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OPEN SESSION
NOTICE OF VIRTUAL BOARD MEETING
JOSEPH M. BRESS, CHAIR
THURSDAY, OCTOBER 20, 2022
1:00 P.M.

<u>WebEx Meeting</u>	<u>Telephone:</u> 650-479-3208	<u>Conference Access Code:</u> 2314 161 0167	<u>Meeting Password:</u> Y2MfihtRR22
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REVISED-AGENDA

1:00 PM	OPEN SESSION -- CALL TO ORDER AND ROLL CALL	
1:05 PM	APPROVAL OF BOARD MEETING MINUTES -- ACTION ITEM	TAB 2
	➤ APPROVAL OF OPEN SESSION MEETING MINUTES FOR SEPTEMBER 15, 2022	
	CHAIR'S COMMENTS	TAB 3
	EXECUTIVE DIRECTOR'S REPORT	TAB 4
	LEGAL DEPARTMENT REPORT	TAB 5
1:15PM	INVESTMENT COMMITTEE REPORT- ACTION ITEM	TAB 6
	OPERATIONS COMMITTEE REPORT- ACTION ITEM	TAB 7
	AUDIT COMMITTEE REPORT	TAB 8
	BENEFITS COMMITTEE REPORT	TAB 9
	LEGISLATIVE COMMITTEE REPORT	TAB 10
2:00 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, September 15, 2022
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

Joseph M. Bress, Chair
Joseph W. Clark
Mary A. Collins
Christopher Finelli
Geoffrey P. Grambo (joined at 2:03 p.m.)
Danny C. Gregg
Tracy S. Harris
Nathan A. Saunders
Greggory Pemberton
Adam Weers
Carmen Pigler, Ex officio

MEMBER NOT PRESENT

Lyle M. Blanchard

DCRB STAFF PRESENT

Gianpiero "JP" Balestrieri, Executive Director
Betty Ann Kane
Ram Murthy
Munetsi Musara
Patrick Sahm
Daniel Hernandez
Vernon Valentine
Jaininne Edwards
Darrell Pressley
Leslie King
Lori Morgan
Rashelle Anderson
Johniece Harris, Board Liaison

OTHERS PRESENT

Gar Chung, Financial News
Steve Ross, Funston Advisory Services
Michael Gold, Funston Advisory Services

ROLL CALL

Chair Joseph Bress called the meeting to order at 1:51 p.m. and Ms. Johniece Harris called the roll.

APPROVAL OF MINUTES

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

Motion #1: To approve the July 21, 2022, open session Board meeting minutes.

The motion was moved by Trustee Finelli and properly seconded by Trustee Gregg.
The motion was approved (9-1). *(See Tally #1)*

Tally #1			Date: September 15, 2022		
Motion #1: To approve the July 21, 2022, 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 commented on the following topics:

- **In-Person Board Attendance:** The Board will continue to meet virtually until we reassess in person meetings. Those trustees who wish to attend Board meetings in person, please notify staff.
- **Investment Updates:**
 - This was a disturbing week for the financial markets. The markets tanked at the news of inflation, which was higher than anticipated based upon the decrease in gasoline and food prices . In addition, the Federal Reserve is predicted to increase the interest rate next week by 0.75 and even 100 basis points. We need to continue to monitor the markets' activity and our investments to determine what we need to do to contain the health of the fund.
 - There have been articles loaded in the trustees' portal in Diligent concerning ESG debates. Certain political leaders are using legislation to oppose ESG investing and pushing for the elimination of investing in fossil fuels and similar kinds of investments. The Board should be more concerned with political interference in our fiduciary responsibilities to assure that we have a viable fund going into the future. Even Dilbert is now humorously addressing this ESG issue, which means it's going to take on more of a public notice.
 - The freight railroad averted a potential strike, which accounts for thirty percent (30%) of the shipment of goods throughout the country and would have had an adverse impact on the economy. This explains why President Biden and several of his secretaries were involved. The labor agreement has to be ratified by 2 major unions that were involved in the potential strike.

- **Trustees Elections Timetable:** Elections for the Active Police representative on the Board of Trustees have commenced. The four-year term will begin January 28, 2023 and end January 27, 2027. Notice of Elections and Request for Nominations, including Statement of Candidacy Forms were sent to eligible members on September 9, 2022.
- **Next Board Meeting:** The next meeting will be held on October 20, 2022.
- **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 appropriate DCRB department head.

Trustees moved to next item on the agenda.

EXECUTIVE DIRECTOR REPORT

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

- **Human Resources Updates:** Mr. Balestrieri congratulated the HR team in leading the effort in collaboration with different department heads in bringing in 22 new hires calendar year 2022 to date, and six (6) new hires since the last Board meeting.
 - a) **Positions filled CY 2022 to date**
 - 3 Member Services Representatives, 1 Benefits Assistant, 1 Retirement Analyst, and 1 Investment Analyst;
 - 1 pending offer for a Retirement Specialist position.
 - b) **Current Vacancies**
 - Panel interviews for 2 candidates for the Director of Internal Audit & Compliance position have been completed.
 - Over 10 applications for the General Counsel position have been received; 3 candidates for the Senior Investment Funds & Compliance Counsel have been reviewed; and there are 2 to 3 candidates for the Senior Counsel position.
- **Investment Fees and Expense Verification Services Awarded:** The contract was awarded to Colmore, and the agreement was signed as of September 1, 2022. The kick-off meeting is scheduled for Friday, September 16, 2022.

Accounting and Audit for Fiscal Year 2022:

- DCRB’s Finance Department has completed the hard close through Q3 of 2022 in preparation for interim testing for the FY22 audit and the team is in the process of

providing DCRB's auditors with the first set of the "prepared by client" document request.

