustee Saunders expressed concern that DCRB is accepting service for situations or legal issues. Ms. Bowie explained that the agency could not refuse to accept service of legal process to avoid being named in a lawsuit. She also noted that the merits of the litigation and strategy for responding to the Complaint could be discussed during the closed session. She also offered to circulate a copy of the complaint to the trustees upon request.

Trustee Saunders asked if it is the responsibility of staff or Board to conduct a class and compensation study for the agency? Ms. Bowie responded that the Executive Director and staff have the authority to analyze and present to the Board the findings and recommendations once the class and comp study is complete.

Trustee Saunders asked if the Summary Plan Descriptions (SPD's) were approved by the Board. Chair Bress responded that the trustees received a copy of the draft to submit changes or comments but was not approved. Trustee Collins stated that the SPD's were not approved by the Board/Ms. Bowie responded that the Board does not vote to approve the SPDs, which are legal documents required to be prepared by statute, but that the SPDs were presented to the Board for review.

Trustee Collins asked if her suggestions about the military credit were put in the SPD, and Trustee Saunders asked if the Board voted to approve the SPD's? Leslie King, Senior Counsel with DCRB, stated that preparation of the SPDs is a legal requirement, and the Board has never voted on the SPD's. Ms. King also noted that the Legal and Benefits departments addressed and responded to all trustee questions about the contents of the SPDs via e-mail, and these revisions were incorporated into the SPDs.

Trustees moved to the next item on the agenda.

INVESTMENT COMMITTEE REPORT

Committee Chair Weers reported that the Investment Committee met on Thursday, September 21, 2023. The official actions taken at this meeting are presented below for ratification by the full Board.

Motion #3: To approve a re-up commitment of up to \$75 million to Fund O*, a private equity fund, pending legal review and final due diligence.

The motion was moved by Chair Adam Weers and properly seconded by Trustee Danny Gregg. The motion was approved by unanimous vote (10-0). (See Tally #3)

| Tally #3: | | Date: September 21, 2023 | | | |
|--|-----|--------------------------|---------------------|--------------------|--------|
| Motion #3: To approve a re-up commitment of up to \$75 million to Fund O*, a private equity fund, pending legal review and final due diligence. | | | | | |
| Members | Aye | Nay/ Oppose | No Vote/ Abstain | No Vote/ Recuse | Absent |
| Bress, Joseph M., Chair | √ | | | | |
| Blanchard, Lyle M. | √ | | | | |
| Clark, Joseph W. | √ | | | | |
| Collins, Mary A. | √ | | | | |
| Finelli, Christopher | √ | | | | |
| Grambo, Geoffrey P. | √ | | | | |
| Gregg, Danny C. | √ | | | | |
| Harris, Tracy S. | √ | | | | |
| Pemberton, Gregory J. | | | | | √ |
| Saunders, Nathan A. | √ | | | | |
| Weers, Adam | √ | | | | |

In addition, the Board closed on the following private market fund commitments since the last Investment Committee meeting:

1. A \$100 million commitment to **Grain Communications Opportunity Fund IV**, an infrastructure fund, closed on 7/24/2023.

Trustee Harris stated that since we have new Board members it would be helpful for the full Board to examine the Board's delegations of authority to the Executive Director. Chair Bress responded that if the delegations in the handbook that are available in Diligent are not up to date that legal could provide the updates to each Board member. Ms. Bowie responded that the delegations that appear at the end of the current Board Governance Manual and in Diligent are the most current and up to date.

Trustees moved to the next item on the agenda.

Operations Committee Report

Committee Chair Saunders reported that the Operations Committee did not meet this month.

Chair Saunders stated that the Operations Committee did have a great deal of work with the Executive

Director evaluation package and is expecting to have a full report for the next Operations Committee meeting. Trustee Collins asked when the trustees will receive a copy of the draft budget? Chair Bress responded that the Executive Director will present to the trustees once it's prepared.

The next Operations Committee Meeting is scheduled to be held on October 17th at 1 PM.

Trustees moved to the next item on the agenda.

BENEFITS COMMITTEE REPORT

Committee Chair Gregg reported that a Benefits Committee did not meet this month. The next Benefits Committee meeting is scheduled for Wednesday, October 18, 2023, at 10 am.

Recalculation of Annuities Planning- The collective bargaining agreements for the Metropolitan Police Department (MPD), DC Fire and EMS (FEMS), the Council of School Officers (CSO), and the Washington Teachers Union (WTU) were renegotiated last year. After payment of active-side retroactive payments, the DCRB Projects team has been working to recalculate annuities for members who retired during the contract periods. Because of the complexities associated with the mass recalculation, DCRB divided the MPD retros into three phases with the Office of DC Pensions. The status of the payments is shown below. Additionally, the FAQs on DCRB's website (click on the carousel graphic on <https://dcrb.dc.gov/> or visit <https://dcrb.dc.gov/release/annuity-payments-adjustments-2023>. provides regularly updated information.

Adjustments and Schedule:

- Council of School Officer – Completed
- Non-Union Battalion Fire Chiefs – Completed
- FEMS Union – Completed
- MPD – September 1– November 1 (dependent on review efforts)
- WTU – November 1 – December 1 payments
- POLFF Equalizations – December 1 payment

Technology Projects – Outlined below are updates on several of the Benefits Department's member-focused technology projects:

- **Benefits Statements** for active members will be available in the employee's self-service account in active PeopleSoft beginning October 1, 2023. The benefits statements include the most up-to-date salary information from the implementation of the collective bargaining agreements. DCRB will work with employer agencies to communicate this to their employees/our active members.
- **Online Purchase of Service Calculators:** DCRB launched the military purchase of service calculator on schedule in August. The calculator is available at <https://dcrb.dc.gov/service/military-purchase-service-calculator>.

Upcoming Events

- Both DC and Federal Health plans will offer Open Enrollment from November 13 to December 11, 2023. More information for members will be posted on DCRB's website and mailed via USPS to members in early November.

