

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



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

CHAIRMAN'S REPORT

March 21, 2019

TOPIC	UPDATE																		
Committee Chairs and Membership	<p>At the February Board meeting, I was pleased that Trustees elected me for a third term as Board Chair. You also reelected Trustee Gary Hankins as Vice-Chair/Secretary, and Lyle Blanchard as Treasurer. Following the elections, I decided to retain the same Committee Chairs and Vice-Chairs as previously. Therefore, the Committee Chairs and Vice-Chairs for 2019 are:</p> <table><tr><td><u>Committee</u></td><td><u>Chair</u></td><td><u>Vice-Chair</u></td></tr><tr><td>Audit Committee:</td><td>Gary Hankins</td><td>Joseph Bress</td></tr><tr><td>Benefits Committee:</td><td>Mary Collins</td><td>TBD</td></tr><tr><td>Investment Committee:</td><td>Michael Warren</td><td>Lenda Washington</td></tr><tr><td>Legislative Committee:</td><td>Lyle Blanchard</td><td>n/a</td></tr><tr><td>Operations Committee:</td><td>Ed Smith</td><td>Joseph Bress</td></tr></table> <p>To do this, I am providing the following motion:</p> <p>Motion: To waive the rule for 2019 that the Board’s Treasurer also serve as Chair of the Audit Committee.</p> <p>With regard to Committee membership, please let me know your preferences on or before April 18. Committee membership, as reflected in the current list (see attached) will remain the same.</p>	<u>Committee</u>	<u>Chair</u>	<u>Vice-Chair</u>	Audit Committee:	Gary Hankins	Joseph Bress	Benefits Committee:	Mary Collins	TBD	Investment Committee:	Michael Warren	Lenda Washington	Legislative Committee:	Lyle Blanchard	n/a	Operations Committee:	Ed Smith	Joseph Bress
<u>Committee</u>	<u>Chair</u>	<u>Vice-Chair</u>																	
Audit Committee:	Gary Hankins	Joseph Bress																	
Benefits Committee:	Mary Collins	TBD																	
Investment Committee:	Michael Warren	Lenda Washington																	
Legislative Committee:	Lyle Blanchard	n/a																	
Operations Committee:	Ed Smith	Joseph Bress																	
New Trustee Orientation	Staff provided a new trustee orientation for Trustees Daniels and Pemberton, and for Bruno Fernandes, our new ex officio member, on March 13, 2019. Subjects covered included, DCRB’s mission and vision, departmental structure, Board governance, fiduciary principles and ethics, communications and outreach, administrative procedures, finance and technology, benefits, and investments.																		
Trustee Financial Disclosure Statement	As noted last month, Trustees should give their completed Financial Disclosure and Trustee Acknowledgement forms to Erie Sampson on or before April 18 for filing by the April 30, 2019 due date. A copy of the form, which has already been emailed to you, is attached for your information.																		
2019 Cost-of-Living Adjustments for DC Teachers, Police Officers and Firefighters	Due to changes in the Consumer Price Index applicable to the Plans during calendar year 2018, Teachers’ Plan annuitants will receive a COLA of 1.8% and Police/Fire Plan annuitants will receive a COLA of 1.9% for 2018, effective March 1, 2019 and payable beginning with their April 1, 2019 benefit payment.																		
FY 2018 Comprehensive Annual Financial Report (CAFR)	The CAFR for the fiscal year ended September 30, 2018 is nearing completion. It will be sent to the Government Finance Officers’ Association (GFOA) and posted to DCRB’s website by March 31, 2019. An electronic copy will be emailed to Trustees at that time, and printed booklets will be available shortly thereafter.																		

