



DISTRICT OF COLUMBIA RETIREMENT BOARD
BOARD MEETING MINUTES
MARCH 19, 2015
12:30 P.M.

MEMBERS PRESENT

Joseph M. Bress, Chairman
Lyle M. Blanchard (arrived after elections)
Joseph W. Clark
Mary A. Collins
Gary W. Hankins
Nathan A. Saunders
Edward C. Smith
Thomas N. Tippet
Lenda P. Washington

DCRB STAFF PRESENT

Eric Stanchfield, Executive Director
Erie Sampson, General Counsel
Sheila Morgan-Johnson
Johnetta Bond
Peter Dewar
Joan Passerino
Anthony Shelborne
Leslie King
Daniel Hernandez
Neda Bolourian
Camille Castro
Patrick Sahn
Sue Scrapper
Michael Xanthopoulos
Deborah Reaves
Johniece Harris
Wukyanos Gebremeskel

MEMBERS NOT PRESENT

Barbara Davis Blum
Darrick O. Ross
Michael J. Warren
Jeffrey Barnette, ex officio

OTHERS PRESENT

Mary Mustard, Meketa Investment Group
Peter S. Woolley, Meketa Investment Group
Jennifer O'Dell, Laborers' International Union of
North America

ROLL CALL

Chairman Bress called the meeting to order at 12:30 p.m. Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

Chairman Bress introduced a motion to approve the January 22, 2015 Board meeting minutes.

Motion #1: To approve the January 22, 2015 Board meeting minutes.

The motion was moved and properly seconded by Trustee Clark. The motion was approved 7–0, with one abstention. (*See Tally #1*)

OPERATIONS COMMITTEE REPORT

On behalf of Chairman Ross, Vice-Chair Collins stated that the committee met at 9:00 a.m. today and she shared the results of that meeting.

Data Enterprise Architecture Consulting Services

Vice-Chair Collins presented the following motion on behalf of the DCRB IT Department.

Motion #2: To authorize the Executive Director to enter into a contract with Tony Phan for Enterprise Architecture Services for the base year not to exceed \$186,875, and three (3) one year option periods not to exceed \$594,928.75, for a total contract amount not to exceed \$781,803.75.

The motion was moved and properly seconded by Trustee Tippet. The motion was approved 8-0. (*See Tally #2*)

Trustee Electronic Board Participation

Vice-Chair Collins asked that the members turn to the Prominent Issues Checklist developed from NASRA survey information and research conducted by Joan Passerino on electronic board participation policies of other retirement systems and boards.

Chairman Bress noted that in the data presented, three quarters of the systems allowed electronic participation. He also requested that an electronic copy of the checklist be sent to Trustees and asked that they return the completed form within five business days.

Actuarial Audit

Trustee Collins indicated that DCRB and Cheiron, the firm performing DCRB's Actuarial Audit, met February 3rd to kick off the project. A final report is expected to be completed in July and the results will be presented to the Board sometime during 4th Quarter

Certified Small Business Enterprise (CSBE) Update

Vice-Chair Collins reported that DCRB is in full compliance with the Department of Small and Local Business Development reporting requirements. DCRB's expenditures with CSBEs in FY 2014 exceeded its goal of \$398,347.50 by more than \$100,000, and due to IT expenditures for the Retirement Modernization Program, the FY 2015 goal of \$204,986 was met during first quarter 2015.

INVESTMENT COMMITTEE REPORT

On behalf of Investment Committee Chair Blum, Chairman Bress stated that the Investment Committee met earlier in the day, and he presented the following motions for the Board's consideration:

Motion #3: To request the Board's Investment Consultant meet with representatives to discuss investment approaches to address climate change considerations.

The motion was moved and properly seconded by Trustee Collins. The motion was approved 8-0. (*See Tally #3*)

Motion #4: To commit \$25 million to Carlyle Realty Partners VII, private equity, subject to contract negotiations.

The motion was moved and properly seconded by Trustee Washington. The motion was approved 8-0. (*See Tally #4*)

Motion #5: To terminate Gryphon International Investment Corporation and reinvest the proceeds in Altrinsic Global Advisors' International Equity Strategy or in the SSgA World Index Fund in the interim to enter into an agreement with the new manager while we continue to negotiate contract terms with Altrinsic.