Trustee Collins stated she requested a report of the number of members that were retiring on deferred or disability retirement starting with the summer of 2022. She also asked for details about the plans to have a retirement calculator uploaded to the website for teachers. Daniel Hernandez, Pension Administrator responded that the benefits department is working with a better tracking tool to provide a more comprehensive report on the number of retirees this year and the calculator that is already online for the annuities can be used by police officers, firefighters, and teachers alike. Trustee Harris stated that she appreciated that the Benefits department is remembering that some Plan members are elderly and still offering them paper options for receiving information.

Trustees moved to the next item on the agenda.

AUDIT COMMITTEE REPORT

Committee Chair Harris reported that the Audit Committee did not meet this month. The next Audit Committee meeting will be held on October 17, 2023.

Trustees moved to the next item on the agenda.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard report reflects the following activities of interest since the July 20, 2023 Board Meeting.

COUNCIL OF THE DISTRICT OF COLUMBIA

FY 2024 Budget

L25-0047, Effective from Aug 29, 2023, Fiscal Year 2024 Local Budget Act of 2023

The FY24 local budget has become law after its transmission to Congress. Enacted July 10, 2023, the Act notes that for FY ending September 30, 2024, the District of Columbia government's local budget includes \$79,883,000 to the Police Officers' and Firefighters' Retirement System and \$50,224,000 to the Teachers' Retirement System, representing the District's required contributions, and \$39,690,511 from the earnings of the applicable retirement funds to pay legal, management, investment, and other fees and administrative expenses.

L25-0050, Effective from September 6, 2023, Fiscal Year 2024 Budget Support Act of 2023

The FY24 Budget Supporting Act, introduced March 22, 2023, by Chairman Mendelson to the Committee of the Whole, has also become law following transmission to Congress. The Act expands the types of cancer for a presumption of a performance-of duty disability for police officers and firefighters (Title III, Subtitle A, Sec. 3001, the "Fire and Emergency Medical Services Employee Presumptive Disability Amendment Act of 2023"; D.C. Code § 5-653).

A25-0180, Virtual Open Meetings Authority Extension Temporary Amendment Act of 2023:

This Act extends the authorization for public bodies to hold open meetings under the Open Meetings Act virtually or remotely if the public has access to those meetings. The Act was transmitted to Congress on August 4, 2023 with a projected law date of September 15, 2023.

Trustee Clark asked when does the Virtual Open Meetings Authority Extension Temporary Amendment Act of 2023 expire if not extended? Chair Blanchard responded that it may have already expired, but the legal will research and provide the answer.

Trustees moved to the next item on the agenda.

Chair Bress made the following motion to close the public session of the meeting at 3:07 p.m.

Motion #4: To enter closed session to discuss personnel matters pursuant to D.C. Code §§ 1-909.05(e) and 2-575(b)(10).

The motion was moved by Chair Bress and properly seconded by Trustee Adam Weers. The motion was approved by unanimous vote (10-0). (See Tally #4)

| Tally #4 | | Date: September 21, 2023 | | | |
|---|-----|--------------------------|------------------------|-----------------------|--------|
| Motion #4: To enter closed session to discuss personnel matters pursuant to D.C. Code §§ 1-909.05(e) and 2-575(b)(10). | | | | | |
| Members | Aye | Nay/ Oppose | No Vote/ Abstain | No Vote/ Recuse | Absent |
| Bress, Joseph M., Chair | √ | | | | |
| Blanchard, Lyle M. | √ | | | | |
| Clark, Joseph W. | √ | | | | |
| Collins, Mary A. | √ | | | | |
| Finelli, Christopher | √ | | | | |
| Grambo, Geoffrey P. | √ | | | | |
| Gregg, Danny C. | √ | | | | |
| Harris, Tracy S. | √ | | | | |
| Pemberton, Gregory J. | | | | | √ |
| Saunders, Nathan A. | √ | | | | |
| Weers, Adam | √ | | | | |

Closed Session: From 3:07 p.m. to 5:05 p.m.

Motion #5: To return to open session at 5:05 p.m.

The motion was moved by Chair Bress and properly seconded by Trustee Joseph Clark. The motion was approved by unanimous vote. (10-0). (See Tally #5)

| Tally #5: | | Date: September 21, 2023 | | | |
|--|-----|--------------------------|---------------------|--------------------|--------|
| Motion #5: To return to open session at 5:05 p.m. | | | | | |
| Members | Aye | Nay/ Oppose | No Vote/ Abstain | No Vote/ Recuse | Absent |
| Bress, Joseph M., Chair | √ | | | | |
| Blanchard, Lyle M. | √ | | | | |

| | | | | | |
|-----------------------|---|--|--|--|---|
| Clark, Joseph W. | √ | | | | |
| Collins, Mary A. | √ | | | | |
| Finelli, Christopher | √ | | | | |
| Grambo, Geoffrey P. | √ | | | | |
| Gregg, Danny C. | √ | | | | |
| Harris, Tracy S. | √ | | | | |
| Pemberton, Gregory J. | | | | | √ |
| Saunders, Nathan A. | √ | | | | |
| Weers, Adam | √ | | | | |

There being no further business to come before the Board of Trustees, Chair Bress introduced a motion to adjourn the meeting.

Motion #6: To adjourn the meeting at 5:06 p.m.

The motion was moved by Chair Bress and properly seconded by Trustee Geoffrey Grambo. The motion was approved by unanimous vote (10–0). *(See Tally #6)*

| Tally #6: | | Date: September 21, 2023 | | | |
|---|-----|--------------------------|---------------------|--------------------|--------|
| Motion #6: To adjourn the meeting at 5:06 p.m. | | | | | |
| Members | Aye | Nay/ Oppose | No Vote/ Abstain | No Vote/ Recuse | Absent |
| Bress, Joseph M., Chair | √ | | | | |
| Blanchard, Lyle M. | √ | | | | |
| Clark, Joseph W. | √ | | | | |
| Collins, Mary A. | √ | | | | |
| Finelli, Christopher | √ | | | | |
| Grambo, Geoffrey P. | √ | | | | |
| Gregg, Danny C. | √ | | | | |
| Harris, Tracy S. | √ | | | | |
| Pemberton, Gregory J. | | | | | √ |
| Saunders, Nathan A. | √ | | | | |
| Weers, Adam | √ | | | | |