Sponsored Activities	As noted last month, DCRB's Comprehensive Annual Financial Report (CAFR) includes a Schedule of Trustee Sponsored Activities, where Trustees must disclose their attendance at any meetings, conferences, or other events where the event sponsor waived registration fees and/or covered the cost of travel and/or meals. Trustees must disclose any such activities for FY 2018.
Meeting With Council Chairman Mendelson	On March 14, 2019, Trustee Blanchard, Executive Director Morgan-Johnson, DCRB's Director of Communications and Outreach, Joan Passerino, and I met with DC Council Chairman Mendelson to bring him up-to-date on projects that were paused as we complete our Strategic Planning initiative.
Colonial Parking "Chaser" Tickets	The new IBEW Building parking attendant, Colonial Parking, will provide "chaser" tickets, rather than validation stickers, which will be used for Trustee parking. Unfortunately, Colonial has not yet received the validation machine which generates the tickets. IBEW's administrative staff has advised that they will let us know when that machine is available for our use.
Other	<p>For your information:</p> <ul style="list-style-type: none"> ➤ <u>Next Board Meeting:</u> The next Board meeting will be held at 1 p.m. on Thursday, April 18. ➤ <u>Quorum:</u> To assure that all meetings will have a quorum, DCRB's Office Management staff poll all Committee or Board members prior to the meetings to confirm attendance. ➤ <u>Construction:</u> While construction continues on the adjacent building, the garage entrance on 7th Street will remain closed. We will follow up with you when we learn of the date that it will reopen. ➤ <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 anyone attending a meeting via telephone. <p>As a reminder:</p> <ul style="list-style-type: none"> ➤ <u>Conference Travel Report:</u> In accordance with a provision in the Trustee Travel Policy, following your attendance at a conference, Trustees are asked to complete a report describing what they learned at the conference and its benefit to the Board. Section 4 of the Conference Travel Report for Trustees and Staff provides space for you to list your ideas and insights gained at the conference. Trustees, who may not have completed their Reports for FY 2018, should provide them to Deborah Reaves as soon as possible. ➤ <u>Electronic Participation:</u> Notice should be provided to the Chairman and to Deborah Reaves if you plan to participate at a meeting electronically. The IT staff will provide WebEx information prior to every meeting. ➤ <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 the issue rather than departmental staff.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
FINANCIAL DISCLOSURE STATEMENT
FOR MEMBERS OF THE DC RETIREMENT BOARD**

(Pursuant to Section 161 of the District of Columbia
Retirement Reform Act, Approved November 17, 1979
93 Stat. 866; D.C.Code, Sec.-1-731)

For Calendar Year _____

Full Name: _____ Tel. # _____

Address: _____
_____ (Zip Code) _____

Name of Employer: _____

Position: _____

Bus. Address: _____

Tel. # _____ (Zip Code) _____

Effective Date of Membership
to the D.C. Retirement Board: _____

Notice: All items on this financial disclosure statement must be completed. If an item is not applicable, indicate so. Please type or print clearly. Attach additional sheets as needed, and identify each additional sheet with your name and the section being completed. All statements must be notarized.

Check one: _____ Original _____ Amendment

Reasons for Amendment: _____

1. Identify the amount and source of all income (as defined in section 61 of the Internal Revenue Code of 1954) received by you (or your spouse if the income is jointly received).

SOURCE

AMOUNT

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. Identify each liability owed, either directly or indirectly, by you (or your spouse, if the liability is joint) that exceeds \$2,500 as of the last day of the year (exclude mortgage on real property that serves as your principal place of residence, and any revolving credit or installment accounts). Indicate the value of each liability with one of the following categories: (a) not more than \$5,000; (b) \$5,001 - \$15,000; (c) \$15,001 - \$50,000; (d) \$50,001 - \$100,000; (e) over \$100,000.

IDENTIFY

CATEGORY

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3. Identify all property held, either directly or indirectly, by you (or your spouse if the property is joint) in a trade or business, for investment, or the production of income, with a fair market value of \$1,000 or more. Indicate the value of each property with one of the following categories: (a) not more than \$5,000; (b) \$5,001 - \$15,000; (c) \$15,001 - \$50,000; (d) \$50,001 - \$100,000; (e) over \$100,000.

IDENTIFY

CATEGORY

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

4. Identify and give the date for all transactions made, either directly or indirectly, by you (or your spouse if the transactions were joint) in securities or commodities futures that exceeded \$1,000 (exclude gifts made to any organization with tax-exempt status under section 501(c)(3) of the Internal Revenue Code of 1954). Indicate the value of each transaction with one of the following categories: (a) not more than \$5,000; (b) \$5,001 - \$15,000; (c) \$15,001 - \$50,000; (d) \$50,001 - \$100,000; (e) over \$100,000.

IDENTIFY

DATE

CATEGORY

_____	_____	_____
_____	_____	_____
_____	_____	_____

5. Identify and give the date for each purchase or sale in which an interest was held, either directly or indirectly, by you (or your spouse if the interest was joint) in real or tangible personal property in excess of \$1,000 in value at the time of purchase or sale (exclude property that serves as the principal residence). Indicate the value of each purchase or sale with one of the following categories: (a) not more than \$5,000; (b) \$5,001 - \$15,000; (c) \$15,001 - \$50,000; (d) \$50,001 - \$100,000; (e) over \$100,000.

IDENTIFY	DATE	CATEGORY

6. List all gifts with an aggregate value of \$100 or more received by you during the calendar year, from any business entity (including sole-proprietorships, partnerships, and corporations) transacting any business with the District of Columbia government (including any of its agencies, departments, boards, commissions, or educational bodies) and including any business regulated by the District.

