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OPEN SESSION
NOTICE OF VIRTUAL BOARD MEETING
JOSEPH M. BRESS, CHAIR
THURSDAY, JULY 20, 2023
1:30 P.M.

<u>WebEx Meeting</u>	<u>Telephone:</u> 650-479-3208	<u>Conference Access Code:</u> 2313 951 8531	<u>Meeting Password:</u> K3pqKdsH89
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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 MAY 18, 2023	
	CHAIR'S COMMENTS	TAB 3
	EXECUTIVE DIRECTOR'S REPORT	TAB 4
	LEGAL DEPARTMENT REPORT	TAB 5
2:15PM	INVESTMENT COMMITTEE REPORT- ACTION ITEM	TAB 6
	OPERATIONS COMMITTEE REPORT	TAB 7
	AUDIT COMMITTEE REPORT	TAB 8
	BENEFITS COMMITTEE REPORT	TAB 9
	LEGISLATIVE COMMITTEE REPORT	TAB 10
2:30 PM	OTHER BUSINESS- EXECUTIVE SESSION	TAB 11
	➤ MOTION: TO ENTER CLOSED SESSION TO DISCUSS PERSONNEL MATTERS PURSUANT TO D.C. CODE § 1-909.05(E); SEE ALSO D.C. CODE § 2-575(B) (10)).	
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, May 18, 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
Lyle M. Blanchard
Christopher Finelli
Geoffrey P. Grambo
Danny C. Gregg
Tracy R. Harris
Nathan A. Saunders
Greggory Pemberton
Adam Weers

MEMBERS NOT PRESENT

Joseph W. Clark
Mary A. Collins
Carmen Pigler

DCRB STAFF PRESENT

Gianpiero "JP" Balestrieri, Executive Director
Stephen Serraino
Leslie King
Emily Bowie
Paul Gormley
Ram Murthy
Munetsi Musara
Patrick Sahn
Samantha Van De Bunt
Daniel Hernandez
Lori Morgan
Leslie West
Vernon Valentine
Lauren Smith
Betty Ann Kane
Jaininne Edwards
Johniece Harris, Board Liaison

OTHERS PRESENT

Gar Chung-Financial News
Kevin Balaod, With Intelligence
Bela Kirpalani- Mandate Wire

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 March 16, 2023 open session Board meeting minutes.

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

The motion was approved (8-0) with one abstention. *(See Tally #1)*

Tally #1			Date: May 18, 2023		
<u>Motion #1:</u> To approve the May 18, 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 March 27, 2023 Special Board meeting minutes.

The motion was moved by Chair Bress and properly seconded by Trustee Adam Weers

The motion was approved by unanimous vote (9-0). *(See Tally #2)*

Tally #2:			Date: May 18,2023		
<u>Motion #2:</u> To approve the March 27, 2023 Special 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:**
 - Another month and inflation is still an issue - even though basic inflation has dropped to 4.9%. Of course, the Fed is looking for 2% if that is still an appropriate number to reach today. The recent Fed increase of 0.25% may be its last for a time until it sees how the economy is working.
 - Another month and why not another threat to our investments with a march toward the debt payment increase date of around June 1. While the US has never defaulted, these times present different issues and people. As of May 4th, the Fund is projected to outperform its 6.25% actuarial return target. That depends on a market performing both without a default and a new federal budget or, at least, a continuing resolution, for the next fiscal year.
 - Some state pension plans are reviewing their asset allocation decisions to more reflect the present and anticipated market conditions. As noted in my previous remarks, our actuarial return is anticipated to be met or outperformed under our present asset allocation. We should watch the market and our returns when we next review our asset allocations. As long as we keep our eye on our investment decisions, we should be able to weather the storm or, if the storm is more than we expect, our road may be less rocky because of the diversity of our investments.
- **Waiver of Recourse Insurance Coverage:** Your waiver of recourse insurance payment for 2023-2024 in the amount of \$50.00 for the Trustees, Executive Director, Chief Investment Officer, and Chief Financial Officer is due by May 26, 2023. The check, payable to RCM&D, should be mailed to DC Retirement Board 900 7th Street NW 2nd FL Washington, DC 20001 Attn: Finance Department, Rhonda O'Neal. If you have any questions, please don't hesitate to contact Rhonda O'Neal at Rhonda.Oneal@dc.gov.
- **Next Board Meeting:** The next meeting will be held on July 20, 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. **College & High School Internship Programs Update**
 - i. Investments Department
 - ii. Benefits Department
 - iii. Legal Department
 - iv. High School Internship

2. Fiscal Year 2023 Fund Performance and Investment Update (As of 5/16/2023)

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

3. Asset Allocation & Rebalancing Update

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.