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Chair's Report
November 16, 2023

| TOPIC | UPDATE |
|-------------------------------------|---|
| In Person Board Attendance | The Board meetings will continue to be virtual as well as in-person meetings. Those who want to meet in the Board room are welcome to do so, please let staff know. |
| Updates on Investments | <p>We have good news on our Fund and recently on the economy.</p> <p>First, the Fund returned 11.9% through the end of the fiscal year September 30, 2023 and outperformed our 6.25% actuarial return target. Second, the latest inflation report yesterday was at 3.2% that may result in no interest increase at the Fed's next meeting. Core inflation, which excludes volatile food and energy, was at an annual rate of 2.8% over June through October this year.</p> <p>As the Wall Street Journal stated yesterday, core inflation "is often viewed as a better predictor of inflation's future trajectory than the overall numbers", and third, the market has shown a positive reaction to the inflation news over the last few days. Plus, the fact that there appears to be an extension for a continuing resolution funding the Government through next year has also tempered issues that may have resulted.</p> <p>Now we are moving into the holiday season where we can both celebrate and have comfort in the Fund's continued visibility. Lastly, it's time to enjoy Thanksgiving with your family and friends and think of things for which we are thankful for.</p> |
| Special Board Meeting | A Special Board Meeting will be held on Tuesday, December 19, 2023 at 3:00 pm, to certify the winner of the Retired Firefighter Trustee Elections and approve the Actuarial Valuations. |
| Trustee's Election Timetable | The winner of the scheduled Retired Firefighter's election will serve from January 28, 2024 through January 27, 2028. Members of this constituent group may cast their vote from November 16 through December 15, 2023 by mail, phone, or internet. DCRB will announce the winner of the election on its website at www.dcrb.dc.gov under the News Release section, following the December Special Board meeting, and the results will subsequently be published in the DC Register. |
| Trustee's Retreat | The trustees retreat will be held on November 17, 2023, from 8:30-5, at 900 7 th Street NW Washington, DC on the ML level. If you plan to attend, please contact Johniece Harris, Board Liaison at johniece.harris@dc.gov or at 202-343-3251 to confirm access to the building and ample chaser tickets for parking are on hand. Breakfast and lunch will be provided for the trustees. |

| | |
|--|---|
| <p>Mandatory Cybersecurity Training</p> | <p>A friendly reminder that Mandatory Cybersecurity Training must be completed by December 29th, 2023. Notifications were sent to your dc.gov emails. It's essential that we all complete this training to reduce Cyber Security risk in our agency. If you have questions or require additional information please contact Ram Murthy, Director of Information Technology at ram.murthy2@dc.gov or at 202-343-3215.</p> |
|--|---|

| | |
|---------------------|--|
| <p>Other</p> | <p>For your information</p> <ul style="list-style-type: none"> ➤ Next Board Meeting: The next meeting will be held on January 18, 2024. ➤ Boardroom Telephone Numbers: For virtual meetings: JP Balestrieri, Executive Director, DCRB at 202-343-3228 Johniece Harris, Board Liaison, DCRB at 202-343-3228 ➤ Quorum: To assure maximum participation at meetings, DCRB's Office Management Staff will contact Trustees prior to each meeting. |
| | <p>As a reminder:</p> <ul style="list-style-type: none"> ➤ Electronic Participation: WebEx information is sent to all Trustees prior to all Board and Committee meetings. If you do not receive this information prior to the scheduled meeting, please contact Johniece Harris by email at Johniece.harris@dc.gov ➤ Member Complaints: Trustees who receive questions or complaints from members on issues administered by DCRB should contact the Executive Director and the Department Chief who is responsible for issue resolution. ➤ Remote Participation Voice Vote: Since it is difficult to hear the votes of those participating remotely, I will specifically ask for a voice vote from Trustees attending a remote meeting. ➤ Use of DCRB-Provided Laptops DCRB issued laptops provide access to your official government email account and the Board portal, Diligent. The laptop must only be used for official government purposes. Please do not use it for personal reasons, such as pictures, media, and apps. |

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**DISTRICT OF COLUMBIA RETIREMENT BOARD
 CERTIFICATE OF SECRETARY**

I, Danny C. Gregg, hereby certify that I am the duly elected Board Vice Chair/Secretary of the District of Columbia Retirement Board (“Board”). The Board is an independent agency of the District of Columbia created by Congress in 1979 under the Retirement Reform Act (“Reform Act,” Pub. L. 96-122, codified at D.C. Code §§ 1-701 et seq.). The Board was given exclusive authority and discretion to manage and control the following retirement funds: (1) The Police Officers and Fire Fighters’ Retirement Fund (D.C. Code § 1-712) and (2) The Teachers’ Retirement Fund (D.C. Code § 1-713) (the “Retirement Funds”).

I further certify that on November 16, 2023, the persons identified below in their joint and official capacities, are authorized to execute and amend agreements with investment management firms and investment consulting firms as well as to execute all transactions as indicated in Appendix A, on behalf of the Retirement Funds after the Board has approved the fund investment. In the absence of either the Executive Director or the Chief Investment Officer, the Controller is authorized to serve as a substitute signatory. This Certificate of Secretary is effective on November 16, 2023.

| Name | Title | Specimen Signature |
|-----------------------|--------------------------|--------------------|
| Gianpiero Balestrieri | Executive Director | _____ |
| Patrick Sahn | Chief Investment Officer | _____ |
| Leslie West | Controller | _____ |

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of November 2023.

 Danny Gregg
 Board Vice Chair/Secretary

On the _____ day of November 2023, before me, personally appeared Danny Gregg, who is personally known to me as a Trustee and the Board Vice Chair/Secretary and the person who executed this Certificate of Secretary.

Witness my hand and official seal.