GIFTS	VALUE OF GIFT	NAME AND ADDRESS OF DONOR

7. Identify any bank, insurance company, or other financial institution; any brokerage or other securities or investment company; any non-profit organization, labor organization, or educational or other institution in which you (or your spouse); (a) held an interest, or (b) served as an officer, director, partner, or in any fiduciary capacity.

NAME OF ORGANIZATION

INTEREST OR CAPACITY SERVED

8. Identify the nature and extent of any employment during the year by any bank, insurance company, other financial institution, or by any brokerage or other securities or investment company.

NAME OF ORGANIZATION

DATE

POSITION

VERIFICATION:

I swear (or affirm) that this Financial Disclosure Statement and supplementary information have been examined by me and to the best of my knowledge and belief is true, correct, and complete. I understand that the willful making of a false, misleading, or incomplete statement can be grounds for civil and criminal prosecution. I further state that I have not caused title to property to be placed in another person or entity for purposes of avoiding the disclosure requirements of section 161 of the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; D.C. Code, Sec.-1-731).

Signature _____ Date _____

Subscribed and sworn (or affirmed) to before this ____ day of _____, 20____

Notary Public

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 E-mail: dcrb@dc.gov

EXECUTIVE DIRECTOR REPORT

March 21, 2019

Activities	Updates
Strategic Planning	Orion Development Group has provided DCRB with a draft Strategic Plan for 2018 through 2023, and the Executive Leadership Team met with them March 14 and March 20 to discuss it. The Plan includes suggested mission and vision statements, core values, a Strategy Map, a recommended organization structure, an implementation plan, and advice on how to successfully reach our objectives. We expect to finalize the Plan over the next few weeks and will provide the Board with a copy of the final document, once it is completed.
2019 DCRB Budget Hearing	DCRB's Budget Hearing is scheduled before the District Council's Committee of the Whole on Monday, March 25, 2019.
Treasury Offset Program (TOP) Update	On March 8, 2019, DCRB sent a letter to Nancy Ostrowski, Director, Office of DC Pensions, U.S. Department of the Treasury related to the Treasury Offset Program (TOP). Attached for your information is a copy of that letter.
DCRB Winter Newsletter (Police/Fire Edition)	An advance copy of the DCRB winter newsletter (Police/Fire Edition) was emailed to Trustees on the morning of March 6, 2019, and in the afternoon of that day, an electronic copy was emailed to active Police/Fire Plan members. A paper copy of the newsletter was mailed to Police/Fire Plan retirees and survivors on March 18. Paper copies of the newsletter are available today for Trustees who may prefer them.
Comprehensive Annual Financial Report (CAFR)	For your information, DCRB's CAFR is nearing completion. We expect to release it to the Government Finance Officers Association on March 28, 2019, and paper copies will be printed the second week of April. The printed version should be available at the April Board meeting for those of you who would like a paper copy.
Certificate of Achievement in Public Plan Policy (CAPPP) Update	DCRB has arranged for the International Foundation of Employee Benefit Plans to provide Trustees, Staff and invited guests with the opportunity to earn the CAPPP certificate. Part I of the program will be offered on Thursday and Friday, April 25-26, 2019 and Part II is scheduled for Thursday and Friday, May 2-3, 2019. We will provide you with additional information at the April Board meeting.
DCRB New Trustee Orientation Evaluation Form	Attached for your information is a copy of the DCRB New Trustee Orientation Evaluation Form. New Trustees Daniels, Pemberton and Fernandes are requested to complete the form and send or give it to Deborah Reaves.
Current Staff Vacancies	Following the IT Audit and our pause of the PIMS Project, DCRB has 24 staff vacancies, including several that are not related to IT or the PIMS

	Project. At this time, we are focusing on 10 positions that are necessary for our routine operations. Those positions include the Chief Benefits Officer, a Controller, the IT Director, and a Director of Risk and Investment Compliance.
Staff Safety Issues	In response to a few recent incidents, DCRB is reviewing its procedures and training to handle interactions involving irate and challenging customers.
Council of Institutional Investors (CII) New General Members Advisory Council (GMAC)	<p>CII is seeking nominations through March 29, 2019 from General Member representatives to serve on the new GMAC. Modeled on the two successful advisory councils for Associate Members, the GMAC offers voting members a valued platform for contributing to CII in a leadership role. To nominate yourself, please email the following information to Connor Garvey at connor@cii.org by 5 p.m. on Friday, March 29, 2019:</p> <ul style="list-style-type: none"> • Your name, title, and member organization • Statement of interest and brief bio (max 250 words for bio)

