



DISTRICT OF COLUMBIA RETIREMENT BOARD
BOARD MEETING MINUTES
DECEMBER 15, 2016
1:00 P.M.

MEMBERS PRESENT

Joseph M. Bress, Chair
Lyle M. Blanchard
Joseph W. Clark
Mary A. Collins
Gary W. Hankins
Darrick O. Ross
Nathan A. Saunders
Thomas N. Tippet
Michael J. Warren

DCRB STAFF PRESENT

Eric Stanchfield, Executive Director
Sheila Morgan-Johnson
Erie Sampson
Johnetta Bond
Anthony Shelborne
Peter Dewar
Joan Passerino
Adina Dorch
Daniel Hernandez
Jason Todd
Sebastian Podesta
Ortencia Nichols
Deborah Reaves
Katie Schultz
Yolanda Smith
Johniece Harris
Wukyanos Gebremeskel

MEMBERS NOT PRESENT

Barbara Davis Blum
Edward C. Smith
Lenda P. Washington
Jeffrey Barnette, ex officio

OTHERS PRESENT

Jonathan Craven, Cavanaugh Macdonald
Edward Koebel, Cavanaugh Macdonald
Nadia Barbar, CitiBank
Andy Taylor, CitiBank
Jerry Coleman, Hewlett-Packard

ROLL CALL

Chairman Bress called the meeting to order at 1:34 p.m., and Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

Chairman Bress introduced a motion to approve the November 17, 2016 Board meeting minutes.

Motion #1: To approve the November 17, 2016 Board meeting minutes.

The motion was moved by Chairman Bress and properly seconded by Trustee Hankins. The motion was approved (9-0). *(See Tally #1)*

CHAIRMAN'S COMMENTS

Chairman Bress commented on the following topics:

Trustee Elections Completed

The Active Firefighter, Retired Police Officer and Active Teacher elections have been completed. The winners are: Edward C. Smith, Active Firefighter Trustee; Gary W. Hankins, Retired Police Officer Trustee; and Nathan A. Saunders, Active Teacher Trustee. The following motions are to certify the election results:

Motion #2: To certify Edward C. Smith as the winner of the 2016 Active Firefighters' uncontested election.

The motion was moved by Chairman Bress and properly seconded by Trustee Collins. The motion was approved (9-0). *(See Tally #2)*

Motion #3: To certify Nathan A. Saunders as the winner of the 2016 Active Teachers' election.

The motion was moved by Chairman Bress and properly seconded by Trustee Collins. The motion was approved (9-0). *(See Tally #3)*

Motion #4: To certify Gary W. Hankins as the winner of the 2016 Retired Police Officers' election.

The motion was moved by Chairman Bress and properly seconded by Trustee Collins. The motion was approved (9-0). *(See Tally #4)*

Chairman Bress indicated that the certified results will be forwarded to the D.C. Register for publication, and they will be announced in separate press releases on DCRB's website.

Passing of William Simons

Chairman Bress acknowledged the passing of former Trustee, William Simons, on December 7, 2016. Mr. Simons was a mayoral appointee to the Board from September 13, 2001 through January 27, 2006, and he served as the Board's Treasurer from 2003 to 2005. Mr. Simons led a distinguished career as an educator and labor leader. He was the first president of the Washington Teachers Union, which he led for 25 years.

Chairman Bress called for a moment of silence in honor of Mr. Simons. There followed comments and remembrances by several Trustees who had known and/or worked with Mr. Simons, noting his integrity, service to the community, and many contributions to the Board.

Sponsored Activities

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 should disclose any such activities for fiscal year 2016

EXECUTIVE DIRECTOR'S REPORT

Executive Director, Eric Stanchfield, commented on the following topics:

OIG Procurement Letter

In late November, DCRB received a request for information from KPMG, LLP, an audit firm engaged by the District's Office of the Inspector General to assist the District with its annual procurement operations audit. While DCRB maintains its position that it is exempt from the authority of the District's Chief Procurement Officer, in the spirit of transparency, DCRB has agreed to provide the information requested by KPMG.

Actuarial Experience Study

As noted previously, Cavanaugh Macdonald will provide the Board with the results of the actuarial experience study early next year. The study will take into consideration the Board's adoption of the new moderate asset allocation policy.

Fall DCRB Report

The fall DCRB newsletter was mailed to all active and retired members of the Police/Fire and Teachers' Retirement Plans the week of December 5, 2016. Newsletter articles included: the health care open seasons, calendar year 2016 tax information, the Trustee elections, terminating District employment and DCRB's Member Services Center.

INVESTMENT COMMITTEE REPORT

On behalf of Committee Chair Barbara Blum, Chairman Bress stated that there is no report, since the Committee did not meet this month.

OPERATIONS COMMITTEE REPORT

Committee Chair Collins indicated that the Committee had met earlier in the day and introduced Ed Koebel and Jonathan Craven of Cavanaugh Macdonald to present a review of the results of the October 1, 2016 Actuarial Valuation:

Actuarial Valuation Presentation

Mr. Koebel reported on the funding ratios for the Police Officers and Firefighters' and Teachers' Retirement Fund. He noted certain factors considered in the actuarial valuation, including the changes in average salaries, average District benefits, and total members for each group.

Mr. Craven provided an explanation of the funding valuation process and discussed the funding components for each group. He noted the actuarial and the market value of the assets for each group from FY 2007 through FY 2016, and then walked through a gain/loss analysis for each plan for FY 2016. Mr. Craven ended his presentation with an explanation of how the contribution results for FY 2018 were determined and a reconciliation of the elements of contribution requirements.