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

DCRB investments and procurement departments completed the execution of the contract award on March 31st, 2023 to consultant, Zeno AN, who will help DCRB independently review and monitor the transaction and transition costs of public markets investment managers. This will be a very important risk management and transparency tool to fulfill our fiduciary duty and apply the best reasonable prudent practices available for execution in monitoring public investment managers and brokers’ trading activities.

5. Investment Fees and Expenses Verification Services Update

In the beginning of 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 is in the process to complete its first investment manager fees and transaction costs verification, analysis, and management report for the 4th quarter of FY 2023.

6. Benefits & Pension Administration Stakeholder Update

The first of many stakeholder meetings took place on March 29th, 2023 with employer agency stakeholders, treasury and DCRB departments to accomplish improvements to the member retirement process and internal benefits administration processes of all stakeholders.

7. RFI for Feasibility Review on Potential BAPS Investment:

The Request for Information (RFI) for the feasibility review of the Benefits

Administration Pension Systems (BAPS) was released by DCRB Procurement Office on May 3rd, 2023. The RFI process is intended to assist DCRB in identifying resources needed for a potential new automated pension system and to assist in determining the best strategy for implementing the new system.

8. Implementation of the Internal Audit Process

We are implementing an internal audit process and charter that defines the role, organizational status, authority, responsibilities, compliance actions and scope of activities of the internal audit function. This will be presented at the June session of the Audit Committee. It will also include the underlying objectives of the function and its application into operational quality and risk management activities.

Trustees moved to the next item on the agenda.

LEGAL DEPARTMENT REPORT

Stephen Serraino, General Counsel, referred the Board to the written report, which highlighted the following:

TRUSTEES' FIDUCIARY TRAINING

Annual trustees' fiduciary training will take place on Thursday, September 21, 2023, at 9:00A.M. The training will be virtual and presented by Craig A. Bitman, fiduciary counsel with Morgan, Lewis & Bockius LLP

SUMMARY PLAN DESCRIPTIONS

The legal review of the updated Summary Plan Descriptions (SPDs) has been completed by DCRB and U.S. Treasury and they have been sent to DCRB's Pension Administrator for final review. After that review, the final draft SPDs will be placed in the trustees' portal in Diligent for review.

STATUS OF ANNUAL FINANCIAL DISCLOSURE STATEMENTS (FDS)

By statute, DCRB Trustees are required to file annual financial disclosure statements (FDSs) with the Mayor and the Council of the District of Columbia by April 30, covering the prior calendar year (since April 30 fell on a Sunday this year, the filing deadline was pushed to May 1). The Trustees filed their FDSs and an accompanying Fiduciary Acknowledgement Form through DCRB's General Counsel and Ethics Counselor.

Trustee Gregg asked if a due date has been assigned for the administrative review of the Summary Plan Description books?

Mr. Balestrieri, the Executive Director, responded that the legal review was done and has been forwarded to the Benefits department to complete the calculations review, with a turnaround by the end of the month or first week of June.

Trustee Saunders asked why the premium for the waiver of recourse insurance requirement not being covered on their behalf by the Board.

Mr. Musara, the Chief Financial Officer, responded that the waiver of the recourse fee is an individual coverage, and the Board assets cannot be used to pay the fee.

Trustees moved to the next item on the agenda.

INVESTMENT COMMITTEE REPORT

Committee Chair Weers reported that the Investment Committee met on Thursday, May 18, 2023. The official actions taken at this meeting are presented below for ratification by the full Board.

Motion #3: To approve the replacement of Fund K with Fund L, pending legal review and final due diligence.

The motion was moved by Chair Weers and properly seconded by Trustee Danny Gregg. The motion was approved by unanimous vote (9-0). (See Tally #3)

Tally #3:			Date: May 18, 2023		
Motion #3: To approve the replacement of Fund K with Fund L, 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	√				

Motion #4: To approve a commitment of up to \$100 million to Fund M, pending legal review and final due diligence.