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SENT VIA E-MAIL

March 8, 2019

Ms. Nancy A. Ostrowski, Director
Office of D.C. Pensions
1500 Pennsylvania Ave., NW
Washington, D.C. 20220

Re: Request for Full Exemption from the Treasury Offset Program

Dear Ms. Ostrowski:

The District of Columbia Retirement Board (DCRB) understands that the U.S. Department of the Treasury's ("Treasury") Bureau of the Fiscal Service ("BFS") granted a partial exemption from the Treasury Offset Program ("TOP") for benefit payments that are certified by the Office of D.C. Pensions ("ODCP") for disbursement by Treasury. Included in these payments are benefits owed to District retirees, their survivors and beneficiaries under the District of Columbia Police Officers and Firefighters' and Teachers' Retirement Plans (the "Retirement Plans") that are the financial responsibility of the District of Columbia. The November 13, 2017 partial exemption limits the administrative offset to the lesser of: (i) the debt amount; (ii) 25% of an annuitant's net monthly payment;¹ or (iii) the amount by which the monthly net annuity payment exceeds \$750.

While we appreciate ODCP's efforts, DCRB finds this result unsatisfactory for the District-funded portion ("District benefit payment") of the certified benefit payments. The District benefit payments were never intended by Congress, Treasury or the District Government to be federal payments, and should be totally excluded from administrative offset. Furthermore, DCRB is at a disadvantage due to the fact it cannot request its own exemption for the District benefit payments because it is not the payment certifying agency.² Administrative offset of the District benefit payments under TOP not only conflicts with DCRB's federal enabling statute, but also interferes with DCRB's mission and operations. We ask that ODCP supplement its March 26, 2015 exemption request to include DCRB's concerns outlined below or forward DCRB's concerns to Treasury's Secretary for consideration.

Legal and Policy Conflicts

The Retirement Plans were originally enacted by Congress in 1916 and 1920, respectively. Under the District of Columbia Self-Government and Governmental Reorganization Act (Pub. L. 93-198, Dec. 24, 1973; the "Home Rule Act"), Congress delegated certain legislative authority to the District Government, subject to congressional review.

¹ This is the same limit applicable to annuity payments certified by the Office of Personnel Management (OPM) for the Federal Civil Service Retirement System (CSRS) under OPM's management (31 CFR § 285.5(f)(2)(i)(C)).

² 31 USC § 3716(c)(3)(B).

Janice M. Adams • Lyle M. Blanchard • Joseph M. Bress • Mary A. Collins • Denise Daniels • Bruno Fernandes
Gary W. Hankins • Gregory Pemberton • Edward C. Smith • Thomas N. Tippet • Michael J. Warren • Lenda P. Washington

Joseph W. Clark
Chairman

Sheila Morgan-Johnson
Executive Director

Ms. Nancy Ostrowski
March 8, 2019

Page 2

In addition to delegating responsibility for the Retirement Plans to the District, the Home Rule Act transferred the Plans' underlying trust funds to the District. To ensure that the trust funds are financed on an actuarially sound basis to provide proper financing for the benefits to which retirees and their survivors and beneficiaries are entitled under the Retirement Plans, Congress established DCRB, an independent agency of the District government, under the District of Columbia Retirement Reform Act of 1979 (Pub. L. 96-122, Nov. 17, 1979, § 101; the "Reform Act"). Congress explicitly charged DCRB with the exclusive authority and discretion to manage and control the assets of the District of Columbia Police Officers and Fire Fighters' Retirement Fund and the District of Columbia Teachers' Retirement Fund (collectively, the "District Retirement Fund"; Pub. L. 96-122, § 121(a)). As custodian of the trustee District Retirement Fund that finances the benefits from the Plans, DCRB is required to adhere to the strict fiduciary standards mandated by Congress, including the requirement that DCRB use District Retirement Fund assets exclusively for the purpose of paying benefits to the participants and beneficiaries of the Plans (Pub. L. 96-122, § 181(a)). Thus, DCRB is required to place the interests of participants and beneficiaries above those of the Federal or District governments.³ Administrative offset of these benefit payments is in direct conflict with DCRB's federal enabling statute and defeats this purpose.

Financial responsibility for the benefit payments under the Retirement Plans was split between the Federal and District governments under Title XI of the Balanced Budget Act of 1997 (Pub. L. 105-33, Aug. 5, 1997; the "BBA"). As a result, Treasury is financially responsible for benefits based on service accrued before or on June 30, 1997 (the "Freeze Date"; see the BBA § 11011 defining these payments as "Federal benefit payments") and DCRB is financially responsible for benefits based on service accrued after the Freeze Date.⁴ These District benefits are paid from the assets of the District Retirement Fund. For benefit payments based on service before, on, and after the Freeze Date ("split benefit payments"), both Treasury and DCRB share financial responsibility. ODCP carries out the Treasury Secretary's responsibilities under the BBA and is entrusted with the assets of the D.C. Federal Pension Fund that are used to pay the Federal benefit payments (BBA §§ 11082, 11085).