 Signature of Notary

Lyle M. Blanchard • Joseph W. Clark • Mary A. Collins • Christopher Finelli • Geoffrey P. Grambo • Danny C. Gregg
 Tracy S. Harris • Gregory Pemberton • Carmen Pigler • Nathan A. Saunders • Adam Weers

Joseph M. Bress
 Chairman

Gianpiero JP Balestrieri
 Executive Director

APPENDIX A

| Examples of Legal Documents for the Investment Program |
|---|
| Account Application for Brokerage Account |
| Account Application for Collective Investment Trust |
| Consent to Amendment of Limited Partnership Agreement |
| Side-Letter |
| Investment Guidelines |
| Investment Management Agreement |
| Limited Partner Advisory Committee ("LPAC") Consent |
| Limited Partnership Agreement |
| Most Favored Nation Election |
| Revocable Trust Agreement |
| Transition Services Agreement |
| Subscription Agreement |

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DISTRICT OF COLUMBIA RETIREMENT BOARD

MOTION:

TO APPROVE THE CERTIFICATE OF SECRETARY THAT AUTHORIZES THE EXECUTIVE DIRECTOR AND THE CHIEF INVESTMENT OFFICER, IN THEIR JOINT AND OFFICIAL CAPACITIES, TO EXECUTE AND AMEND AGREEMENTS WITH INVESTMENT MANAGEMENT FIRMS AND INVESTMENT CONSULTING FIRMS AS WELL AS TO EXECUTE ALL TRANSACTIONS (AS INDICATED IN APPENDIX A) ON BEHALF OF THE RETIREMENT FUNDS AFTER THE BOARD HAS APPROVED THE FUND INVESTMENT. IN THE ABSENCE OF EITHER THE EXECUTIVE DIRECTOR OR THE CHIEF INVESTMENT OFFICER, THE CONTROLLER IS AUTHORIZED TO SERVE AS A SUBSTITUTE SIGNAOTRY. THIS CERTIFICATE OF SECRETARY IS EFFECTIVE AS OF NOVEMBER 16, 2023.

PRESENTED TO THE BOARD OF TRUSTEES OF THE DISTRICT OF COLUMBIA RETIREMENT BOARD ON NOVEMBER 16, 2023.

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**DISTRICT OF COLUMBIA RETIREMENT BOARD
INCUMBENCY CERTIFICATE**

District of Columbia Retirement Board (the “Board”) hereby certifies that the persons whose names appear below are authorized to act on behalf of the Board, including the authorization to give Proper Instructions, with respect to the Custodian Contract between the Board and Northern Trust Company, as Custodian, dated as of December 1, 2015. The Board further certifies that the true signature of each such person is set forth below opposite his/her name, and that the Custodian may rely upon this Incumbency Certificate until such time as it receives another certificate bearing a later date. This Incumbency Certificate is effective as of November 16, 2023.

| NAME | TITLE | SIGNATURE |
|-----------------------|--------------------------|-----------|
| Gianpiero Balestrieri | Executive Director | _____ |
| David Mobley | Financial Manager | _____ |
| Patrick Sahn | Chief Investment Officer | _____ |
| Leslie West | Controller | _____ |

Approved by the Board:

Danny C. Gregg
Board Vice Chair/Secretary

November ____, 2023

On the ____ day of October 2023, before me, personally appeared Danny C. Gregg, who is personally known to me as a Trustee and the Board Vice Chair/Secretary and who executed this Incumbency Secretary documenting the Board’s approvals.

Witness my hand and official seal.

Signature of Notary

Lyle M. Blanchard • Joseph W. Clark • Mary A. Collins • Christopher Finelli • Geoffrey P. Grambo • Danny C. Gregg
Tracy S. Harris • Gregory Pemberton • Carmen Pigler • Nathan A. Saunders • Adam Weers

Joseph M. Bress
Chairman

Gianpiero JP Balestrieri
Executive Director

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DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)

MOTION:

TO APPROVE THE CERTIFICATE OF INCUMBENCY THAT AUTHORIZES THE EXECUTIVE DIRECTOR, CHIEF INVESTMENT OFFICER, CONTROLLER, AND FINANCIAL MANAGER, IN THEIR OFFICIAL CAPACITIES, INDIVIDUALLY OR COLLECTIVELY, TO TRANSACT BUSINESS WITH NORTHERN TRUST, DCRB'S CUSTODIAL BANK. THIS CERTIFICATE OF INCUMBENCY IS EFFECTIVE AS OF NOVEMBER 16, 2023.

PRESENTED TO THE BOARD OF TRUSTEES OF THE DISTRICT OF COLUMBIA RETIREMENT BOARD ON NOVEMBER 16, 2023.