The motion was moved by Chair Weers and properly seconded by Trustee Christopher Finelli. The motion was approved by unanimous vote (9-0). (See Tally #4)

Tally #4:			Date: May 18, 2023		
<u>Motion #4:</u> To approve a commitment of up to \$100 million to Fund M, 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. \$75 million re-commitment to **One Rock Fund IV**, a U.S. middle market buyout fund, closed on March 28, 2023.
2. \$50 million commitment to **Ara Fund III**, a U.S. natural resources fund, closed on April 21, 2023.

Trustees moved to the next item on the agenda.

Operations Committee Report

Committee Chair Saunders reported that the Operations Committee met on April 18th at 1:00 p.m., and the Committee Chair announced that the meeting would be divided into two segments: the first segment would be open to trustees and participating staff and would address the operations items included on the meeting agenda. The second segment of the meeting would be a closed meeting for trustees only (to discuss the go-forward process for executive director performance-management).

Following this announcement, the Committee reviewed and approved the minutes from the December 15, 2022, Operations Committee meeting. The approval of the minutes was followed by a brief review of updates to the Executive Status Report, which was followed by an update on the agency's summer college and summer high school internships. DCRB reported that it anticipated hosting several summer college interns across its Investments, Legal, and Benefits departments, beginning in May. DCRB also reported that it will be hosting its first-ever high school intern, through the District's Marion Barry Summer Youth Employment Program. The intern will begin working in June under the supervision of the agency's Office Management department.

Following these updates, all DCRB staff exited the call, and the trustee-only portion of the meeting was initiated.

Chair Saunders stated that in the future he would like to see that DCRB will incur zero cost as it pertains to the internship process and program, which should be underwritten by the District.

The next Operations Committee Meeting is scheduled to be held on June 13th at 1 PM.

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. and the following items were presented.

- Insurance Policy proposal and coverage renewal.
 - o RCM&D provided an overview of the insurance coverage for the 2023 – 2024 premium year. The coverage included one new policy, excess coverage of \$5M for the Directors and Officer / Employment Practices Liability insurance.
 - o There is an action item related to this presentation for the Board to approve – motion attached.
- The budget vs actual report as of March 31, 2023:
 - o 76% of the original budget is available.

The next Audit Committee meeting will be scheduled for June 13, 2023.

Motion #5: To approve the recommended comprehensive insurance program for the 2023-2024 premium year and authorize the executive director to expend no more than \$425,000 for insurance premiums for the 2023-2024 premium year and to renew the policies for the existing programs for the next premium years.

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

The motion was approved by unanimous vote (9–0). *(See Tally #5)*

Tally #5:		Date: May 18, 2023			
Motion #5: To approve the recommended comprehensive insurance program for the 2023-2024 premium year and authorize the executive director to expend no more than \$425,000 for insurance premiums for the 2023-2024 premium year and to renew the policies for the existing programs for the next premium years.					
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	√				

Trustees moved to the next item on the agenda.

BENEFITS COMMITTEE REPORT

Committee Chair Gregg reported that a Benefits Committee meeting was held on April 20, 2023 to update the committee on key Benefit Department initiatives. The entire meeting package can be found in the Diligent Board Books. Below are a few updates from the meeting. Mr. Hernandez will be providing a calendar of the Benefits committee meeting for the remainder of this year and early part of next year.

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) have been renegotiated and are in various stages of approval and implementation. The new collective bargaining agreements will require DCRB to recalculate annuities for members who retired during the contract periods. Please see the FAQs on DCRB's website for up-to-date information on timing and answers to member questions. Please click on the banner link at <https://dcrb.dc.gov/> or access <https://dcrb.dc.gov/release/annuity-payments-adjustments-2023> to view the FAQs.

Continued Stakeholder Meeting – The Benefits Department met with District stakeholders on Wednesday, February 8, to discuss District retirement issues, and on March 29, 2023, the first Tiger Team focusing on data quality was held. The next steps required are project sponsorship and planning focusing on the data quality issues.