The motion was moved and properly seconded by Trustee Collins. The motion was approved 8-0. (See Tally #5)

CHAIRMAN'S COMMENTS

Chairman Bress moved to begin the Officer Elections voting.

Board Officer Elections 2015

Prior to the start of the Officer Elections process, Trustee Collins presented the following motions.

Motion #6: To waive Board Rule 1502.12, to allow the *Treasurer* of the Board to serve in the same elected office for an additional one-year term.

The motion was moved and properly seconded by Trustee Saunders. The motion was approved 8-0. (See Tally #6)

Motion #7: To waive Board Rule 1502.12, to allow the *Chairman* of the Board to serve in the same elected office for an additional one-year term.

The motion was moved and properly seconded by Trustee Hankins. The motion was approved 8-0. (See Tally #7)

Chairman Bress began the elections and called for nominations for each Officer position.

- **Chairman:** Trustee Smith nominated Joseph Bress
- **Secretary:** Trustee Washington nominated Joseph Clark
- **Treasurer:** Trustee Hankins nominated Lyle Blanchard
- **Parliamentarian:** Trustee Smith nominated Thomas Tippet
- **Sergeant-at-Arms:** Trustee Washington nominated Gary Hankins

Chairman Bress then proposed the following motion:

Motion #8: To break for a half-hour lunch.

The motion was moved and properly seconded by Trustee Hankins. The motion was approved 8-0. (See Tally #8)

The Board Meeting resumed at 1:35 p.m.

Chairman Bress thanked the Board members for their flexibility to start the Board meeting immediately after the Investment Committee to allow the election process to be completed with a quorum. He then continued with his report to the Board.

Lasana K. Mack Posthumous Recognition Resolution of 2014

Chairman Bress indicated that he wanted to share with the Board a great honor paid to DCRB's friend and colleague, Lasana K. Mack. He stated that the City Council passed a Ceremonial Resolution on October 7, 2014, which was published in the D.C. Register on March 6, 2015. He then read the following excerpt from the Resolution:

“IT IS HEREBY RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, that the Council of the District of Columbia honors Lasana K. Mack for his commitment to excellence in public service. He served as a model of what a responsible and dedicated community and civic leader truly should be, and will be sorely missed.”

DC's Bond Rating Upgraded by Moody's

Chairman Bress reported that Moody's has upgraded the rating of the District's general obligation bonds to Aa1, which is the second-highest rating behind AAA, and highest in the city's history. He stated that in making this change, Moody's pointed to the resilience of the District's economy amid federal downsizing and its robust reserve funds. They also cited the City's strong credit and manageable pension liabilities.

Results of the Board Officer Elections

Chairman Bress then presented the following results of the Officer elections conducted before the lunch break:

- **Chairman**, Joseph Bress
- **Secretary**, Joseph Clark
- **Treasurer**, Lyle Blanchard
- **Parliamentarian**, Thomas Tippet
- **Sergeant-at-Arms**. Gary Hankins

Chairman Bress completed his comments by reminding Trustees that there will be no Board meeting in April, since Thursday, April 16th is DC Emancipation Day, and a holiday for the D.C. Government.

EXECUTIVE DIRECTOR'S REPORT

Mr. Eric Stanchfield presented the following highlights to the Board:

Annual Performance Testimony

On March 10, 2015, DCRB appeared before the D.C. Council's Committee of the Whole and provided testimony on its performance for Fiscal Year ("FY") 2014, and its goals for FY 2015 and beyond. Chairman Mendelson's questions focused primarily on: 1) the increase in the FY 2016 District contribution to the Plans, 2) fossil fuel divestiture, and 3) the Max 80/Lookback COLA errors. At the end of the hearing, Chairman Mendelson complimented the Board on all it has done to make the District's pension Trust Fund the second most fully funded in the country.

S&P Litigation Settlement

On February 2, 2015, the District of Columbia, the U.S. Department of Justice, and various states reached a \$1.375 billion settlement agreement with S&P. As a part of the agreement, S&P paid the District \$21,535,714 to resolve the consumer protection and securities law violations alleged in the Complaint. The settlement amount was paid into the District's General Fund.

Teacher Retirement Workshop

At the end of March, DCRB will join with DCPS in presenting a Retirement Workshop for teachers who are considering retirement. This year, the Workshop will be hosted by DCRB. The agenda will include presentations on March 30th by DCPS, DCRB, and a guest speaker from the Social Security Administration, and on March 31st, information will be provided by representatives of the various 403(b) plans.