Board Meeting-WEBEX ONLY - Chair's Comments

| DISTRICT OF COLUMBIA RETIREMENT BOARD | | | | | |
|--|---|----------------------|--|---|---|
| Trustee Conference Listing | | | | | |
| As of November 16, 2023 | | | | | |
| Sponsor | Name of Conference | Date | Location | Cost | Description |
| National Conference on Public Employee Retirement Systems (NCPERS) | 2024 Legislative Conference | January 22-24, 2024 | Renaissance Washington Washington, DC | Registration thru 01/5/2024 \$550.00 After \$750.00 | Pension trustees, pension staff members, plan sponsors, and public plan stakeholders. Service providers to the public pension community should also attend to understand the critical issues affecting your clients and prospective clients. Day One of the conference offers a fast-paced program to brief you on the pressing issues for the upcoming year. You'll hear from lawmakers, their key staff, the Administration, and regulators about their plans for the months ahead. Day Two is Policy Day, where you can attend meetings on Capitol Hill and with federal agencies aimed at impacting public policy discussions that affect our members and our communities. We strongly encourage you to make your appointments with your elected leaders in advance of the conference as many Congressional offices do not take drop-in visitors. |
| International Foundation of Employee Benefit Plans (IFEFP) | Trustees Institute Level II: Concepts in Practice | February 10-11, 2024 | Disney's Yacht Club Orlando, FL | Registration thru 01/3/2024 \$1,695.00 After \$2,025.00 | Designed for trustees who have served for three to five years on an ERISA fund and have completed New Trustees Institute Level I: Core Concepts. This conference is also ideal for plan professionals involved in the overall support and management of multiemployer benefit plans. |
| | Advanced Trustees and Administrators Institute | February 12-14, 2024 | Disney's Yacht Club Orlando, FL | Registration thru 01/3/2024 \$1,695.00 After \$2,025.00 | This Institute is designed for experienced multiemployer trustees, those who have attended the New Trustees Institute and those who have served as a trustee for more than two years, as well as salaried and contract administrators of all experience levels. Benefits of attending Learn from industry experts about the current state of affairs and latest reform initiatives—Be prepared for what lies ahead. Network with peers who face similar challenges—Learn from their mistakes, benchmark your performance, and gather workable ideas and solutions to implement. Bring home helpful resource materials to share with colleagues, from sample documents to checklists and case studies—The value of your attendance will continue long after you've left the program. |
| | New Trustees Institute Level I: Core Concepts | February 12-14 2023 | Disney's Yacht Club Orlando, FL | Registration thru 01/3/2024 \$1,695.00 After \$2,025.00 | Designed for multiemployer trustees who have served for two years or less on an ERISA fund or who have not previously attended an International Foundation program. This conference is ideal for collective bargaining and other personnel who want a better understanding of their role and responsibilities in working with trustees. |
| | Investments Institute | March 6-7, 2024 | The Westing Rancho Mirage Golf Resort and Spa Rancho Mirage, CA | Registration thru 01/3/2024 \$1,695.00 After \$2,025.00 | The Investments Institute is designed for experienced individuals involved in setting investment policy for both defined benefit and defined contribution retirement plans, including: Trustees Administrators and staff Corporate officers and executives Finance personnel |
| National Association of Public Pension Attorneys (NAPPA) | Winter Seminar | February 21-23, 2024 | Washington, DC | Registration begins in early April 2023 further information coming | NAPPA is a professional legal and educational organization. Its purpose is to provide educational opportunities and informational resources for its member attorneys. The four committees are: Benefit, Fiduciary & Plan Governance, Investment, and Tax. The Section Steering Committees determine the topics based on current trends and issues. The Section Meetings are designed to allow members to participate in more extensive discussions on these four specialized areas of pension law. On the last half-day of the Winter Seminar, a session is held for Senior Counsel only. You must be a NAPPA member to attend the Winter Seminar. |
| National Association of State Retirement Administrators (NASRA) | 2024 Winter Meeting | February 24-26, 2024 | Washington, DC | Registration information available soon | The conference features leaders in the fields of retirement plan investment and administration covering a variety of subjects including investment management, world events applicable to the pension industry, the economy, human resources, trends, and more. (No conference sessions or activities are sponsored by associate members.) |
| Council of Institutional Investors (CII) | CII Spring 2024 Conference | March 4-6, 2024 | Salamander Hotel Washington, DC | Registration will open in mid-December 2023. | Collaborate with CII and other members and engage with regulators and lawmakers through CII's reputation as the leading advocate for institutional investors. Our conferences offer unprecedented opportunities to interact, share best practices and learn from representatives from major institutional investors, regulators, legislators and other corporate governance professionals. These events bring together CII members from across the globe. |

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EXECUTIVE DIRECTOR'S REPORT

November 16, 2023

1. Staffing Update

- a. **New and Pending Hires**
- b. **Current Vacancies to Fill**

2. Fiscal Year 2023 Fund Performance and Investment Update (As of 11/15/2023)

- a. **Total Market Value of the Fund:** \$10.8 billion
- b. **Firm Fund Liquidity:** Currently, the Fund holds approximately \$101 million in cash vs. monthly benefit payments of approximately \$27mn.
- c. **Net Returns of the Fund (As of 11/15/23)**
 - i. Calendar YTD 2023: 7.41%
 - ii. Fiscal YTD 2024: 2.14%
 - iii. Fiscal Year End 2023: 11.9%
 - iv. Last twenty (20) Years Average: 6.78% per annum

3. Asset Allocation & Rebalancing Update (As of 10/31/23)

The DCRB investment team monitors the portfolio's asset allocation daily to ensure the asset allocation stays in line with targets and that there is sufficient liquidity to meet benefit payments, capital calls, and other operational needs.

- a. The Investment Team completed a total of 77 rebalancing transactions valued at over \$2.7 billion for fiscal year 2023.
- b. Since the last board meeting: the Investment Team has completed another 6 rebalancing transactions valued at about \$225 million;
- c. FY 2024 to date: 3 rebalancing transactions valued at approximately \$75mn.

4. Investment Closings since last Board meeting:

- a. **\$50mn investment in Clearhaven Partners**
- b. **\$75mn investment in Altaris Capital Partners**
- c. **Buyers' Market!**

5. Transaction Cost Analysis/Transition Management Consulting (TCA/TMC) Update

The Investment Team has worked with consultant, Zeno AN, to complete the historical trade cost review and analysis of DCRB's public equity accounts (equity, FX and fixed income).

The consultant is providing three primary services to the Board:

- a. Benchmark the Board's public market investment managers' trading costs (equities, fixed income, Foreign exchange) to ensure they are in line with the market standards.
- b. Assist the investment team in the evaluation of prospective investment managers' trading costs to identify potential issues before hiring new investment managers.
- c. Assist the investment team in developing investment manager transition strategies as well as measuring and evaluating transition costs between investment managers.

6. DCRB Fiscal Year 2023 Audit Update

Our Finance team and Watson Rice is on track to complete the audited financial statements for audit committee review and approval by trustees on December 19th, 2023.

7. The Data Harmonization Project: A Joint Stakeholder Data Quality Improvement Process

DCRB has led a group of Stakeholder agencies in applying for the Certified Public Manager (CPM) Program which is designed to enhance the skills of District Government managers and provide them with the tools to be more effective leaders. The DC Department of Human Resources (DCHR) administers the nationally accredited CPM program. Academic rigor is brought to the program through strategic partnerships with [The George Washington University](#), as well as renowned government, nonprofit and private-sector practitioners.

