



DISTRICT OF COLUMBIA RETIREMENT BOARD
MEETING MINUTES
JUNE 20, 2019
1:00 P.M.

MEMBERS PRESENT

Joseph W. Clark, Chair
Janice M. Adams
Lyle M. Blanchard
Joseph M. Bress
Mary A. Collins
Denise D. Daniels
Gary W. Hankins
Tracy S. Harris* (2:00 p.m.)
Greggory J. Pemberton
Edward C. Smith
Thomas N. Tippet
Michael J. Warren
Bruno Fernandes, ex officio

* Participated via telephone.

DCRB STAFF PRESENT

Sheila Morgan-Johnson, Executive Director
Erie Sampson, General Counsel
Anthony Shelborne
Jeffrey Barnette
Joan Passerino
Daniel Hernandez
Kimberly Woods
Vernon Valentine
Adina Dorch (In 1:40 p.m.)
Deborah Reaves
Johniece Harris
Wukyanos Gebremeskel

OTHERS PRESENT

James Atwater, Marathon Asset Management

ROLL CALL

Chair Clark called the meeting to order at 1:33 p.m., and Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

Chair Clark introduced a motion to approve the May 16, 2019 Board Meeting minutes.

Motion #1: To approve the minutes of the May 16, 2019 Board meeting.

The motion was moved by Trustee Hankins and properly seconded by Trustee Warren. The motion was approved (10-0, with 1 abstention). (*See Tally #1*)

CHAIR'S REPORT

Chair Clark referred Trustees to the written report, and commented on the following topics:

James E. Bunn To Be Honored with Proposed Amphitheater

On June 4, 2019, District Councilmembers Bonds, Evans, Gray, Grosso, McDuffie, Silverman, Todd, R. White, and T. White introduced the "James E. Bunn Amphitheater Designation Act of 2019" (the Act), to honor the memory of former DCRB Trustee James E. Bunn. The Act designates the Amphitheater at Oxon Run Park, located at 13th Street and Mississippi Avenue, S.E. in Ward 8 as the "James E. Bunn Amphitheater. Former Trustee Bunn was a DC Council appointee to the Board from 1991 to 1995 and became a mayoral appointee on March 13, 2011 and served until his death on August 1, 2013.

July Board Meeting Scheduled

Although we previously announced that no Board meeting would be held in July, a meeting has been scheduled for Thursday, July 18, 2019. To facilitate several operational items, the Operations Committee will meet in the morning at 10 a.m., followed by an Audit Committee meeting from 12:00 to 1:30 p.m. The Board meeting will convene at 1:30 p.m. For your information, we have been advised by the Mayor's Office that she plans to attend our July Board meeting. As in the past, there will be no meeting in August.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, Sheila Morgan-Johnson, referred Trustees to her written report and commented on the following topics:

Treasury Offset Program (TOP) Update

During our meeting with ODCP on June 6, 2019, we were advised that the exemption of DCRB from Treasury's TOP program is being discussed by high-level officials within the Treasury Department, and that a meeting that may result in a decision is scheduled for today. We will provide you with any new information as soon as it is received.

Office of Contracts and Procurement (OCP) Training

Following DCRB's signing an MOU with OCP in March 2019, OCP conducted mandatory Contract Administrator training for DCRB staff who will be needed to assist them in providing us with procurement services. That training, which took place on May 28 and 29, 2019, included how to draft statements of work and how to effectively serve as a Contract Administrator.

Meeting With ODCP

In addition to the information above related to the TOP program, DCRB's June meeting with ODCP also included discussions related to: a STAR member self-service portal, off-cycle payments, processing statistics, the potential reduction of recalculations of original annuities, a simplification of split payment regulations, the 2019 Service Level Agreement, the FY 2020 STAR MOU, an imminent FISMA audit, and a high-level discussion of Treasury's long-term business planning process.

Retired Firefighter Election

The new term for the Retired Firefighter Trustee position on the Board will begin in January of 2020. The election process for that position will begin in late summer.