- All corrective action plan steps for the carried forward finding from the FY21 financial audit have been completed (the awarding of the Investment Fees and Expense Verification Services contract was the last item).
- The audit package was submitted for review through the District's oversight process and reviewed by the District's Office of the Chief Financial Officer's (OCFO) Office of Financial Operations and Systems and Office of Integrity and Oversight, and was expressly noted and acknowledged as complete and fully implemented.
- The steps and related support have been submitted to DCRB's independent auditor, Watson Rice, for their review and assessment for implementation and correction.
- **Funston:**
 - a.) **Trustee and Staff surveys completed**
 - A lot of integrated work has happened with staff and Funston and was completed back in July.
 - b.) **In-person meetings with DCRB staff and Funston completed**
 - Ongoing findings and recommendations that focused on key areas: benefits administration, financial management, procurement, and legal compliance and how they integrate together. Some other key findings were Board governance and the committee meetings to include implementation of defined policies at both staff and trustee levels to include conflicts of interest disclosure methods guidelines that define stakeholders and their responsibilities as well as procedures and steps to be taken under various circumstances. Also, document retention and record keeping processes are essential part of integrating departments moving forward.
 - c.) **Follow-up interviews with trustees**
 - The findings and recommendations will be completed for presentation at the November 2022 Board meeting.
- **Investment Consulting Agreement:** Since our last Board meeting, we executed the awarded investment consultant agreement with Meketa. Meketa has provided excellent support to the Board over the last 12 years, and we are excited to continue the relationship.
- **Pension as a Service (PaaS):**
 - a. **Traditional Administration vs. Modern Service Provider**

Traditionally, most pension programs focused only on administration of fund assets rather than providing critical quality services to members of the programs, timely and efficiently. DCRB's priority is to work with the Plan Sponsor to move forward into the long term with a true service provider operating model. At the heart of this service operating model, is the need to establish an integrated Benefits Administration Pension System Platform.

b. Benefits Administration Pension System (BAPS) Implementation

- In recent years, DCRB has strived to improve benefits administration services for the members of the District of Columbia Police Officers and Firefighters' and Teachers' Retirement Plans with fewer resources. The District's benefits administration processes are semi-automated, and the lack of an overarching automated pension system is impacting DCRB's mission to provide quality benefits administration services to the members. To continue providing the expected services to Plan members serviced by DCRB, we need to transform our internal benefits administration systems sooner rather than later through automation.
- The objective is to review and determine whether it is feasible to automate the current pension administration business functions, remove the current manual and semi-automated applications, improve member services and operations while reducing operating costs. The target is to manage the lifecycle of a benefit payment that Plan members and their survivors and beneficiaries are entitled to receive by: enrolling members, servicing members, accepting payments, processing changes, educating members, integrating employer agencies, delivering, and terminating benefits. Moreover, it will also seek to integrate solutions for document retention, recording of information and maintaining transparency at all levels of the organization.

Trustees moved to next item on the agenda.

LEGAL DEPARTMENT REPORT

Leslie King, Senior Counsel, stated there is no written report.

Trustees moved to next item on the agenda.

INVESTMENT COMMITTEE REPORT

Committee Chair Weers reported that the Investment Committee met earlier today and proposes the motions below.

Motion #2: To commit up to \$100 million to **Fund A***, pending legal review and final due diligence.

** The Fund name is redacted per D.C. Code § 1-909.05(e).*

The motion was moved by Committee Chair Weers and properly seconded by Trustee Bress. The motion was approved (10-0). (See Tally #2)

Tally #2			Date: September 15, 2022		
Motion #2: To commit up to \$100 million to Fund A, 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 #3: To commit up to \$100 million to **Fund B***, pending legal review and final due diligence.

* The Fund name is redacted per D.C. Code § 1-909.05(e).

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

Tally #3			Date: September 15, 2022		
Motion #3: To commit up to \$100 million to Fund B , 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 terminate the Board's investment in **Fund C***.

* The Fund name is redacted per D.C. Code § 1-909.05(e).

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

Tally #4			Date: September 15, 2022		
Motion #4: To terminate the Board’s investment in Fund C.					
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 #5: To provide the Trustees with a recommendation on where to invest the proceeds from the liquidation of **Fund C** at the October 2022 Board meeting.

The motion was moved by Trustee Clark properly seconded by Trustee Bress.
The motion was approved (8-2). (See Tally #5)

Tally #5			Date: September 15, 2022		
Motion #5: To provide the Trustees with a recommendation on where to invest the proceeds from the liquidation of Fund C at the October 2022 Board meeting.					
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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Trustees moved to next item on the agenda.

OPERATIONS COMMITTEE REPORT

Committee Chair Saunders reported that the Operations Committee did not meet this month; the next Operations Committee meeting has not yet been scheduled.

Trustees moved to next item on the agenda.

AUDIT COMMITTEE REPORT

Committee Chair Harris reported that the Audit Committee met on September 13, 2022, and the following items were presented:

- Watson Rice provided an overview and the objectives of the FY22 financial audit, shared the approach, timing and deadlines for the interim and final testing, and announced the District issued due date of December 15, 2022 for the audit report.
- The budget to actual report as of August 31, 2022 was presented and DCRB's expenditures are within budget and 29% of the original budget is available.
- The Trustees requested, for the upcoming meeting, details to be provided related to the available budget in Personal Services, along with positional information regarding vacancies vs attrition and the staffing plan for FY23.

The next Audit Committee meeting is scheduled for November 16, 2022.