There followed a discussion about the results of the valuation and about possible changes to valuation assumptions based on the gain/loss analysis.

Committee Chair Collins then presented the following motion:

Motion #5: To accept the Report of the Actuarial Valuation of the District of Columbia Teachers' Retirement Plan and the District of Columbia Police Officers and Firefighters' Retirement Plan, prepared as of October 1, 2016 for FY 2018.

The motion was moved by Trustee Bress and properly seconded by Trustee Hankins. The motion was approved (9-0). (*See Tally #5*).

FY 2018 Budget Presentation

Anthony Shelborne and Ortencia Nichols of the DCRB Finance Department provided the Board with information on the components of the FY 2018 budget, as compared with the budgets of FY 2015 through FY 2018. They highlighted increases in full-time employees (FTEs) and dollar amounts for the FY 2018 budget, and the portion of changes attributable to the Retirement Modernization Program. Ms. Nichols noted the percentage of the budget spent over fiscal years 2012 through 2016, changes in staffing, amounts expended by each department, and funding sources.

There followed a discussion about increases in the budget amount and staffing levels, as well as the reasons for them. This information summarized a lengthy and more in-depth conversation that had taken place during the Operations Committee earlier in the day, where Trustees had asked for more detailed information to justify the new positions that were being requested.

After this discussion, Committee Chair Collins made the following motion:

Motion #6: To approve the \$41.6 million and 74.6 FTEs in the Operating Budget for FY 2018.

The motion was moved by Trustee Bress and properly seconded by Trustee Hankins. The motion was approved (9-0). (*See Tally #6*).

BENEFITS COMMITTEE REPORT

On behalf of Committee Chair Edward Smith, Committee Vice-Chair, Nathan Saunders, stated that the Benefits Committee did not meet this month, and highlighted the following activities that occurred since the November Board meeting:

US Treasury, Office of DC Pensions Audit

The Office of DC Pensions has completed its FY 2016 annual audit of benefits processed by the DCRB Benefits Department. For the second year, their auditors found **no material deficiencies** that would warrant a "Notice of Findings and Recommendations."

2016 Health Benefits Open Enrollment

The Federal and District Health Benefits Open Seasons ended Monday, December 12, 2016. DCRB hosted four open season fairs this year (December 1, 2, 8, and 9) on the ML level of

this building. Over 50 members either visited DCRB's offices or attended the enrollment fairs to receive Open Season services.

Annual Benefit Statement Project

On Monday, December 12, 2016, the Benefits Department mailed 192 Benefits Statements to a pilot group of active FEMS employees who are members of the Police and Firefighters' Retirement Plan. The statements contain member information, and identify accrued and projected benefits as of June 30, 2016. The pilot group was asked to provide feedback on their Benefit Statement via an online survey link.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard referred Trustees to the written report, as noted below:

PR21-1040, "Chancellor of the District of Columbia Public Schools, Antwan Wilson, Confirmation Resolution 2016"

On December 8, 2016, the Council held a public roundtable to confirm the appointment of Mr. Antwan Wilson as the Chancellor of the District of Columbia Public Schools. The Committee on Education held a public roundtable on this proposed resolution on December 8, 2016. Mr. Wilson's confirmation is deemed approved as of March 15, 2017.

AUDIT COMMITTEE REPORT

Committee Chair Hankins stated that since the Committee did not meet this month, there was no report. He noted, however, that there will be a meeting in January. At that meeting, the auditors will present the fiscal year 2016 audit results and present the audited financial statements.

OTHER BUSINESS

None.

There was a motion at 2:40 p.m. to go into executive session to discuss a personnel matter.

Motion #7: To convene the meeting in closed session pursuant to D.C. §§ 2-575(b)(1) to discuss a personnel matter.

The motion was moved by Trustee Bress and properly seconded by Trustee Tippet. The motion was approved (9-0). *(See Tally #7)*

Motion #8: To reconvene the meeting in open session at 3:30 p.m.

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

ADJOURNMENT

Chairman Bress introduced a motion to adjourn the meeting.

Motion #9: To adjourn the meeting at 3:37 p.m.

The motion was moved by Trustee Bress and properly seconded by Trustee Hankins. The motion was approved (9-0). (*See Tally #7*)

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

Tally #1:			Date: December 15, 2016		
To approve the November 17, 2016 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: November 17, 2016		
To certify Edward C. Smith as the winner of the 2016 Active Firefighters' uncontested election.					
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 #3:			Date: December 15, 2016		
To certify Nathan A. Saunders as the winner of the 2016 Active Teachers' election.					
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: December 15, 2016		
To certify Gary W. Hankins as the winner of the 2016 Retired Police Officers' election.					
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 #5:		Date: December 15, 2016			
To accept the Report of the Actuarial Valuation of the District of Columbia Teachers' Retirement Plan and the District of Columbia Police Officers and Firefighters' Retirement Plan, prepared as of October 1, 2016 for FY 2018.					
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: December 15, 2016			
To approve the \$41.6 million and 74.6 FTEs in the Operating Budget for FY 2018.					
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 #7:		Date: December 15, 2016			
To convene the meeting in closed session pursuant to D.C. §§ 2-575(b)(1) to discuss a personnel matter. at 2:40 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.					√

Tally #8:		Date: December 15, 2016			
To reconvene the meeting in open session at 3:30 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.					√

Tally #9:		Date: December 15, 2016			
To adjourn the meeting at 3:37 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.					√