Board Meeting-WEBEX ONLY - Executive Director's Report

| DISTRICT OF COLUMBIA RETIREMENT BOARD Training & Travel Report (For the Period of September 21, 2023 thru November 16, 2023) | | | | | |
|---|-------------|--|----------------|----------|----------|
| Name | Description | Sponsor/Vendor | Location | Dates | |
| | | | | From | To |
| Trustees | | | | | |
| No Trustee Travel | | | | | |
| Staff | | | | | |
| Nathaniel Boone | Conference | Tiger AGM | New York, NY | 10/17/23 | 10/17/23 |
| | Meeting | One Rock and Avance LPAC Meeting | New York, NY | 11/14/23 | 11/15/23 |
| | Meeting | Advent Latin American PE Annual Meeting | Boston, MA | 11/06/23 | 11/08/23 |
| Emily Bowie | Conference | 2023ILPA Private Equity Legal Conference | Washington, DC | 09/26/23 | 09/27/23 |
| Jamia Canlas | Meeting | Private Credit Forum-Annual Meeting with Turning Rock and SVP | New York, NY | 10/24/23 | 10/26/23 |
| Shaquja Clark | Education | SkillPath Project Management for Administrative Professionals Webinar | Virtual | 09/20/23 | 09/20/23 |
| | Education | SkillPath Business Writing Essentials Course | Virtual | 10/03/23 | 10/03/23 |
| | Education | SkillPath Administrative Professional Accelerated Certificate Program | Virtual | 10/17/23 | 10/19/23 |
| Joyce Greene | Education | Aurora Training Travel Planning Tips and Tricks: Taking the Stress Out of Travel Webinar | Virtual | 09/28/23 | 09/28/23 |
| Johniece Harris | Education | Contracting Officer's Representative (COR) Course Level 1 Management Concepts | Virtual | 10/26/23 | 10/26/23 |
| Denice McSears | Education | SkillPath Project Management One-Day Workshop | Virtual | 09/27/23 | 09/27/23 |
| Bolor Oyundelger | Summit | 2023 Divco Capital Summit (parent company to DivcoWest) | Carmel, CA | 10/03/23 | 10/05/23 |
| | Training | CFA Level II Prep Course | Virtual | 10/25/23 | 10/25/23 |
| Patrick Sahn | Meeting | Tiger AGM and LPAC Meeting | New York, NY | 10/16/23 | 10/17/23 |
| | Meeting | Centerbridge Capital Partners LPAC and Morgan Lewis Private Fund Investors Roundtable | New York, NY | 11/02/23 | 11/02/23 |
| | Meeting | GEM Reality 2024 Annual Meeting | Chicago, IL | 11/08/23 | 11/10/23 |
| | Meeting | One Rock and Avance LPAC Meeting | New York, NY | 11/14/23 | 11/15/23 |
| Deepak Tolani | Summit | 2023 Divco Capital Summit (parent company to DivcoWest) | Carmel, CA | 10/03/23 | 10/05/23 |
| Samantha van der Bunt | Conference | 2023ILPA Private Equity Legal Conference | Washington, DC | 09/26/23 | 09/27/23 |

Board Meeting-WEBEX ONLY - Executive Director's Report

| Name | Description | Sponsor/Vendor | Location | Dates | |
|------|-------------|--|--------------|----------|----------|
| | | | | From | To |
| | Meeting | Morgan Lewis 2023 Annual Private Fund Investors Roundtable | New York, NY | 11/02/23 | 11/02/23 |

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TO: BOARD OF TRUSTEES

FROM: LEGAL DEPARTMENT

DATE: NOVEMBER 16, 2023

SUBJECT: LEGAL DEPARTMENT REPORT

BENEFITS LITIGATION UPDATE

Clark v. District of Columbia et al. (1:23-cv-01564-RDM)

The District of Columbia and DCRB (the “Defendants”) filed a motion to dismiss and in part for summary judgment asserting that all counts of Plaintiffs’ complaint fail as a matter of law (including the fiduciary breach claim asserted against DCRB) and should be dismissed. Plaintiffs opposed the motions, and the Defendants submitted a reply in support of their motion on November 9, 2023.

BOARD GOVERNANCE

As a reminder, and with holiday season approaching, DCRB trustees are subject to the District of Columbia’s Conflicts of Interest and Ethics rules. It is unethical to accept gifts from vendors who do business with or solicit business from DCRB. Please refer to the attached Holiday Ethics guidance from the District’s Board of Ethics and Government Accountability (BEGA).

BOARD OF ETHICS AND GOVERNMENT ACCOUNTABILITY
Office of Government Ethics



Darrin P. Sobin
Director of Government Ethics

Holiday Gift-Giving and Gift-Receiving; Holiday Parties; Holiday Decor:
A Guide for Council Employees¹

November 2014

The holiday season is upon us, and this is the season of giving and receiving gifts. This season can cause challenges for District of Columbia employees who are subject to the District's strict gift regulations.

Please remember the District's gift regulations during this holiday season. This memorandum summarizes the ethics standards related to gifts and other holiday activities.

If you have any questions about these or other government ethics matters, you can contact either the **General Counsel to the Council, David Zvenyach at 202-724-8026, or the Board of Ethics and Government Accountability at 202-481-3411, or bega@dc.gov.**

Restrictions on gifts between District employees and from prohibited sources

As a general rule, a District employee may not solicit or accept a *gift* from:

- a lower paid District employee or subordinate, or
- a "*prohibited source*"

In addition, a District employee may not solicit or accept a gift given to influence or reward government action.

What is a *gift*? A "*gift*" is anything of value.

Restriction on gifts between employees

With a few exceptions, an employee cannot:

- accept a gift from another District employee who is paid a lower salary;
- make a donation to a superior; or
- ask another employee to donate cash for a superior.

¹ This guide has been prepared especially for Council staff, as opposed to employees who work in the Executive branch. This is because the Council Code of Conduct contains some differences to the District Personnel Manual with respect to the subjects covered herein.

For **Councilmembers and their staff**, the “lower salary” standard only applies when the gift-giver and recipient are in an actual subordinate/supervisory relationship (i.e, a staffer and the staffer’s supervisor or Councilmember). In those cases there is an exception that permits non-cash gifts of up to \$50.00 for occasions on which gifts are traditionally given (such as a holiday). See Rule V(c) of the Council Rules of Official Conduct. There is also an exception for food and refreshments shared by office staff and for hospitality provided at an employee’s residence.