Trustees moved to next item on the agenda.

BENEFITS COMMITTEE REPORT

Committee Chair Collins reported that the Benefits Committee met on September 13, 2022, and the following item was presented:

- **Retirement Case Processing:** DCRB has been constantly meeting with DCPS, MPD and FEMS on how to cut down the time for retirement processing and DCRB assessed that it can process a retirement benefit payment once a completed retirement package is received by DCRB from the active HR agency.
- **Purchase of Service Calculator:** DCRB is continuing to work with our actuary, Bolton Inc., to create a purchase of service calculator which is slated to be available to the Plan membership online in late fall or early winter 2022. Similar to the online retirement calculator, members will have the ability to input their specific data to produce estimated costs for the purchase of military service, lateral service, tier changes, and the redeposit of contributions. We plan to launch the online version in phases and are currently testing tier changes. Since the calculator for tier changes is in the testing phase right now, when appropriate, DCRB will conduct beta-testing of the tool with interested active members.

- **Call Center Lobby:** Members needing DCRB in-person lobby services are now scheduling those services by appointment only. Members can either schedule an in-person visit or a virtual meeting.

Trustee Saunders stated that he sees some work being done and wanted to record to reflect he has sent communications to the Executive Director, who has responded. Chair Collins stated that the Trustees should pay close attention to all the charts included in the Benefits committee report and they are true value put together by staff and the process needs to be fine-tuned to show accurate data on what's actually going on. The average 1st payment for retirees is 85 days that is way too long and the work records for Teachers is very different from Police and Fire.

Chair Collins stated there have been numerous calls received from members stating they have waited hours on the phone. Trustee Grambo stated he has gotten a couple of calls related to health insurance in retirement and not as many complaints about the timing of a check. Mr. Hernandez stated that pre-retirement counseling is done by both MPD and FEMS but that more pre-retirement counseling needs to be completed at DCPS.

Trustees moved to next item on the agenda.

LEGISLATIVE COMMITTEE REPORT

Chair Bress stated there is no written report.

Trustees moved to the next item on the agenda.

Chair Bress made the following motion to close the public session of the meeting at 3:30 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 Trustee Clark properly seconded by Trustee Grambo
The motion was approved (10-0). (See Tally #6)

Tally #6			Date: September 15, 2022		
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 3:30 p.m. to 5:16 p.m.

Motion #7: To return to open session at 5:17 p.m.

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

The motion was approved (8-0). *(See Tally #7)*

Tally #7			Date: September 15, 2022		
<u>Motion #7</u> To return to open session at 5:17 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					√

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 5:17 p.m.

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

The motion was approved by (8-0). *(See Tally #7)*

Tally #8			Date: September 15, 2022		
<u>Motion #8</u> To adjourn the meeting at 5:17 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 October 20, 2022

TOPIC	UPDATE
In Person Board Attendance	We will continue to meet virtually until we reassess whether we should meet in person. Those who want to meet in the Board room are welcome to do so. Please let staff know.
Updates on Investments	<p>It seems like more of the same. Inflation rate last measured is 8.2% — too high for the Feds to pause interest rate increases. The President releases 15 million barrels of reserve oil as gas prices rise. Heating oil may also double this winter to heat homes, gas is less costly yet more costly than last year. While inflation is an international problem, the US is facing political and investment headwinds. We continue on a roller coaster with highs followed by lows in succession.</p> <p>It is apparent that other countries as the United Kingdom may have a negative effect on our fund — at least until it reversed its recent economic policy that was implemented by the new Prime Minister. The debate continues on whether we will have a soft or hard recession or one at all. Layoffs in several industries have already begun. Some of this has led to political infighting on ESG concerns, unfortunately with one party disputing its validity and acting on that and even one private equity firm has raised questions as to the effectiveness of the present measures.</p> <p>All this places us in a roiled investment world where protection of our fund is even more important. The review of our present investments as well as our future investment decisions will occur in this environment, requiring us to take extra care in our actions. We can turn this into an opportunity to further fortify our Fund.</p>
Active Police Officer Trustee Elections	As mentioned in the September Board meeting, the election for the Active Police representative on the Board of Trustees commenced on September 9, 2022. The winner of the scheduled elections will serve a four-year term from January 28, 2023, through January 27, 2027. The Board will certify the election results at its meeting on December 15, 2022. DCRB will announce the winner of the election on its website at www.dcrb.dc.gov under the News Release section, following the December Board meeting, and the results will subsequently be published in the DC Register.