In carrying out their respective responsibilities under the BBA, Treasury, ODCP, and the District are required to strive toward cost-effectiveness and efficient administration of benefit payments and "in a manner which avoids unnecessary interruptions and delays in paying individuals the full benefits to which they are entitled" (BBA § 11091). To achieve this policy, the parties found an efficient administrative way for annuitants to receive a "single check" representing one benefit payment from both the Federal and District governments⁵ by explicitly agreeing that ODCP would act as the District's

³ See Hearing Before the Subcommittee on the Civil Service of the Committee on Government Reform and Oversight in the House of Representatives, One Hundred Fifth Congress, April 29, 1997, statement of Betty Ann Kane, Chairman, Legislative Committee and DCRB Trustee, p. 80, "Mr. Chairman, it is very important for us to clarify, at the outset, that as fiduciaries of the funds, the board members are statutorily and equitably bound to act solely and exclusively in the best interest of the beneficiaries and participants in the fund."

⁴ The BBA § 11042 also required the District to establish Replacement Retirement Plans for benefits based on service after the Freeze Date. See the Police Officers, Fire Fighters, and Teachers' Retirement Benefit Replacement Plan Act of 1998 (D.C. Law 12-152, Sept. 18, 1998).

⁵ Supra, note 4, testimony of Edward G. DeSeve, Comptroller, Office of Management and Budget, p. 65, "We do want to try to find an administrative way so that an individual will get a single check. We believe that the individual getting a single check is certainly something that we and the District can figure out a way to do."; p. 76, Hon. Eleanor Norton Holmes, "So you really see this as a continuum. It's just a different party who does the payout?" Mr. DeSeve's response, "[t]hat's correct. And what I testified earlier is, we will figure out a way between us to solve a two-check problem."

Ms. Nancy Ostrowki
March 8, 2019

Page 3

payroll service provider for the District portion of the payment.⁶ In its Agreement, the District agreed not to pursue the development of a separate payroll system recognizing that policy coordination between Treasury and the District was critical to operational efficiency and good customer service. The understanding of “payment certification” was for Treasury to make the District payment, not to subject the District payment to offset.⁷ Administrative offset defeats this policy and interferes with efficient cost-effective administrative operations.

DCRB makes an advance payment to ODCP’s D.C. Federal Pension Fund each month from the District Retirement Fund for the District’s portion of the payments made by Treasury on behalf of the District.⁸ The District Retirement Fund’s assets are comprised of required District employer and employee contributions and investment earnings. The Federal Government does not appropriate or transfer funds to the District Retirement Fund. The Fund’s assets are not “public money”⁹ and the BBA is clear that District payments are not Federal benefit payments (BBA § 11042(c)). The fact that the District payment is disbursed by Treasury does not convert the payment into public money that comes under the control of Treasury. In this respect, ODCP is only acting as a service provider for DCRB when certifying the District portion of the payment for disbursement.¹⁰ Accordingly, the recurring District payments made under this arrangement are not federal payments subject to offset under 31 CFR § 285.5(b).

We would like to highlight Treasury’s May 29, 1998 policy decision exempting pension payments by the Pension Benefit Guaranty Corporation (“PBGC”) from TOP because offset would “interfere substantially” with the payment of required pension payments and defeat PBGC’s purpose.¹¹ Similarly, TOP interferes with DCRB’s statutory obligation to use Fund assets to pay trustee pension benefits. The payment transferred from the District Retirement Fund to DCRB’s service provider is to make District benefit payments to the intended annuitants. These annuitants are the intended recipients of the District benefit payments, not the Federal Government.

Additional Considerations

There is no other source of funds to fulfill DCRB’s mission. DCRB is the sole statutory custodian of the District Retirement Fund assets for the exclusive purpose of providing District benefits under the Retirement Plans to those individuals who are entitled to benefit payments. Because DCRB is statutorily obligated to use Fund assets to pay District benefits, it would still be responsible for making the intended recipient whole. TOP does not extinguish DCRB’s liability or fiduciary responsibility, but rather exposes DCRB trustees to unnecessary risk.

⁶ See May 24, 2001 Agreement among the District, Treasury and ODCP in which the District agreed that Treasury would provide payroll services for the District payments, thereby preserving the “one check” policy for both the Federal and District payments.