Technology Projects This Year – There are multiple member-focused technology projects scheduled for this year. At the committee meeting, the following projects were discussed:

- **Self Service Phase II** focuses on health care open enrollment online and 1099R retrieval online. This project is scheduled to be completed during the fall/winter of 2023.
- **Online purchase of service calculators** are now being completed one at a time this year. The first one, Tier Changes, is now live on the DCRB website. The remaining purchase of service online calculators are scheduled to be completed by the end of summer.
- **Benefits Statements** for active members are now going to be available on the employee's self-service account in active PeopleSoft. This project is scheduled for completion by the end of August, as these new benefits statements will include the most up-to-date salary information from the implementation of the collective bargaining agreements.

Chair Bress stated the progress with the technology in benefits is very positive, giving the members the ability to access their information without being subjected to long hold times. Trustee Grambo stated that he has not received any complaints or calls from members.

Trustees moved to the next item on the agenda.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard report reflected the following activities of interest since the March 16, 2023, Board meeting.

U.S. CONGRESS

LEGISLATION

H.J. Res. 30 – Providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Department of Labor relating to “Prudence and Loyalty in Selecting Plan Investment and Exercising Shareholder Rights.”

On March 20, 2023, President Biden vetoed a joint resolution that would have nullified a January 30, 2023 final rule by the Department of Labor permitting plan fiduciaries to consider climate change and other environmental, social and governance (“ESG”) factors when selecting retirement investments and exercising shareholder rights, such as proxy voting.

COUNCIL OF THE DISTRICT OF COLUMBIA

PUBLIC HEARINGS

DCRB Annual Hearings

The budget hearing was held on Monday, April 6, 2023, under the Committee of the Whole, Chairman Phil Mendelson. The recorded hearing is available at: <https://dccouncil.gov/council-videos/>.

FY 2024 Budget

Committee of the Whole Fiscal Year 2024 Committee Budget Report

The Committee of the Whole submitted its Report and Recommendations on the Fiscal Year 2024 Budget and Corresponding Budget Support Act (B25-0203) on April 27, 2023. The Committee recommended the adoption of the Fiscal Year 2024 budget for the DCRB, as proposed by the Mayor. The Committee reported that it was pleased with the action the Board has taken to fill senior-level vacancies and to remediate all deficiencies identified in the ACFR in previous budget cycles. The Committee included the following policy recommendation for the Board:

The Committee recommends that the Board continue to be fully transparent in supporting documentation and financial reports so that annuitants and the public can clearly see what fees are being charged.

Report at 80.

The report is available at: <https://www.dccouncilbudget.com/fy-2024-budget>.

Trustees moved to the next item on the agenda.

Chair Bress made the following motion to close the public session of the meeting at 2:33 p.m.

Motion #6: 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 and the motion was approved by unanimous vote (8-0). (See Tally #6)

Tally #6			Date: May 18, 2023		
Motion #6: 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 2:33 p.m. to 3:15 p.m.

Motion #7: To return to open session at 3:15 p.m.

The motion was moved by Chair Bress and properly seconded by Trustee Danny Gregg.
The motion was approved by unanimous vote. (9-0). (See Tally #7)

Tally #7:			Date: May 18, 2023		
Motion #7: To return to open session at 3:15 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 #8: To adjourn the meeting at 3:17 p.m.

The motion was moved by Chair Bress and properly seconded by Trustee Adam Weers.
The motion was approved by unanimous vote (9–0). (*See Tally #8*)

Tally #8:			Date: May 18, 2023		
Motion #8: To adjourn the meeting at 3:17 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
July 20, 2023

TOPIC	UPDATE
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	<p>The economy continues its ride up and down. The inflation rate is down to 3%, not yet the 2% the Fed is looking for. The Fed is concerned that if wage increases continue generally above the 3% inflation rate, it will result in an increase in the inflation rate. This will lead to a most likely 0.25% increase in the interest rate this month.</p> <p>Balancing this: Our fund, since the fiscal year began last October, is tracking over a 9% increase with two and ½ months left in this year. That is a very positive result as the Board's "establish rate of return" is 6.5%.</p> <p>The fund's performance also continues to aid in the positive bond ratings that the city receives from the rating agencies. And there is a growing consensus, not a guarantee, that we will have either a soft recession or no recession as a result of the economy's recent performance.</p> <p>Summing this up, our careful review and investment of fund money has returned income that continues to maintain our 100% actuarial value. We continue today with another investment that is anticipated to continue that result. Our performance as a Board and staff, hopefully, will continue to assure the employees and retirees of the city a continued flow of retirement benefits without adverse impact on the Fund.</p>
Trustee's Election Timetable	Elections for Retired Firefighter representative on the Board of Trustees will commence on August 1, 2023. The four-year term will begin January 28, 2024, and end January 27, 2028. The Notice of Election and Request for Nominations, including Statement of Candidacy Forms are scheduled to be sent to eligible members on September 08, 2023.
Trustee's Retreat	The trustees' retreat has been scheduled for September 22, 2023, from 9-5, at 900 7 th 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. Breakfast and lunch will be provided for the trustees.
DCRB Issues New iPads for Trustee's	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.