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 17, 2022. ➤ <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 October 20, 2022					
Sponsor	Name of Conference	Date	Location	Cost	Description
National Conference on Public Employee Retirement Systems (NCPERS)	Public Safety Conference	October 23-26, 2022	Sheraton Grand Nashville Downtown Nashville, TN	Registration thru 09/30/2022 \$750 After \$850	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.
	2023 Legislative Conference	January 24-24, 2023	Renaissance Washington, DC Hotel Washington, DC	Registration thru 01/05/22 \$515 After \$615	The One of the conference offers a fast-paced program to brief you on the pressing issues for the upcoming year. You'll hear from lawmakers, their key staff, the Administration, and regulators about their plans for the months ahead. Members of the powerful House Ways & Means Committee, Senate Finance Committee, and speaker from the Treasury Department will be on the agenda. This is your total immersion in the issues, and it will give you the information and the motivation to speak effectively on behalf of public pensions. Don't Miss is Policy Day, where you can attend meetings on Capitol Hill and with federal agencies aimed at impacting public policy discussions that affect our members and our communities. We strongly encourage you to make your appointments with your elected leaders in advance of the conference as many Congressional offices do not take drop-in visitors. Many conference attendees schedule meetings with their own congressional delegations to build new relationships or strengthen existing ones.
Council of Institutional Investors (CII)	CII-NYU'S Corporate Governance Bootcamp	November 16-18, 2022	New York University School of Law New York, NY	Registration thru 10/14/2022 \$2,650 After \$2,385	CII is proud to offer Corporate Governance Bootcamp 2022, a premium executive education program developed in partnership with New York University School of Law's Institute for Corporate Governance and Finance. Instructors include NYU faculty as well as seasoned practitioners, regulators, directors and activist investors.
	CII Spring 2023 Conference	March 6-8, 2023	Mandarin Oriental Hotel Washington, DC	Registration details forthcoming	CII hosts two exclusive conferences each year, welcoming more than 500+ member attendees and special guests. Our conferences offer unprecedented opportunities to interact, share best practices and learn from representatives from major institutional investors, regulators, legislators and other corporate governance professionals. These events bring together CII members from across the globe.
International Foundation of Employee Benefit Plans (IFEBCP)	New Trustees Institute Level I: Core Concepts	October 22-24, 2022	Mandalay Bay Las Vegas, NV	Registration thru 09/12/2022 \$1,925 After \$2,225	The foundational curriculum will provide you with an understanding of your role, your responsibility as a fiduciary, and an overview of the technical aspects of serving as a trustee on a health, retirement or other ERISA plan. Learn best practices, legal requirements and the current issues that the benefits industry faces.
	New Trustees Institute Level II: Core in Practice	October 22-23, 2022	Mandalay Bay Las Vegas, NV	Registration thru 09/12/2022 \$1,925 After \$2,225	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. Discover best practices, identify possible solutions and recognize critical issues by attending this interactive program.
	Collections Procedures Institute	November 14-15, 2022	Hyatt Regency Miami , FL	Registration thru 10/3/2022 \$1,325 After \$1,625	This conference has been created for trustees of multiemployer plans from both small and large funds in all industries, payroll auditors and collection coordinators, administrators, certified public accountants, attorneys, salaried administrators, third-party administrators and administrative staff.

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EXECUTIVE DIRECTOR'S REPORT

October 20, 2022

1. Staffing Update

a. New Hires Since Last Board Meeting:

- Benefits
- IT Team Promotion

b. Current Vacancies to Fill

2. Investment Fees and Expenses Verification Services Update

The kickoff meeting was completed on 9/16/2022. DCRB launched the Colmore investment fees verification process by contacting investment managers to introduce Colmore and obtain third-party GP reporting portal access.

3. Key Take Aways from CEM Benchmarking Report

In the 2021 CEM Standard Report, DCRB was compared to a universe of 145 U.S. pension funds, 46 of which are public, with fund sizes ranging from \$365mn to \$412bn. The Board's \$10.8bn fund size (at the time completion of report), which falls just below the median fund size of this study was \$13.2 billion.

There were a few key take-aways of the CEM Report's findings for the Board:

- DCRB's net total return for 2021 was 12.9%, which was above the U.S. median of 11.3% compared to others in the report.
- Total investment cost (excluding private markets performance fees) came in at 45.8 bps, which was significantly below the U.S. comparable investment cost median of 52.1 bps.

4. Public Pension Coordinating Council's (PPCC) Recognition Award For 2022

DCRB has been among a select number of public systems to receive the 2022 Public Pension Coordinating Council's (PPCC) Recognition

Award for Funding and Administration, "in recognition of meeting professional standards for plan funding and administration, as set forth in the Public Pension Standards." This award is presented by the PPCC, a confederation of the following organizations:

- National Association of State Retirement Administrators (NASRA)
- National Conference on Public Employee Retirement Systems (NCPERS)
- National Council on Teacher Retirement (NCTR)

5. Feasibility of Benefits Administration Pension System (BAPS) Implementation

Resolving the accuracy and timely delivery of efficient data pre-retirement is an absolute requirement prior to DCRB expending significant amounts of capital on a viable integrated Benefits Administration Pension System (BAPS).

DISTRICT OF COLUMBIA RETIREMENT BOARD Training & Travel Report (For the Period of September 15, 2022 thru October 20, 2022)					
Name	Description	Sponsor/Vendor	Location	Dates	
				From	To
Trustees					
Tracy Harris	Conference	Council of Institutional Investors 2022 Fall Conference (CII)	Boston, MA	09/21/22	09/23/22
Staff					
Nina Bridgers	Education	Staying Calm & Confident in High-Stress Conversations	Virtual	10/06/22	10/06/22
Jamia Canlas	Meeting	Resource Capital Funds Annual General Meeting	Denver, CO	09/20/22	09/22/22
	Conference	ILPA LCON 2022	Washington, DC	10/12/22	10/13/22
	Conference	Sands Capital Client Conference	Arlington, VA	10/13/22	10/13/22
Morgan Dentz	Meeting	Grain Management 2022 Annual Investor Meeting	Miami, FL	09/28/22	09/29/22
Johniece Harris	Education	The Extraordinary Administrative Professional	Virtual	10/05/22	10/05/22
Bolor Oyundelger	Conference	Sands Capital Client Conference	Arlington, VA	10/13/22	10/13/22
Patrick Sahm	Meeting	Grain Management 2022 Annual Investor Meeting	Miami, FL	09/28/22	09/29/22
Deepak Tolani	Conference	ILPA LCON 2022	Washington, DC	10/12/22	10/13/22

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TO: BOARD OF TRUSTEES

FROM: LEGAL DEPARTMENT

DATE: OCTOBER 20, 2022

SUBJECT: LEGAL DEPARTMENT REPORT

Board Governance

Last week, the District's Board of Ethics and Government Accountability (BEGA) had Virtual Ethics Training. One of the sessions was on parliamentary procedure for Board meetings. Board members are encouraged to visit the Robert Rules training portal and the Parliamentary Procedure training portal on the Office of Open Government's website: <https://www.open-dc.gov/open-meetings-act>. Staff will be arranging virtual training for the Board and staff on parliamentary procedure in the near future.