BENEFITS COMMITTEE REPORT

Chairman Smith indicated that the Benefits Committee did not meet in March, and presented the following highlights of Benefits Department activities since the January Board meeting:

Federal Max 80/Lookback COLA Benefit Correction Update

Effective March 2, 2015, the U.S. Department of the Treasury (Treasury) proceeded with changing the annuities of approximately 557 federal annuitants due to errors that occurred since 1980. The Treasury Call Center reported 643 contacts (phone calls, faxes, letters, and voicemails) from January 30, 2015 through March 6, 2015.

There followed a discussion related to error correction policy and the effect of changes on annuitants.

2015 Cost-of-Living Adjustments (COLAs)

COLAs of .3% for retired teachers and .8% for retired police officers and firefighters will be applied to the benefits of retirees and survivors beginning with their April 1, 2015 benefit payments. Individuals who retired after March 2014 will receive a pro-rated COLA amount.

LEGISLATIVE COMMITTEE REPORT

Committee Chairman Blanchard stated that the Legislative Committee did not meet this month, and directed trustees to the Legislative Committee Report included in the Board package for updates on pending legislation.

AUDIT COMMITTEE REPORT

Committee Chairman Hankins indicated that there was no Audit Committee report since the Committee did not meet this month.

OTHER BUSINESS

None

ADJOURNMENT

Motion #9: Chairman Bress introduced a motion to adjourn the meeting at 2:47 p.m.

The motion was properly moved and seconded by Trustee Saunders. The motion was approved 8-0. (*See Tally #9*)

**DISTRICT OF COLUMBIA RETIREMENT BOARD
RECORD OF OFFICIAL BOARD ACTIONS**

Tally #1:		Date: March 19, 2015			
To approve the January 22, 2015 Board meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis					√
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.			√		
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√
Washington, Lenda P.	√				

Tally #2:		Date: March 19, 2015			
To authorize the Executive Director to enter into a contract with Tony Phan for Enterprise Architecture Services for the base year not to exceed \$186,875, and three (3) one year option periods not to exceed \$594,928.75, for a total contract amount not to exceed \$781,803.75.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis					√
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√
Washington, Lenda P.	√				

**DISTRICT OF COLUMBIA RETIREMENT BOARD
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Tally #3:		Date: March 19, 2015			
To request the Board's Investment Consultant meet with representatives to discuss investment approaches to address climate change considerations.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis					√
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√
Washington, Lenda P.	√				

Tally #4:		Date: March 19, 2015			
To commit \$25 million to Carlyle Realty Partners VII, private equity, subject to contract negotiations.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis					√
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√
Washington, Lenda P.	√				

**DISTRICT OF COLUMBIA RETIREMENT BOARD
RECORD OF OFFICIAL BOARD ACTIONS**

Tally #5:		Date: March 19, 2015			
To terminate Gryphon International Investment Corporation and reinvest the proceeds in Altrinsic Global Advisors' International Equity Strategy or in the SSgA World Index Fund in the interim to enter into an agreement with the new manager while we continue to negotiate contract terms with Altrinsic.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis					√
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√
Washington, Lenda P.	√				

Tally #6:		Date: March 19, 2015			
To waive Board Rule 1502.12, to allow the <i>Treasurer</i> of the Board to serve in the same elected office for an additional one-year term.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis					√
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√
Washington, Lenda P.	√				

**DISTRICT OF COLUMBIA RETIREMENT BOARD
RECORD OF OFFICIAL BOARD ACTIONS**

Tally #7:		Date: March 19, 2015			
To waive Board Rule 1502.12, to allow the <i>Chairman</i> of the Board to serve in the same elected office for an additional one-year term.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis					√
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√
Washington, Lenda P.	√				

Tally #8:		Date: March 19, 2015			
To break for a half-hour lunch					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle					√
Blum, Barbara Davis					√
Clark, Joseph W.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√
Washington, Lenda P.	√				

**DISTRICT OF COLUMBIA RETIREMENT BOARD
RECORD OF OFFICIAL BOARD ACTIONS**

Tally #9:		Date: March 19, 2015			
To adjourn the meeting at 2:47 p.m.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle	√				
Blum, Barbara Davis					√
Clark, Joseph W.	√				
Collins, Mary A.					√
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√
Washington, Lenda P.	√				