<p>Other</p>	<p>For your information</p> <ul style="list-style-type: none"> ➤ <u>Next Board Meeting:</u> The next meeting will be held on September 21, 2023. ➤ <u>Boardroom Telephone Numbers:</u> For virtual meetings: JP Balestrieri, Executive Director, DCRB at 202-343-3228 Johniece Harris, Board Liaison, DCRB at 202-343-3228 ➤ <u>Quorum:</u> 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"> ➤ <u>Electronic Participation:</u> 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 ➤ <u>Member Complaints:</u> 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. ➤ <u>Remote Participation Voice Vote:</u> 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. ➤ <u>Use of DCRB-Provided Laptops</u> 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.

Board Meeting-WEBEX ONLY - Chair's Comments

DISTRICT OF COLUMBIA RETIREMENT BOARD					
Trustee Conference Listing As of July 20, 2023					
Sponsor	Name of Conference	Date	Location	Cost	Description
International Foundation of Employee Benefit Plans (IFEBP)	Investment Basics	September 20-21, 2023	Las Vegas, NV	Registration thru 08/07/2023 \$1,330.00 After \$1630.00	The environment of investing is rapidly changing. Having a solid understanding of investing is essential for avoiding costly mistakes and long-term issues. This course serves as an opportunity to efficiently build the simple investment framework required to help better understand and follow best practices and suitable investment structures. The content of this course will be beneficial for various backgrounds and levels of experience to revisit the basic investment framework with the goal of creating a better investment experience for participants and those they interact with. Gather with your peers and experts for two days of investment learning and networking to learn what is working and how others find success, giving you takeaways to implement at your own organization.
	New Trustees Institute Level I: Core Concepts	September 30- October 2, 2023	Boston Convention & Exhibition Center Boston, MA	Registration thru 08/21/2023 \$1,650.00 After \$1,950.00	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.
	New Trustees Institute Level II: Concepts in Practice	September 30- October 1, 2023	Boston Convention & Exhibition Center Boston, MA	Registration thru 08/21/2023 \$1,650.00 After \$1,950.00	Build on your knowledge of being a multiemployer trustee by attending the Trustees Institute—Level II: Concepts in Practice. This institute is for trustees with three or more years of experience, expanding on the concepts provided at the New Trustees Institute—Level I: Core Concepts.
	Collection Procedures Institute	November 6-7, 2023	Hilton Santa Monica Santa Monica, CA	Registration thru 09/25/2023 \$1,375.00 After \$1,675.00	Collections are a critical and complex process that affects the overall financial health of your fund. The Collection Procedures Institute will provide you with the information you need to fulfill your fiduciary responsibility to collect benefit payments. This conference will present best practices, trends and legal and legislative updates. Benchmark your policies and procedures and network with those with similar challenges.
National Association of State Retirement Administrators (NASRA)	69th NASRA Annual Conference	August 5-9, 2023	Omni Interlocken Resort Broomfield, Colorado	Registration through 06/30/2023 \$1,500 After \$1,600	The 69th NASRA Annual Conference in beautiful Colorado will be an event to remember! The meetings are designed to help retirement system and industry professionals network and share the ideas that shape the industry. As the world continues to change, public pension funds keep building the retirement future for public employees across the nation.
National Conference on Public Employee Retirement Systems (NCPERS)	2023 Public Pension Funding Forum	August 20-22, 2023	Chicago Marriott Downtown Magnificent Mile Chicago, IL	Registration thru 09/20/2023 \$750.00 After \$820.00	Professionals from all venues of the pension industry, including trustees, administrators and staff, state and local officials, investment and financial consultants, individuals who provide products and services to pension plans, union officers, and regulators from across the United States and Canada.
	Accredited Fiduciary Program Modules 1&2	October 21-22, 2023	Paris Las Vegas Hotel Las Vegas, NV	Registration thru 09/20/2023 \$855.00 After \$1,055.00	The NCPERS Accredited Fiduciary (NAF) Program is a trustee accreditation program specifically designed and tailored for individuals involved in public pension governance. NAF divides plan governance, oversight and administration into four modules (see below). Each module delves into the fundamental components and strategies necessary for governing a public pension fund, allowing trustees and plan staff to walk away with the key competencies critical to fulfilling their fiduciary responsibilities.
	Accredited Fiduciary Program Modules 3&4	October 21-22, 2023	Paris Las Vegas Hotel Las Vegas, NV	Registration thru 09/20/2023 \$855.00 After \$1,055.00	The NCPERS Accredited Fiduciary (NAF) Program is a trustee accreditation program specifically designed and tailored for individuals involved in public pension governance. NAF divides plan governance, oversight and administration into four modules (see below). Each module delves into the fundamental components and strategies necessary for governing a public pension fund, allowing trustees and plan staff to walk away with the key competencies critical to fulfilling their fiduciary responsibilities.
	2023 Fall Conference Exhibit	October 22-24, 2023	Paris Las Vegas Hotel Las Vegas, NV	Registration thru 09/20/2023 \$750.00 After \$850.00	The FALL Conference is where public pension trustees, staff, and the industry partners that serve them assemble to learn, exchange ideas, strategize solutions, and make valuable connections. In two fast-paced days, FALL delivers updates and insights into the most pressing issues facing public pensions. FALL differs from our other conferences because content is organized into separate tracks, putting you in the room with peers who share your focus.
	2023 Financial, Actuarial, Legislative & Legal (Fall) Conference	October 22-25, 2023	Paris Las Vegas Hotel Las Vegas, NV	Registration thru 09/20/2023 \$750.00 After \$850.00	Professionals from all venues of the pension industry, including trustees, administrators and staff, state and local officials, investment and financial consultants, individuals who provide products and services to pension plans, union officers, and regulators from across the United States and Canada.
	Public Safety Conference	October 23-26, 2023	Shelton Grand Nashville Downtown Nashville, TN	Registration thru 09/30/2023 \$750.00 After \$850.00	The Public Safety Conference reflects these realities with tailored programming that provides quality education to public safety pension trustees, administrators, staff, union officials, and local elected officials. The program covers topics ranging from investment management and plan design to the demands of leadership in crisis and emergency management. Sessions cover topics that differentiate public safety workers from other public sector employees. These include earlier retirement ages that reflect the hazardous nature of the work, line-of-duty death and disability benefits, and Social Security income and offsets. The Public Safety Conference features presentations from recognized leaders in finance and politics, provides news on the latest developments, and offers attendees the opportunity to network with peers. A centerpiece of the conference is the exhibitor showcase where pension fund and union officials can learn about the most up-to-date offerings of service providers who focus on public safety.