Benefits Litigation Update

Annetta H. Nicholas v. US Treasury and DCRB (1:20-cv-02088-JEB)

Ms. Nicholas (Appellant), a retired teacher receiving a disability retirement benefit, appealed the US District Court's dismissal of her claim against DCRB and US Treasury (Appellees) for a voluntary retirement benefit in the US Court of Appeals. The Appellant filed her appeal brief June 13, 2022 and the Appellees filed their responses September 23, 2022. The Appellant's reply brief was due October 14, 2022, and Appellees' final briefs are due November 4, 2022.

Gerry O. Scott v. DCRB (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. A status hearing was held September 23, 2022. DCRB will be filing an Answer to Mr. Scott's amended Complaint in November. The next status hearing is scheduled for December 9, 2022.

Securities Litigation Update

Vivendi Universal, S.A.

The Board's securities litigation firm, Kessler, Topaz, Meltzer & Check, LLP (KTMC or Kessler), has represented DCRB in this foreign securities litigation against Vivendi, S.A. (Vivendi) in France since 2012. Due to Vivendi's false and misleading statements related to the company's financial condition during 2000 through 2002, the District of Columbia Teachers' and the Police Officers and Fire Fighters' Retirement Funds incurred estimated losses over \$500,000. In July 2021, the Commercial Court of Paris ruled against the investors, including DCRB. The investors' appeal brief was filed on June 17, 2022 and Vivendi's reply brief was filed on September 19, 2022. Should DCRB be successful in recovery, any costs (estimated to be less than 1% of total costs) owed to Kessler will be deducted from DCRB's recovery.

Summary Plan Descriptions

2022 Updates

The Legal Department's legal review of the updated Summary Plan Descriptions (SPDs) for the Retirement Plans is ongoing. US Treasury's legal counsel will perform its legal review after DCRB's legal review is completed.

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TO: BOARD OF TRUSTEES

FROM: ADAM WEERS
INVESTMENT COMMITTEE CHAIR

DATE: OCTOBER 20, 2022

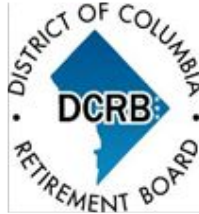
SUBJECT: INVESTMENT COMMITTEE REPORT

The Investment Committee met on Thursday, October 20, 2022. The official actions taken at this meeting are presented below for ratification by the full Board.

1. To invest the proceeds of **Fund C*** redemption in **Fund D***.

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

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TO: BOARD OF TRUSTEES

FROM: NATHAN A. SAUNDERS, CHAIR

DATE: OCTOBER 20, 2022

SUBJECT: OPERATIONS COMMITTEE REPORT

The Operations Committee met on October 18th at 10:00 a.m. The meeting agenda included a variety of topics, with several proposed action items. The following is a brief summary of the meeting:

- The committee heard a presentation from Bolton, DCRB's Actuary. The presentation (included in your Board package) provided a report on "Preliminary Findings" in the current valuation process for the *Teachers Retirement Plan* and the *Police Officers and Firefighters' Retirement Plan* (as of September 30, 2022). In response to the presentation, the committee asked questions and provided feedback, to be reflected in Bolton's final valuation report.
- The committee also received a briefing from Ram Murthy and Vernon Valentine on the *Executive Status Report* (ESR), also included in your Board package. The three, highlighted updates from this report were:
 - As of September 30, 2022, Crowe LLP has developed and is nearing completion of the *Procurement Procedures Manual*.
 - Following the July 15th, 2022 weekend, the *FMS (Financial Management System) version-upgrade* was successfully completed. Beginning July 18th, system users began using the new features.
 - *From a staffing perspective*, DCRB hired a new *Deputy Chief Benefits Officer* (effective July 5, 2022), and expects to extend an offer to a *General Counsel* candidate the week of October 17th. DCRB also has down-selected candidates for its *Senior Counsel* and *Director of Internal Audit* positions, and expects to extend offers for each position the week of October 24th. Finally, since mid-September 2022, three key vacancies have emerged: *Communications & PR Director*; *Controller*; and *Supervisory Contracts Specialist*. The agency is in-progress with plans to back-fill those positions.
- Leslie King, DCRB Senior Counsel, provided an Executive Summary report, which outlined the current status of three, legal-services contracts—followed by motions requesting one-year contract-extensions for each service (which expire in November and December of this year). The legal services firms are:
 - Morgan, Lewis & Bockius (MLB)—investment counsel;
 - Groom Law Group—fiduciary, tax, and employee benefits counsel; and
 - Kessler, Topaz, Meltzer and Check, LLP (KTMC)—securities litigation counsel.

Following the discussion regarding the legal contracts, the Committee agreed to recommend the following three motions to the Board:

MOTIONS

One: To approve a one-year extension of the legal services contract RB-13-042 with Morgan Lewis & Bockius for investment counsel from November 13, 2022 to November 12, 2023, at a not-to-exceed cost of \$730,000.00 (excluding litigation).

Two: To approve a one-year extension of the legal services contract DCRB-18-C-0033 with the Groom Law Group for fiduciary, tax and employee benefits counsel from December 27, 2022 to December 26, 2023, at a not-to-exceed cost of \$500,000.00 (excluding litigation).