Restriction on gifts from Prohibited Sources

Who is a *prohibited source*?

A “*prohibited source*” is anyone who has or is seeking to do business with the District, conducts operations that are regulated by the District, or has an interest that may be favorably affected by the performance or non-performance of an employee’s duties.

Exceptions to the prohibited source rule

Does the gift restriction mean an employee can’t accept a gift at all? No. If the gift fits one of the following exceptions, the employee can accept it:

- The gift is from someone with whom the employee has a familial or personal relationship (like a grandfather);
- The gift is not cash (or a financial instrument like stock or bonds), is “**unsolicited**” and has market value of not more than **\$50.00, not to exceed \$100.00 aggregated in a calendar year (this exception does not apply to gifts from lobbyists)**; or
- The gift is in the form of a free invitation to a “widely attended” event such as a dinner, gala or reception, where there are at least 25 (non-District government) participants in attendance. For this exception to apply, attendance must be connected to the employee’s official Council duties (this is a broad exception and could include a holiday party if attendance is “otherwise appropriate to the representative function of the Council.”). One guest of the employee is permitted to attend as well.

Restriction on gifts given to influence or reward government action

An employee cannot solicit or accept a gift in return for being influenced in government work (also known as a bribe), or to reward an employee for government action (also known as a gratuity). **Gifts from lobbyists should be avoided, no matter the value (lobbyists are in the business of attempting to influence legislative activity in order to obtain results for their clients).** An employee also cannot accept any gifts or payments from a non-District source for work as a District employee (also known as “salary supplementation”). It should be noted that **NONE OF THE GIFT-GIVING EXCEPTIONS DISCUSSED ABOVE APPLY IN SUCH CIRCUMSTANCES. THIS PROHIBITION IS ALSO A FEDERAL CRIMINAL LAW THAT APPLIES TO DISTRICT EMPLOYEES.**

What to do if an employee receives a gift from a prohibited source

If a prohibited source gives an employee a gift that doesn't fit into an exception, the employee has three options. First, the employee can return it. Second, the employee can pay the donor the value of the gift. Finally, if the gift is perishable and it is impractical to return it, the employee can share it with the office staff, donate it to charity, or destroy it. **Sharing with the office staff should not be a recurring remedy and the gift-giver should be warned about the impropriety of giving future gifts.**

Holiday parties

Although not strictly work-related, there is a long and entrenched tradition of holding holiday-themed office parties. Ideally, such parties should be held either during extended lunch periods or after hours so as not to unreasonably interfere with the work of the government.

Office parties should avoid the use of government resources, and managers must not require that employees pay for a party or that they attend it. Just as even a nominal gift to a superior for special non-recurring occasions must be entirely voluntary, attendance at a party must similarly be voluntary. Office holiday parties should avoid the express observances of any particular religion.

In general, employees should not attend parties hosted by vendors and other "prohibited sources" because such attendance would be a "gift." On the other hand, as discussed above, an employee may attend if the "widely attended" event exception applies.

Holiday Decor

The holidays are a special time, but employees, their co-workers, and visitors have a right to be safe and comfortable on government property at all times. Although not an ethics issue, employees should be mindful that there are federal and local laws regarding religious displays in and around government buildings. Questions about what may be displayed in common areas and in individual work spaces should be addressed to the Office of Human Rights at 202-727-4559. Safety and other display-related questions should be addressed to building management or to the Department of General Services at 202-727-2800.

Employees at all times are expected to exercise good judgment and office professionalism when celebrating on government premises during this holiday season.

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TO: BOARD OF TRUSTEES

FROM: ADAM WEERS
INVESTMENT COMMITTEE CHAIR

DATE: NOVEMBER 16, 2023

SUBJECT: INVESTMENT COMMITTEE REPORT

The Investment Committee met on Thursday, November 16, 2023. The official actions taken at this meeting are presented below for ratification by the full Board.

1. To approve a commitment of up to \$75 million to **Fund P***, a value-add real estate fund, pending legal review and final due diligence.
2. To approve a commitment of up to \$100 million to **Fund Q***, an opportunistic infrastructure fund, pending legal review and final due diligence.
3. To approve the **2024 Private Markets Commitment Budget** as proposed in Meketa's October 31, 2023, memo.

In addition, the Board closed on the following private market fund commitments since the last Investment Committee meeting:

1. A \$100 million commitment to **Silver Point Specialty Credit Fund III**, a private credit fund, closed on September 27, 2023.
2. A \$75 million commitment to **Altaris Healthcare Partners VI**, a private credit fund, closed on November 15, 2023.
3. A \$50 million recommitment to **Clearhaven Fund II**, a private credit fund, closed on November 15, 2023.

**The fund names are redacted per D.C. Code § 1-909.05(e) pending completion of the transaction.*

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TO: BOARD OF TRUSTEES

FROM: NATHAN A. SAUNDERS, CHAIR

DATE: NOVEMBER 16, 2023

SUBJECT: OPERATIONS COMMITTEE REPORT

The Operations Committee met on October 17th at 1:00 p.m.

The Committee reviewed and approved the minutes from the June 13, 2023, Operations Committee meeting. Following approval of the minutes, the Committee then heard presentations on two agency items, each with corresponding proposed actions.

The first presentation, delivered by Ms. Emily Bowie (DCRB's interim General Counsel), provided information on the need for DCRB to extend the contracts of three legal-service providers. The presentation concluded with three proposed actions, which the Committee discussed and then approved:

| Motions | Proposed Actions |
|----------------|---|
| One | <i>To approve a one-year extension of the legal services contract DCRB-18-C-0033 with Groom Law Group for fiduciary, tax, and employee benefits counsel from December 27, 2023 to December 26, 2024, at a not-to-exceed cost of \$500,000 (excluding litigation).</i> |
| Two | <i>To approve a one-year extension of the legal services contract DCRB-18-C-0034 with Kessler, Topaz, Meltzer and Check, LLP for securities litigation counsel from December 27, 2023 to December 26, 2024, on a cost-reimbursement contingency.</i> |
| Three | <i>To approve entry of legal services contracts for investment counsel with the following law firms, effective November 13, 2023 through November 12, 2028, at an aggregate annual not-to-exceed cost of \$730,000 (excluding litigation), (1) Morgan, Lewis, & Bockius, LLP, (2) Jones Day, (3) WilmerHale, and (4) Groom Law Group.</i> |

The legal contracts presentation and above motions are provided for trustees in Diligent.