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EXECUTIVE DIRECTOR'S REPORT

July 20, 2023

1. Staffing Update

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

2. Fiscal Year 2023 Fund Performance and Investment Update (As of 7/18/2023)

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

3. Asset Allocation & Rebalancing Update as of July 18th, 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. The following is what has been completed as of July 18th, 2023:

- a. The Investment Team has completed a total of 66 rebalancing transactions valued at over \$2.5 billion for fiscal year 2023 to date.
- b. Since the last board meeting: the Investment Team has completed another 12 rebalancing transactions valued at \$540 million.

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

Following the Board's contract execution on March 31, 2023, the Investment Team worked with its consultant, Zeno AN, to gather all trade data needed to complete historical review for DCRB's public equity accounts (equity and fixed income) to complete the historical and ongoing trade cost analysis.

5. Investment Fees and Expenses Verification Services Update

In the beginning of 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.

6. Benefits & Pension Administration Stakeholder Update

Since our March 29th, 2023 meeting with employer agencies, the District, OCTO, treasury and DCHR (“Stakeholders”) to discuss issues with and opportunities to accomplish improvements to the member retirement and benefits administration processes, DCRB established a set of key focused interagency Stakeholders collaboration priorities to execute upon:

- a. Data Quality Issues Identification and Remediation
- b. Communications and Education
- c. Retirement Processing

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

The Request for Information (RFI) for the feasibility review of the Benefits Administration Pension Systems (BAPS) was released by DCRB Procurement Office on May 3rd, 2023, and by the closing date of June 19th, we received responses from 10 vendors/systems integrators. As a reminder, the RFI process is intended to assist DCRB in identifying resources needed for a potential new automated pension system and to assist in determining the best strategy for implementing a new system.