Three: To approve a one-year extension of the legal services contract DCRB-18-C-0034 with Kessler, Topaz, Meltzer and Check, LLP for securities litigation counsel from December 27, 2022 to December 26, 2023, on a cost reimbursement contingency.

- Finally, Ms. King also provided an Executive Summary report on the “DCRB Employee Supplemental Retirement Plan,” with proposed actions regarding amendments to the Plan document to bring the document into compliance with IRS rules. Following a robust discussion, the Operations Committee opted to have further review of the information presented, and to resume discussion in its next meeting.

The next Operations Committee Meeting will be determined at a later date.

This concludes my committee report.

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TO: BOARD OF TRUSTEES
FROM: TRACY S. HARRIS, CHAIR
DATE: OCTOBER 20, 2022
SUBJECT: AUDIT COMMITTEE REPORT

The Audit Committee met on October 18, 2022 and the following items were presented:

- Interim Audit Status: The requested documents have been provided to Watson Rice and samples have been selected and the testing is moving ahead as scheduled. No potential issues have been identified by the auditors and there are no concerns related to the timeline.
- The preliminary budget to actual report as of September 30, 2022 was presented and DCRB's expenditures remain within budget and 24% of the original budget is available.
- Detailed analyses were presented related to the expected surpluses in personal and non-personal services, and the primary drivers for these amounts were identified and discussed.
- A review of the multi-year contracts carrying over into FY23 and beyond were also reviewed to ensure that these were properly budgeted for in the out years, and
- The FY23 and FY22 budgets were reviewed vs the FY22 actuals to proactively identify areas of underspend from FY22 that need to be monitored throughout FY23.

There were no action items presented in this meeting.

The next Audit Committee meeting will be held on November 16, 2022.

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TO: BOARD OF TRUSTEES

FROM: DANIEL HERNANDEZ, PENSION ADMINISTRATOR
MARY COLLINS, CHAIR

DATE: OCTOBER 20, 2022

SUBJECT: BENEFITS COMMITTEE REPORT

The Benefits Committee did not meet this month. A future meeting will be planned and below are some updates on current projects, initiatives, and follow-up topics mentioned in the previous Benefits Committee meeting.

Healthcare Open Enrollment - Please be aware that health plan open enrollment for 2023 Federal and District health benefits runs from Monday, November 14, 2022, through Monday, December 12, 2022. DCRB will be mailing out annuitant materials in early November with the use of our Treasury department printers. DCRB is working to update the DCRB website and is continuing to upload information as it becomes available.

Additional services we are providing to members this year include:

- Online forms available for submission for both DC and Federal Employees Health Benefits (FEHB);
- Pre-populated health insurance enrollment forms with static information i.e., event code and effective date;
- Voiceover video online about completing forms;
- Posting of a possible healthcare premium calculator (for DC plans only);
- Staffing of DCRB dedicated teams for form review, member communications, and processing of received healthcare forms; and
- Exploring partnerships with Department of Employment Services (DOES) to utilize their Senior Community Service Employment Program (SCSEP) so we can employ auxiliary call-takers in anticipation of higher call volumes in the next 3 months.

Benefits Statements – For the upcoming year, DCRB is exploring the option of delivering the PDF Benefits Statements via the active employees' PeopleSoft portal. The overarching goal is to make the statements available on a separate panel to employees by June 1, 2023. This will reduce the need and cost for mail distribution as well as create a history of annual PDF statements available on demand for active Plan members. DCRB is working with our actuaries, Bolton, Inc, DCRB's Information Technology (IT) Department and the District's Office of the Chief Technology Officer (OCTO) on the feasibility of this option and possible implementation for June 1st.

Summary Plan Description (SPD) Update 2022 – Legal and Treasury reviews are still ongoing. The review is focused on removing outdated information, clarifying specific provisions, and incorporating other necessary legal changes. The SPDs, which are required to be updated every five (5) years, are scheduled to be completed by the end of this year. From a design and communications perspective, the new layout options should make the SPD more reader friendly, provide quick tips, clarify commonly asked questions, and map out a few key processes.

Purchase of Service Calculator – In collaboration with Bolton, our DCRB actuary and IT departments, we are in the final stages of beta testing the online calculator for purchase of service for tier changes. Similar to the online retirement calculator, members will have the ability to input their specific data to produce estimated costs for the purchase of military service, lateral service, tier changes, and the redeposit of contributions. In the next couple of weeks, DCRB will contact the active fire and police trustees and request the names of a few active members who may be willing to provide us with feedback via user acceptance testing.

Actuarial Valuation - Bolton Inc., is still on schedule for production of the fall 2022 valuation. At this month's Operations Committee meeting, the actuary will present preliminary results. The final valuation results will be provided to the Board in November or December after additional end of fiscal year data is received from our Finance and Investment departments.

Other Post-Employment Benefits (OPEB) Discussions (Health and Life Insurance) - Based on the last Benefits Committee meeting, additional work on this topic has occurred. Over the past three weeks, the benefits administration team met with the District of Columbia Human Resources (DCHR) Department to discuss the Plan Sponsor's role in administering the healthcare and life insurance plans. Specifically, DCRB has had multiple conversations about DCRB's involvement in carrier relationships on subjects such as overaged dependent children, healthcare refunds, the finalization of the new OPEB transition form, and monthly reconciliation efforts. We are also working with the Office of Personnel Management (OPM) representative to alleviate some of the issues members have encountered with Federal Employees Group Life Insurance (FEGLI). Internally here at DCRB, we have met to discuss legal options, future communications efforts with stakeholders, and additional analysis that is needed.

