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OPEN SESSION
NOTICE OF VIRTUAL BOARD MEETING
JOSEPH M. BRESS, CHAIR
THURSDAY, SEPTEMBER 21, 2023
1:30 P.M.

WebEx Meeting	Telephone: 650-479-3208	Conference Access Code: 2301 212 8196	Meeting Password: Y6AivsEmi24
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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 JULY 20, 2023
 - APPROVAL OF SPECIAL CLOSED SESSION MEETING MINUTES FOR AUGUST 15, 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: 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, July 20, 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 @1:38 p.m.
Greggory Pemberton@1:37 p.m.
Adam Weers
Carmen Pigler

MEMBERS NOT PRESENT

DCRB STAFF PRESENT

Gianpiero "JP" Balestrieri, Executive Director
Stephen Serraino
Emily Bowie
Paul Gormley
Ram Murthy
Munetsi Musara
Patrick Sahn
Daniel Hernandez
Lori Morgan
Vernon Valentine
Lauren Smith
Jaininne Edwards
Johniece Harris, Board Liaison

OTHERS PRESENT

Joe Ebisa- WithIntelligence
Gar Chung-Financial News

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 May 18, 2023 open session Board meeting minutes.

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

The motion was approved (9-0) with two abstentions. *(See Tally #1)*

Tally #1			Date: July 20, 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	√				

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:**
 - 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.
 - 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%. 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.
 - 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.

- **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 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. Breakfast and lunch will be provided for the trustees.
- **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.
- **Next Board Meeting:** The next meeting will be held on September 21, 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. 23 vacancies currently filled to include 2 Member Services Representative in Benefits, 2 Investment Analysts in Investments, and 1 Financial Manager in Finance

RFP will be released soon for independent consulting firm to conduct Classification and Compensation study to access the overall competitiveness of the compensation program.

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.

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 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.

Trustee Collins asked is it a conflict of interest for Morgan Lewis to have a contract to deal with DCRB on the investment side and conduct a fiduciary workshop? Stephen Serraino, General Counsel responded that it is not a conflict of interest for DCRB. Trustee Collins also asked if the trustees would receive the final draft of the Summary Plan Description books? Mr. Serraino responded yes; the trustees will receive a copy of the final draft. Mr. Hernandez stated that the final draft is being reviewed and will be provided to the trustees. Trustees Collins asked why her financial disclosure forms was disclosed to other trustees and staff. Mr. Serraino responded that he is only required to send to the City Council and Mayor's office. Trustee Collins asked how will the trustees be notified on the analysis on how to handle the DEI and ESG issues? Chair Bress responded that Morgan Lewis can incorporate a training session in the September meeting, but the City Council or Mayor's office has not passed any legislative.

Trustees moved to the next item on the agenda.

INVESTMENT COMMITTEE REPORT

Committee Chair Weers reported that 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.

Motion #2: To approve a re-up commitment of up to \$50 million to Fund N, 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 (11-0). (*See Tally #2*)

Tally #2:			Date: July 20, 2023		
Motion #2: To approve a re-up commitment of up to \$50 million to Fund N, 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 \$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.

Trustees moved to the next item on the agenda.

Operations Committee Report

Committee Chair Saunders reported that 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.

Trustee Collins asked how summer hires came from the summer internships program and how many did DCRB compensate? JP Balestrieri, Executive Director responded that one summer intern was sponsored by the Mayor's program and DCRB compensated 4 interns that was accounted for in the current budget.

Trustees moved to the next item on the agenda.

BENEFITS COMMITTEE REPORT

Committee Chair Gregg reported that 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.

Daniel Hernandez, Pension Administrator stated that DCRB is working with Office of DC Pensions to recalculate the annuities of retired members and the district has paid retroactive salaries and checks to the members who were working. Trustee Collins asked how did the retired teacher’s retro end up being processed last, the exact population of the retired teachers and how DCRB is dealing with the retros and ensuring the data is correct. Jaininne Edwards, Chief Benefits Officer responded that DCRB dealt with smaller groups to automate the recalculation process and follow DCRB is following the recalculation scheduled that was implemented on the active side. Trustee Collins asked if the federal life insurance that started back in 2015 only affects the teacher retired population? Mr. Hernandez responded that it’s only the Standard Life Insurance and not federal.

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 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.

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.

Trustees moved to the next item on the agenda.

Chair Bress made the following motion to close the public session of the meeting at 3:02 p.m.

Motion #3: 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 Weers and the motion was approved by unanimous vote (11-0). (See Tally #3)

Tally #3			Date: July 20, 2023		
Motion #3: 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 3:02 p.m. to 4:14 p.m.

Motion #4: To return to open session at 4:14 p.m.

The motion was moved by Chair Bress and properly seconded by Trustee Tracy Harris.
The motion was approved by unanimous vote. (9-0). (See Tally #4)

Tally #4:			Date: July 20, 2023		
Motion #4: To return to open session at 4:14 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 #5: To adjourn the meeting at 4:15 p.m.

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

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

Tally #5:			Date: July 20, 2023		
Motion #: To adjourn the meeting at 4:15 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					√



**DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)
DRAFT* CLOSED SESSION BOARD MEETING MINUTES
TUESDAY, AUGUST 15, 2023
1:00 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
Joseph W. Clark
Mary A. Collins
Christopher Finelli
Geoffrey P. Grambo
Danny C. Gregg
Tracy S. Harris
Nathan A. Saunders
Carmen Pigler

DCRB STAFF PRESENT

Gianpiero "JP" Balestrieri, Executive Director
Emily Bowie
Johniece Harris, Board Liaison

MEMBERS NOT PRESENT

Greggory Pemberton

OTHERS PRESENT

ROLL CALL

Chair Joseph Bress called the meeting to order at 1:06 p.m. and Ms. Johniece Harris called the roll.