Board Meeting-WEBEX ONLY - Executive Director's Report

DISTRICT OF COLUMBIA RETIREMENT BOARD Training & Travel Report (For the Period of May 18, 2023 thru July 20, 2023)					
Name	Description	Sponsor/Vendor	Location	Dates	
				From	To
Trustees					
Danny Gregg	Conference	National Conference on Public Employee Retirement Systems Annual Conference (NCPERS)	New Orleans, LA	05/20/23	05/24/23
Staff					
Emily Bowie	Conference	National Association of Public Pension Attorneys 2023 Summer Conference (NAPPA)	San Antonio, TX	06/27/23	06/30/23
Samantha van der Bunt	Conference	"	San Antonio, TX	06/27/23	06/30/23
Jamia Canlas	Meeting	Centerbridge 2023 Annual General Meeting and LPAC Meeting	New York, NY	04/26/23	04/27/23
	Due Diligence	Silver Point Capital	Greenwich, CT	05/25/23	05/25/23
	Education	Unifi by CAIA Private Debt Microcredential	Virtual Classes	06/09/23	NTB
Munetsi Musara	Conference	Government Finance Officers Association 117th Annual Conference (GFOA)	Portland, Oregon	05/20/23	05/24/23
Bolor Oyundelger	Training	CFA Level II Prep Course Reimbursement	Virtual Classes	05/20/23	05/26/23
	Training	Northern Trust Passpoint Training amd meeting with Harrison Street Advisor Fund V and VII	Chicago, IL	07/10/23	07/11/23
Patrick Sahm	Meeting	Kelso Annual and LPAC Meeting	New York, NY	05/09/23	05/10/23
	Education	Unifi by CAIA Private Debt Microcredential	Virtual Classes	06/09/23	NTB
Deepak Tolani	Meeting	Quantum 2023 Annual Meeting	Houston, TX	05/10/23	05/12/23

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TO: BOARD OF TRUSTEES

FROM: LEGAL DEPARTMENT

DATE: JULY 20, 2023

SUBJECT: LEGAL DEPARTMENT REPORT

TRUSTEES' FIDUCIARY TRAINING

Annual trustees' fiduciary training will take place on Thursday, September 21, 2023, at 9:00A.M. The training will be virtual and presented by Craig A. Bitman, fiduciary counsel with Morgan, Lewis & Bockius LLP

SUMMARY PLAN DESCRIPTIONS

The final draft SPDs were placed in the trustees' portal in Diligent for review. Following receipt of comments from the trustees, DCRB's responses, edits, and other revisions are in process.

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TO: BOARD OF TRUSTEES

FROM: ADAM WEERS
INVESTMENT COMMITTEE CHAIR

DATE: JULY 20, 2023

SUBJECT: INVESTMENT COMMITTEE REPORT

The Investment Committee met on Thursday, July 20, 2023. The official actions taken at this meeting are presented below for ratification by the full Board.

1. To approve a re-up commitment of up to \$50 million to **Fund N**, pending legal review and final due diligence.

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

1. A \$50 million commitment to **Quantum Energy Partners VIII**, a natural resources fund, closed on June 2, 2023.
2. Replaced the **Northern Trust Collective Russell 3000 Index Fund Non-Lending** with the **Northern Trust Collective S&P 500 Index Fund Non-Lending**, completed on July 3, 2023.

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

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**NATHAN SAUNDERS, CHAIR
OPERATIONS COMMITTEE
COMMITTEE CHAIR REPORT
JULY 20, 2023**

The Operations Committee met on June 13th at 1:00 p.m. There were no agenda items requiring trustee actions.

After review and approval of the minutes from the April 18th, 2023 Operations Committee meeting, the meeting included a brief update from the Executive Status Report (ESR), followed by several operational updates regarding upcoming trustee elections; the agency's summer internship program; and the next classification and compensation study.

Regarding trustee elections, the committee was reminded that the upcoming election will be for the retired firefighter representative, with the process beginning in August and concluding in December this year. It also was reported that selection of the election vendor will be completed by the end of July.