Community of Interests – During the last three weeks, the Benefits Department has developed a tentative schedule to resume in-person community of interest meetings to tackle District retirement issues. We have proposed specific quarterly meetings and are sending out a tentative schedule for review to District agencies including DCHR, the Office of Pay and Retirement Services, Fire and Emergency Medical Services, the Metropolitan Police Department and the District of Columbia Public Schools. Topics at these meetings will involve improving the overall transition to retirement process, offboarding, data certification, and employee communications.

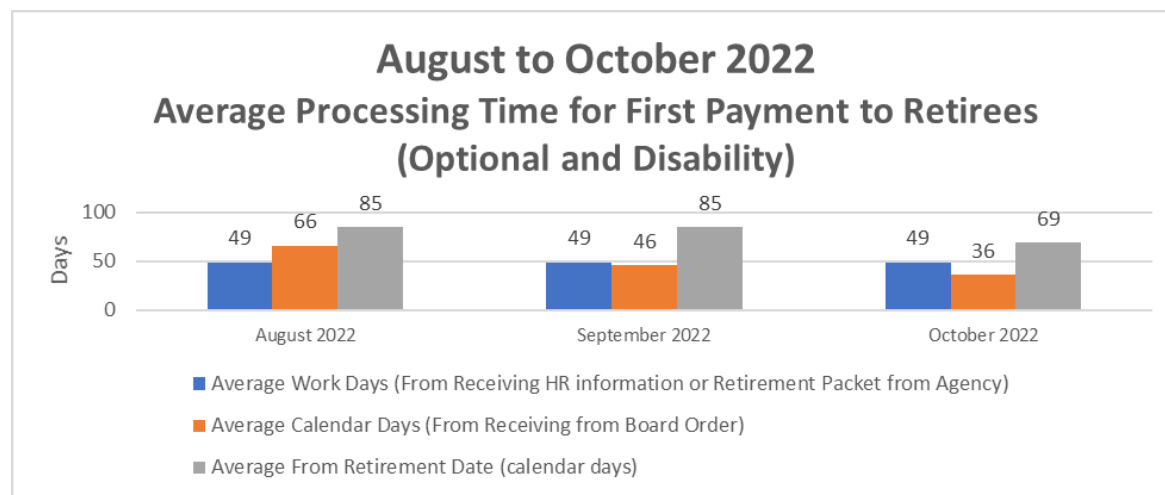
Fall Newsletter Communications – The Benefits team is working with our Sr. Communications Specialist, Joan Passerino, to include information regarding Open Enrollment, the onsite member services drop-box, how to contact/set appointments with member services, and the promotion of the annuitant self service portal.

Retirement Operations – Since our last meeting, the Benefits Department has begun using “conditional approvals” in order to reduce the number of days lapsed before a new retiree receives their first pension payment. This new approval process is based on using certified data from the agencies plus the minimum and service requirements needed to retire a member and pass audit tests.

Last month, the Benefits Department conditionally approved 7 new retirement cases for the October 1, 2022 payment. This process avoided any additional delay in the members' first annuity payment as we wait for final forms from the member or agency to complete their retirement record. Other DCRB controlled options that we are also utilizing are off-cycle (mid-month) payments. For example, for the September 1st payment, we issued 8 off-cycle checks so annuitants could receive quicker payments.

Operating Statistics – Retirement Services Case Processing

The operating statistics for August 1 through October 1 payments. As you will notice, the days (Workdays) that we have to work on the cases are below the 60 day turnaround; this is from the time we get the HR or Retirement packet until the benefit was paid for all groups. The below graph shows first payments for Optional and Disability Retirements. In the last few months for police and fire retirees, we have been receiving the Board Orders before the member's retirement date, thus the HR packet arrives sooner too. Additional analysis is being conducted on survivorship and deferred, as they tend to skew the averages if not broken out in these graphs.



RETIREMENT CASE PROCESSING OCTOBER 2022

CASES PROCESSED	CASE TYPE	Fire	Police	Teacher
18	Beneficiary (One-Time Payments)	1	11	6
2	Deferred Annuity	0	1	1
3	Disability	2	1	0
2	Garnishment/Levy	1	1	0
24	Optional/Voluntary & Involuntary Annuity	7	6	11
0	QDRO/QCO	0	0	0
16	Survivors	4	9	3
0	Auto Debt Collection	0	0	0
10	Annuity Adjustments & Offcycles	1	3	6
2	Student Certification Reinstatement	0	2	0
21	Refund of Contributions	0	4	17
98	TOTALS	16	38	44