⁷ There is no specific authority to subject the District benefit payments to administrative offset.

⁸ ODCP Annual Report for Fiscal Year 2017, p. 19. See also Jan. 29, 2019, Memorandum of Understanding for Payment of Administrative Expenses Related to the Administration of Federal and District Benefit Payments and other Payments between Treasury and District of Columbia Retirement Board for Fiscal Year 2019, Sections 3.2.1, 5, and 9.2.2, regarding payment from DCRB to ODCP for pension payroll services and District benefit payments.

⁹ See 31 USC 3321(a).

¹⁰ See Sept. 26, 2005, Memorandum of Understanding Concerning Interim Benefit Administration of Retirement Programs among Treasury, the District, and DCRB, Sections 3.4 and 3.5, regarding payroll system and services provided by Treasury.

¹¹ See 29 CFR § 4903.21(a)(4) promulgated in 2010, exempting PBGC’s trustee guaranteed benefit payments from TOP.

Ms. Nancy Ostrowki
March 8, 2019

Page 4

District benefit payments cannot be made to alternative payees to fulfill DCRB's purpose. District benefit payments¹² can only be paid to third-parties for federal tax levies,¹³ child/spousal support,¹⁴ pursuant to the 1988 D.C. Spouse Equity Act,¹⁵ and recoupment of District benefit overpayments.¹⁶ Although the financial responsibility for these payments is not known, there are an estimated 939 annuitants out of roughly 14,371 Retirement Plan annuitants whose benefit payments would be subject to offset. The unexpected cost for DCRB to develop its own payroll system or contract with a private service provider under such short notice would far exceed any District payment offset amounts, not to mention the interruption in administering and processing District benefit payments. In the event it is not even administratively feasible to segregate the District portion from administrative offset, the full benefit payment should be exempt.

Lastly, retirement security is a national interest, which administrative offset subjects to risk, and would indirectly create additional hardships for annuitants, many of whom are on fixed incomes. This defeats the purpose of the Retirement Plans, which are intended to provide reliable replacement income for retirees and their survivors, including survivors of deceased active members.¹⁷

Dilemma

Neither Congress, the District, nor DCRB intended for the District portion of the payments disbursed by Treasury to be subject to administrative offset when the parties discussed the one payment policy. In fact, it was and still is the District's intention to retain control of District payments as evidenced in the District's "Reciprocal State-Federal Setoff Act of 2010" (D.C. Law 18-370, §702(b), Apr. 8, 2011), which expressly excludes pension payments from a "District of Columbia payment" subject to the District's reciprocal Treasury Offset Program. The District even excludes retirement pay from its own Employee Debt Set-Offs law (D.C. Code § 1-629.04(b), added by D.C. Law 6-144, § 2(c), Sept. 13, 1986). Subjecting the District payment of a District retirement plan under the control of DCRB to administrative offset under the Debt Collection Improvement Act of 1996 (Pub. L. 104-134, Apr. 26, 1996), interferes with the District's governmental operations and authority delegated to the District and DCRB by Congress under the Home Rule Act, the Reform Act, and the BBA.¹⁸

¹² The District's Replacement Retirement Plans contain anti-alienation language that is identical in substance to language Treasury has recognized as exempt from TOP by federal law, the only difference being is that it is not codified in a federal law or regulation (see, e.g., 33 USC § 916, 38 USC § 5301(a)(1), 45 USC § 231m (included in the TOP list of Payments Exempt from Offset by Disbursing Officials)).

¹³ 26 USC § 6331 extending to qualified retirement plans (26 USC § 4974(c)). See the *National Taxpayer Advocate 2019 Purple Book*, p. 36, recommending retirement benefits be exempt from levy if levy would create an economic hardship.

¹⁴ 42 USC § 659(a); DC Code §§ 46-201, 46-301.

¹⁵ D.C. Code § 1-529.01.

¹⁶ The Sept. 2, 2003 Memorandum of Understanding Concerning Debt Collection During Interim Administration of Retirement Programs between Treasury and the District's Office of Pay and Retirement Services does not contemplate debt other than benefit overpayments.

¹⁷ *Supra*, note 4, statement of Betty Ann Kane, p. 83, "The board needs to know precisely what our beneficiaries and participants would be receiving, what they are giving up, before we could support the proposal. We have to have these details demonstrated to protect the retirement security of our beneficiaries and participants."

¹⁸ Pursuant to Sutherland Statutory Construction section 51.05 when interpreting conflicting statutes: "Where one statute deals with a subject in general terms, and another deals with a part of the same subject in a more detailed way, the two should be harmonized if possible, but if there is any conflict, the latter will prevail ... unless it appears that the legislature intended to make the general act controlling." Therefore, the general administrative offset provision should not prevail over the very specific directions under the specific provisions of the Home Rule Act, the Retirement Reform Act, or BBA.