The second presentation, delivered by Mr. Munetsi Musara (DCRB's former CFO), provided details of the proposed FY2025 budget. This presentation concluded with one proposed action, which the Committee discussed, and also approved:

| Motion | Proposed Actions |
|---------------|---|
| One | <i>To Approve the Proposed FY25 Operating Budget of \$40,187,084 and 96 FTES.</i> |

The budget presentation and above motion also are provided for trustees in Diligent.

Finally, the next Operations Committee Meeting is scheduled to be held on Tuesday, December 19th at 1pm.

This concludes my report.

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TO: BOARD OF TRUSTEES

FROM: DANNY GREGG, CHAIR
DANIEL HERNANDEZ, PENSION ADMINISTRATOR

DATE: NOVEMBER 16, 2023

SUBJECT: BENEFITS COMMITTEE REPORT

The Benefits Committee did not meet in November. The next Benefits Committee meeting is scheduled for Wednesday, February 15, 2024, at 10 a.m EST.

The Federal and District Healthcare Open Enrollment began on Monday, November 11th and will end on Monday, December 13th. Open Enrollment materials were mailed to current health plan enrollees' home addresses the week of November 6th.

DCRB is using multiple communications strategies to reach and educate our constituents about the open enrollment process. Similar to our approach last year, we are using the DCRB website to provide participants with open enrollment details. In addition, we are finalizing educational videos that will give members valuable information on the open enrollment process as well as provide members with instructions on how to complete the open enrollment forms. To assist members with completing their open enrollment elections, we also included a pre-filled enrollment form in the open enrollment mailing.

The partnership between DCRB Benefits (Projects Team) and the city's Office of the Chief Technology (OCTO) group was successful in launching online benefits statements to active members on November 1, 2023. Members can now access their Statement of Estimated Benefits in their PeopleSoft Self-Service Portal. Additional information about this project can be found at <https://dcrb.dc.gov/service/statements-estimated-benefits>.

Equalization for police and fire members who retired prior to February 18, 1980 and the last group of retroactive annuity adjustments are now completed. Members will see adjustments in their December 1st annuity payments. Letters to members announcing their annuity change will be sent to members prior to the December 1st pay date.

In the Spring of 2024, there is scheduled to be a special enrollment period for both DC Health and Life Insurance. DCRB is meeting bi-weekly with the plan sponsor, DCHR, on their corrections to premium rates and implementation of plan provisions requiring STAR programming and communication to members. Additional information will be provided at the next benefits meeting. DCHR is conducting final analyses and is presenting options to District leadership before DCRB can move ahead with any implementation.

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TO: BOARD OF TRUSTEES
FROM: TRACY S. HARRIS, CHAIR
DATE: NOVEMBER 16, 2023
SUBJECT: AUDIT COMMITTEE REPORT

The Audit Committee met on October 17, 2023 and the following items were presented:

- FY23 Audit:
 - o Watson Rice provided an overview and the objectives of the FY23 financial audit, shared the approach, timing and deadlines for the interim and final testing and made the required inquiries of the Audit Committee.
- Internal Audit:
 - o The Internal Audit Director presented the Internal Audit and Compliance plan, as well as a status of and findings related to audits performed through the end of FY23 and the planned FY24 audits
 - o The Internal Audit Charter was presented to the Committee and there is an action item related to this presentation for the Board to approve – motion attached
- Budget vs actual report as of September 30, 2023:
 - o 41% of the original budget is available, however balances are still moving due to continuing fiscal year-end activity

The next Audit Committee meeting will be scheduled for December 19, 2023.

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DISTRICT OF COLUMBIA RETIREMENT BOARD

MOTION:

TO APPROVE THE INTERNAL AUDIT CHARTER AS PRESENTED TO THE AUDIT COMMITTEE ON OCTOBER 17, 2023.

PRESENTED TO THE BOARD ON NOVEMBER 16, 2023.

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TO: BOARD OF TRUSTEES
FROM: LYLE BLANCHARD, CHAIR
DATE: NOVEMBER 16, 2023
SUBJECT: LEGISLATIVE COMMITTEE REPORT

The following report reflects activities of interest since the September 21, 2023 Board Meeting:

COUNCIL OF THE DISTRICT OF COLUMBIA

RS25-0316 – District of Columbia Retirement Board Adam Weers Reappointment Resolution of 2023
Proposed Resolution 24-0413 was introduced by Chairman Mendelson on September 19, 2023 to reappoint Trustee Adam Weers to the District of Columbia Retirement Board. A public roundtable before the Committee of the Whole was held on October 31, 2023, and the resolution was approved on November 7, 2023.


Chairman Phil Mendelson

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A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To reappoint Mr. Adam Weers to the District of Columbia Retirement Board.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “District of Columbia Retirement Board Adam Weers Reappointment Resolution of 2023”.

Sec. 2. The Council of the District of Columbia reappoints:

Mr. Adam Weers
43rd Street, N.W.
Washington, DC 20016
(Ward 3)

as a member of the District of Columbia Retirement Board, established by section 121 of the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 869; D.C. Official Code § 1-711), for a four-year term to end January 27, 2027.

Sec. 3. The Council of the District of Columbia shall transmit a copy of this resolution, upon its adoption, to the appointee, to the chairperson of the District of Columbia Retirement Board, and to the Office of the Mayor.

Sec. 4. This resolution shall take effect immediately.

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DISTRICT OF COLUMBIA RETIREMENT BOARD

MOTION:

MOTION: PURSUANT TO DC CODE §2-575(B)(4)(A)), TO CLOSE THE BOARD MEETING TO CONSULT WITH AN ATTORNEY FOR LEGAL ADVICE AND PRESERVE THE ATTORNEY-CLIENT PRIVILEGE.

PRESENTED TO THE BOARD ON NOVEMBER 16, 2023.