Chair Joseph Bress introduced a motion to close the public session of the meeting at 1:09 p.m.

Motion #1: To enter closed session to discuss personnel matters 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.

The motion was moved by Chair Bress and properly seconded by Trustee Tracy Harris.
The motion was approved (10-0). (*See Tally #1*)

Tally #1			Date: August 15, 2023		
Motion #1: To enter closed session to discuss personnel matters 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.					
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 1:09 p.m. to 2:33 p.m.

Motion #2: To return to open session at 2:33 p.m.

The motion was moved by Chair Bress and properly seconded by Trustee Tracy Harris.
The motion was approved by unanimous vote (9–0). (See Tally #2)

Tally #2:			Date: August 15, 2023		
<u>Motion #2:</u> To return to open session at 2:33 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 #3: To adjourn the meeting at 2:35 p.m.

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

The motion was approved by unanimous vote (9–0). (*See Tally #3*)

Tally #3:			Date: August 15, 2023		
<u>Motion #3:</u> To adjourn the meeting at 2:35 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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 E-mail: dcrb@dc.gov

Chair's Report
September 21, 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>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.</p> <p>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?</p> <p>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.</p> <p>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.</p>
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.
New iPads for Trustee's	DCRB's IT team has deployed updated iPads to the Trustees. If there are other members of the Board that have not received their updated iPad, please contact Ram Murthy, Director of Information Technology at ram.murthy2@dc.gov .

Trustee's Retreat	The trustees 'retreat has been re-scheduled for 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 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.
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Other	<p>For your information</p> <ul style="list-style-type: none"> ➤ <u>Next Board Meeting:</u> The next meeting will be held on November 16, 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 September 21, 2023					
Sponsor	Name of Conference	Date	Location	Cost	Description
International Foundation of Employee Benefit Plans (IFEHP)	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 Conference on Public Employee Retirement Systems (NCPERS)	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 Exhibitor	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	Sheraton 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.
Council of Institutional Investors (CII)	CII-NYU School of Law: Corporate Governance Bootcamp	November 7-8, 2023	New York University School of Law New York, NY	Registration \$2,500 2-day course	Bootcamp is designed as a two-day program, with the first day of instruction covering foundations of corporate governance and the second day covering advanced topics in stewardship. Both days of instruction include lunch and a closing reception for all attendees.

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EXECUTIVE DIRECTOR'S REPORT

September 21, 2023

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 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 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.

Board Meeting-WEBEX ONLY - Executive Director's Report

DISTRICT OF COLUMBIA RETIREMENT BOARD Training & Travel Report (For the Period of July 20, 2023 thru September 20, 2023)					
Name	Description	Sponsor/Vendor	Location	Dates	
				From	To
Trustees					
No Trustee Travel					
Staff					
Jamia Canlas	Due Diligence	Altaris Healthcare Partners	New York, NY	07/26/23	07/26/23
Johniece Harris	Education	Contracting Officer's Representative (COR) Course Management Concepts	Virtual	07/24/23	07/28/23
	Education	Statement of Work (SOW) Workshop Management Concepts	Virtual	08/28/23	08/30/23
Patrick Sahm	Due Diligence	Altaris Healthcare Partners	New York, NY	07/26/23	07/26/23
	Meeting	Tiger Infrastructure Partners Annual General Meeting and LPAC	New York, NY	09/18/23	09/18/23
Farahnaz Shafie	Training	NIST Cybersecurity Framework Training	Virtual	Self Paced	
Samantha van der Bunt	Conference	ILPA Legal Documents Course	Chicago, IL	08/21/23	08/22/23
		ILPA Private Equity Co-Investing Course	Chicago, IL	08/23/23	08/23/23

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TO: BOARD OF TRUSTEES

FROM: LEGAL DEPARTMENT

DATE: SEPTEMBER 21, 2023

SUBJECT: LEGAL DEPARTMENT REPORT

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.



TO: BOARD OF TRUSTEES

FROM: ADAM WEERS
INVESTMENT COMMITTEE CHAIR

DATE: SEPTEMBER 21, 2023

SUBJECT: INVESTMENT COMMITTEE REPORT

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.

1. To approve a commitment of up to \$75 million to **Fund O***, a private equity fund, 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 \$100 million commitment to **Grain Communications Opportunity Fund IV**, an infrastructure fund, closed on 7/24/2023.

**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: SEPTEMBER 21, 2023

SUBJECT: OPERATIONS COMMITTEE REPORT

The Operations Committee did not meet this month.

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

This concludes my committee report.

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To: Board of Trustees

From: Danny Gregg, Benefits Committee Chair
Daniel Hernandez, Pension Administrator

Date: September 21, 2023

Subject: Benefits Committee Report

The Benefits Committee did not meet this month. The next Benefits Committee meeting is scheduled for Wednesday, October 18, 2023, at 10 am. In the interim, below are key departmental project updates.

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 are 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.

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TO: BOARD OF TRUSTEES

FROM: TRACY S. HARRIS, CHAIR

DATE: SEPTEMBER 21, 2023

SUBJECT: AUDIT COMMITTEE REPORT

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: SEPTEMBER 21, 2023

SUBJECT: LEGISLATIVE COMMITTEE REPORT

The following report reflects 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 as long as 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.

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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 SEPTEMBER 21, 2023.