Ms. Nancy Ostrowki
March 8, 2019

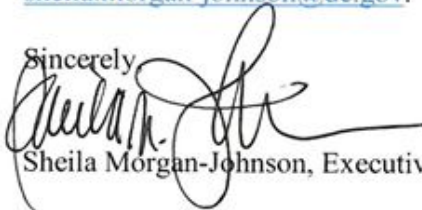
Page 5

The TOP issue presents a legal, policy and operational dilemma for DCRB leaving our trustees no choice but to consider other options to prevent the District portion of the Treasury payment from being offset.

We believe that the Secretary should consider the uniqueness of the District benefit payment arrangement with Treasury and conclude that the District-funded portion of the payment should be exempt from TOP.

Should you have any questions or need additional information, please contact me at (202) 343-3200 or sheila.morgan-johnson@dc.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sheila Morgan-Johnson', with a stylized flourish at the end.

Sheila Morgan-Johnson, Executive Director

cc: DCRB Trustees
Erie F. Sampson, DCRB General Counsel



DCRB New Trustee Orientation Evaluation Form

Trustee Name: _____

Date of Orientation: 3/13/2019

Please take a moment to tell us what you think to help us improve future educational sessions.

1. PREPARATION – Please check your response ranging from 1 (Strongly Disagree) to 5 (Strongly Agree)

	1	2	3	4	5
The invitation for the training stated the purpose clearly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I was given enough information to prepare for the training.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The training was provided at the right time in my term.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. CONTENT – Please check your response ranging from 1 (Strongly Disagree) to 5 (Strongly Agree)

	1	2	3	4	5
The goals of the training were clearly defined.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The topics covered were relevant.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Each session stated the objectives clearly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
There was sufficient opportunity for interactive participation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The format allowed me to get to know the other Trustees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The training was too technical and difficult to understand.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The training experience will be useful in my role as Trustee.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I got most of my questions answered during the training.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The materials and handouts for the training were helpful.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The schedule provided sufficient time to cover all of the topics.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. STAFF PRESENTATION – Please check your response ranging from 1 (Strongly Disagree) to 5 (Strongly Agree)

	1	2	3	4	5
The presenters were knowledgeable about their topic.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The presenters were well prepared for the session.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The presenters encouraged comments.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The presenters answered questions in a complete and clear manner.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. FACILITY – Please check your response ranging from 1 (Strongly Disagree) to 5 (Strongly Agree)

	1	2	3	4	5
The meeting room provided a comfortable setting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The location for the training was convenient for me.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The refreshments and food provided were adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The length of the sessions was adequate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. SATISFACTION – Please check your response ranging from 1 (Strongly Disagree) to 5 (Strongly Agree)

	1	2	3	4	5
The goals of the training met my expectations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I am satisfied with my increased understanding of various topics.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I was generally very satisfied with all aspects of this training event.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I feel comfortable contacting staff directly for specific needs.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The training provided an opportunity to meet and identify other DCRB Staff.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. I would recommend this training to all new Trustees. (Please circle your response below)

1	2	3	4	5	6	7	8	9	10
---	---	---	---	---	---	---	---	---	----

Not at all likely

Extremely likely

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COMMENTS/SUGGESTIONS

S:\Board of Trustees\Trustee Orientation\2019\DCRB New Trustee Orientation Evaluation Form 2019.docx

WILL BE PROVIDED AT THE MEETING.

NO WRITTEN REPORT PROVIDED

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



Telephone (202) 343-3200
Facsimile (202) 566-5001
E-mail: dcrb.@dc.gov


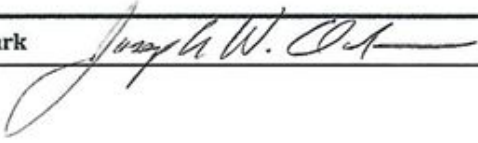
TO: BOARD OF TRUSTEES
FROM: MARY COLLINS, CHAIR
DATE: MARCH 21, 2019
SUBJECT: BENEFITS COMMITTEE REPORT

The Benefits Committee did not meet this month and there is no formal report. The next Benefits Committee Meeting will be scheduled in the first two weeks of April.

WILL BE PROVIDED AT THE MEETING.