The meeting agenda concluded with a brief update on DCRB's summer internships, and mention of the agency's upcoming "classification and compensation" study, which is a process required every several years. DCRB anticipated releasing the associated RFP in July.

Minutes from the June 13th Operations Committee meeting will be reviewed and approved in the next Operations Committee meeting, which is being scheduled for October.

This concludes my remarks.

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TO: BOARD OF TRUSTEES

FROM: DANNY GREGG, CHAIR
DANIEL HERNANDEZ, PENSION ADMINISTRATOR

DATE: JULY 19, 2023

SUBJECT: BENEFITS COMMITTEE REPORT

A Benefits Committee meeting was held on June 15, 2023, to update the Committee on key Benefit Department initiatives. The entire meeting package can be found in the Diligent Board Books. Below are updates from the meeting.

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) have been renegotiated and are in various stages of approval and implementation. The new collective bargaining agreements will require DCRB to recalculate annuities for members who retired during the contract periods. Please see 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>) for regularly updated information on timing and answers to member questions.

Upcoming Adjustments:

- FEMS – 136 adjustments, August 1, 2023
- MPD – 589 adjustments, September 1, 2023
- WTU – 265 adjustments, October 1, 2023

Technology Projects – There are multiple member-focused technology projects scheduled for this year. The following projects were discussed during the Benefits Committee meeting:

- **Benefits Statements** for active members will now be available on the employee's self-service account in active PeopleSoft. This project is expected to be finished by the end of August, as these new benefits statements will include the most up-to-date salary information from the implementation of the collective bargaining agreements.
- **Self Service Phase II** focuses on health care open enrollment online and 1099R retrieval online. This project is expected to be completed during the fall/winter of 2023.
- **Online purchase of service calculators** are now being completed one at a time this year. The first one, Tier Changes, is now live on the DCRB website <https://dcrb.dc.gov/service/tier-change-calculator>. The online calculator for Military Service is scheduled to launch at the end of August.

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TO: BOARD OF TRUSTEES
FROM: TRACY S. HARRIS, CHAIR
DATE: JULY 20, 2023
SUBJECT: AUDIT COMMITTEE REPORT

The Audit Committee did not meet in June.

The next Audit Committee meeting will be held on October 17, 2023.

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TO: BOARD OF TRUSTEES

FROM: LYLE BLANCHARD, CHAIR

DATE: JULY 20, 2023

SUBJECT: LEGISLATIVE COMMITTEE REPORT

The following report reflects activities of interest since the May 18, 2023 Board Meeting:

COUNCIL OF THE DISTRICT OF COLUMBIA

FY 2024 Budget

Act 25-161, Fiscal Year 2024 Local Budget Act of 2023

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.

B25-0202, Fiscal Year 2024 Budget Support Act of 2023

Introduced March 22, 2023, by Chairman Mendelson to the Committee of the Whole, the proposed bill would expand 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). The bill is pending Mayoral approval prior to Congressional review.

Resolutions

Res 25-168, Compensation System Changes for Non-union, Uniformed Members of the Fire and Emergency Medical Services Department Emergency Approval Resolution of 2023

Effective June 6, 2023, this resolution covers fiscal years 2021 through 2024 and makes retroactive and prospective salary adjustments for certain non-union FEMS employees and retirees covered under the District of Columbia Police Officers and Firefighters' Retirement Plan.

Res 25-0239, Compensation System Changes for Non-Union, Uniformed Members of the Metropolitan Police Department Emergency Approval Resolution of 2023

Effective July 6, 2023, this resolution covers fiscal years 2021 through 2023 and makes retroactive and prospective salary adjustments for certain non-union MPD employees and retirees covered under the District of Columbia Police Officers and Firefighters' Retirement Plan.

Res 25-183, Virtual Open Meetings Authority Extension Emergency Declaration Resolution of 2023

Effective June 20, 2023, this resolution extends the authorization for public bodies to hold open meetings Under the Open Meetings Act virtually or remotely as long as the public has access to those meetings.

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Mayoral Orders

2023-069, Appointment – Police and Firefighters Retirement and Relief Board

On June 14, 2023, the Mayor appointed William Persina as the Chairperson of the Police and Firefighters' Retirement and Relief Board.

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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 JULY 20, 2023.