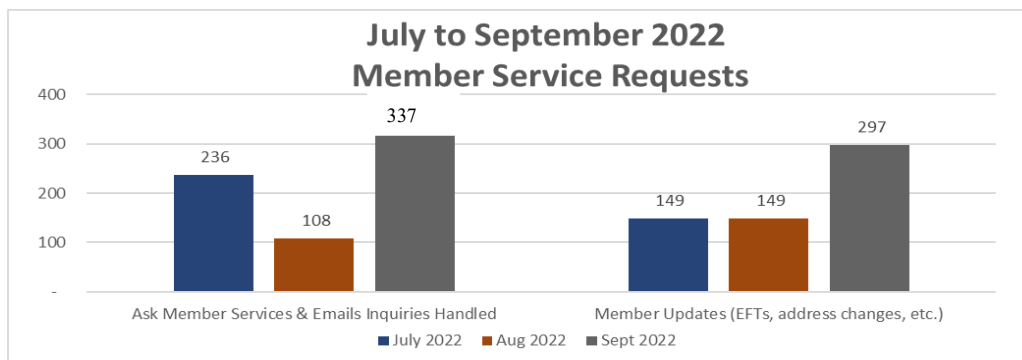
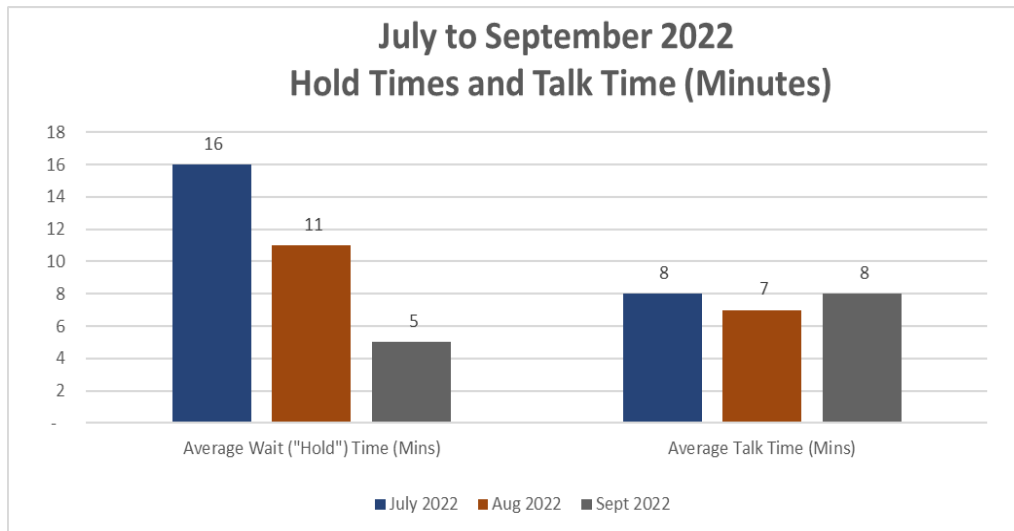
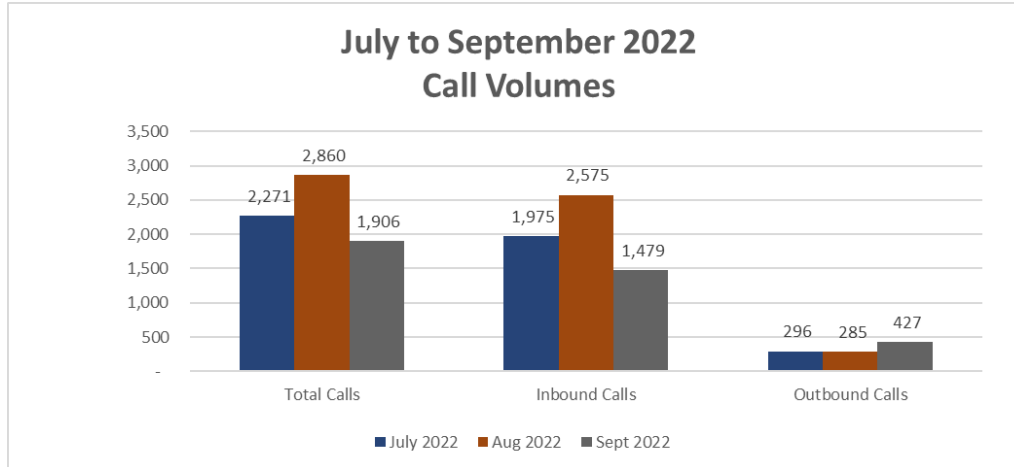


RETIREMENT CASE PROCESSING SEPTEMBER 2022

CASES PROCESSED	CASE TYPE	Fire	Police	Teacher
11	Beneficiary (One-Time Payments)	5	2	4
4	Deferred Annuity	0	1	3
4	Disability	1	3	0
5	Garnishment/Levy	1	3	1
24	Optional/Voluntary & Involuntary Annuity	8	13	3
2	QDRO/QCO	1	1	0
21	Survivors	5	15	1
1	Auto Debt Collection	0	1	0
29	Annuity Adjustments & Offcycles	1	17	11
2	Student Certification Reinstatement	0	2	0
20	Refund of Contributions	2	5	13
123	TOTALS	24	63	36

Operating Statistics – Member Services Call Center

Below are our Member Service Center operating statistics for the last three months. Communication with our members occurs in both verbal and written form. In addition to normal call center work, staff perform case research and member place updates into the STAR system (e.g., health election updates, address changes, direct deposit changes, tax updates, etc.).



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TO: BOARD OF TRUSTEES

FROM: LYLE BLANCHARD, CHAIR

DATE: OCTOBER 20, 2022

SUBJECT: LEGISLATIVE COMMITTEE REPORT

The following report reflects activities of interest since the September 15, 2022 Board Meeting:

COUNCIL OF THE DISTRICT OF COLUMBIA

LEGISLATION

L24-0166, “Fiscal Year 2023 Local Budget Act of 2022”

Status: Effective from September 9, 2022, the following expenditure levels have been approved and adopted as the local portion of the budget of the DC Government for fiscal year ending September 30, 2023:

- From the General Fund of DC: \$77,508,000 to the Police Officers’ and Firefighters’ Retirement System and \$47,835,000 to the Teachers’ Retirement System.
- From the Earnings of the Police & Fire and Teachers’ Retirement Funds: \$42,778,952 to DCRB to pay legal, management, investment, and other fees and administrative expenses.

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DISTRICT OF COLUMBIA RETIREMENT BOARD

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)).*

PRESENTED TO THE BOARD ON OCTOBER 20, 2022.