NO WRITTEN REPORT PROVIDED

NO WRITTEN REPORT PROVIDED

 DC RETIREMENT BOARD TRUSTEE COMMITTEES LIST As of March 13, 2019		
AUDIT Gary W. Hankins, Chair Joseph M. Bress, Vice Chair Jan Adams Mary Collins Lenda P. Washington Joseph Clark, Ex-Officio Anthony Shelborne, Committee Liaison	BENEFITS Mary Collins, Chair Gregory Pemberton Denise Daniels Joseph Clark, Ex-Officio Daniel Hernandez, Committee Liaison	INVESTMENTS Michael J. Warren, Chair Lenda Washington, Vice Chair Jan Adams Lyle M. Blanchard Joseph M. Bress Joseph W. Clark Mary A. Collins Denise Daniels Gary W. Hankins Gregory Pemberton Edward C. Smith Thomas N. Tippet Bruno Fernandes, Ex-Officio Jeffrey Barnette, Committee Liaison
LEGISLATIVE Lyle M. Blanchard, Chair Edward Smith Thomas Tippet Michael J. Warren Joseph W. Clark, Ex-Officio Erie Sampson, Committee Liaison	OPERATIONS Edward Smith, Chair Joseph M. Bress, Vice Chair Jan Adams Gary W. Hankins Joseph W. Clark, Ex-Officio Erie Sampson, Committee Liaison	
NOTE: Chairman Joseph W. Clark, is an ex-officio member of every standing committee, except for the Investment Committee. The Investment Committee is a Committee of the Whole. Trustees can only serve on three (3) Committees.		
Approved by Board Chairman: Joseph W. Clark 		

Board Meeting - Additional Materials

D.C. RETIREMENT BOARD Conference Listing As of March 21, 2019					
Sponsor	Name of Conference	Date	Location	Cost	Description
International Foundation of Employee Benefit Plans (IFEBP)	Certificate of Achievement in Public Plan Policy (CAPPP) Employee Pensions-Part I	April 25-26, 2019	Washington, DC	DCRB Sponsored	The Certificate of Achievement in Public Plan Policy (CAPPP) program is ideal for enhancing your understanding of the fundamental areas of public sector benefit plans. Provides essential education for new trustees as well as attendees in need of a refresher that addresses core concepts and current trends in legal, legislative, plan design and fiduciary aspects of public sector benefit plans.
	CAPPP in Employee Pensions-Part II	May 2-3, 2019	Washington, DC	DCRB Sponsored	The Certificate of Achievement in Public Plan Policy (CAPPP) program is ideal for enhancing your understanding of the fundamental areas of public sector benefit plans. Provides essential education for new trustees as well as attendees in need of a refresher that addresses core concepts and current trends in legal, legislative, plan design and fiduciary aspects of public sector benefit plans.
	Washington Legislative Update	May 20-21, 2019	Washington, DC	Registration thru April 8, 2019 \$1,250	The program is designed for those who need to understand the legal, legislative and regulatory environment surrounding employee benefits. The content is designed for trustees, administrators and plan professionals who work with the public sector, single employer, and multiemployer.
	CAPPP in Employee Pensions-Part I and II	Part I-June 18-19, 2019 Part II- June 20-21, 2019	Boston, MA	Registration thru May 9, 2019 \$1,150	The Certificate of Achievement in Public Plan Policy (CAPPP) program is ideal for enhancing your understanding of the fundamental areas of public sector benefit plans. Provides essential education for new trustees as well as attendees in need of a refresher that addresses core concepts and current trends in legal, legislative, plan design and fiduciary aspects of public sector benefit plans.
	Public Employee Benefits Institute	June 24-26, 2019	San Francisco, CA	Registration thru May 13, 2019 \$1,515	The Public Employee Benefits Institute is designed to address benefit topics most critical to public plans and share ideas and discuss important issues with your peers.

Board Meeting - Additional Materials

DISTRICT OF COLUMBIA RETIREMENT BOARD Training & Travel Report As of March 21, 2019					
Name	Description	Sponsor/Vendor	Location	Dates	
				From	To
Trustees					
Mary Collins	Conference	CII 2019 Legislative Conference	Washington, DC	01/27/19	01/29/19
Denise Daniels	Conference	CII	Washington, DC	01/27/19	01/29/19
Lenda Washington	Conference	CII	Washington, DC	01/27/19	01/29/19
Staff					
Jeffrey Barnette	Meeting	Institutional Limited Partners Association Meeting (The Evolving Role and Responsibility of the LPAC)	Washington, DC	03/19/19	03/19/19
Patrick Sahn	Due Diligence/Conference	Cambridge Private Equity Summit and Rockwood Capital 2019 Annual Investor Conference	New York, NY	03/26/19	03/28/19
Kimberly Woods	Meeting	ILPA	Washington, DC	03/19/19	03/19/19