Recognition of John Henry

District Chief Financial Officer (CFO), Jeffrey DeWitt, forwarded a posting from the Jefferson County (Alabama) Commission's LinkedIn page congratulating the County's CFO, John Henry (formerly of the District CFO's office), on being named CFO of the year in the non-profit/public sector category by the Birmingham Business Journal.

Office Security

Following the Virginia Beach shooting incident, DCRB staff contacted IBEW building management to discuss strengthening our security. We also talked with Trustee Pemberton, who provided suggestions related to security matters.

MOU With OCFO for Charter Schools Audit

Following DCRB's review of the charter schools MOU, which was executed in 2002, OCFO has agreed to work with a firm to audit the charter school contribution amounts and census data from the inception of that program in 2002.

INVESTMENT COMMITTEE REPORT

The following Committee Chair's comments were provided from the morning's Investment Committee meeting:

Market Volatility

Trade wars and Tariffs have negatively impacted equity markets over the past month. The S&P 500 Index peaked at the end of April and declined approximately 6% in the month of May. However, equities have improved this month (+4.7% through 6/12). As noted in prior meetings, the portfolio is allocated for the long-term and this volatility is part of the normal process.

Federal Reserve Rate Actions

The Fed funds futures markets have now priced in two interest rate cuts by late January. This shift in interest rate expectations is contrary to Fed comments earlier in the year that they see no moves coming "for some time." For a perspective on interest rates, on June 13, 2018, the 10-year Treasury yield was 2.97% and it is currently 2.11%. This change in yield is an indicator that the market is pricing in lower future interest rates. Update: The Federal Open Market Committee met on Wednesday and held the fed funds rate steady, but they indicated that they predict potentially one or two rate cuts could take place in 2020.

Meketa Investment Group

Two articles related to Meketa were included in the Board package. One article recognizes the growth in the emerging and diverse manager programs for Meketa clients. They now have over \$18 billion in mandates for clients in emerging and diverse managers. The second article identified the top consultants in the most recent Greenwich Associates annual rankings and Meketa was noted as one of the top firms in the large-consultant category.

Investment Committee Meeting

The next Investment Committee meeting will be held on Thursday, September 19, 2019. Committee Chair Warren then made the following motions:

Motion #2: To adopt the amended Investment Policy Statement for Real Assets and to amend the Board's ESG policy to exclude corrections (prisons) from any direct investments.

The motion was moved by Trustee Warren and properly seconded by Trustee Smith. The motion was approved (11-0). (*See Tally #2*)

Motion #3: To approve the amended 2019 Private Markets Commitment Budget in the amount of \$575 million.

The motion was moved by Trustee Warren and properly seconded by Trustee Tippet. The motion was approved (11-0). (*See Tally #3*)

OPERATIONS COMMITTEE REPORT

Committee Chair Smith stated that there was no Report, since there was no Operations Committee meeting this month. He indicated that the Committee would meet before the Board meeting on Thursday, July 18, 2019.

BENEFITS COMMITTEE REPORT

Committee Chair Collins stated that that there was no Report, since there was no Benefits Committee meeting this month. She indicated that the Committee is planning to schedule a meeting in September in advance of the Board meeting that month.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard stated that there was no Report, since there was no Legislative Committee meeting this month. He indicated that a meeting is being planned around September.

AUDIT COMMITTEE REPORT

Committee Chair Hankins stated that there was no Report, since there was no Audit Committee meeting this month. He indicated that a meeting is scheduled in July just prior to the Board meeting. Committee Chair Hankins also announced that new Trustee Harris has been appointed to serve on the Committee.

Board Chair Clark also noted that due to recent changes on the Board, he has appointed Trustee Bress as Vice Chair of the Investment Committee.

Motion #4: To convene the meeting in closed session to train and develop Board Trustees pursuant to D.C. Code § 2-575(b)(12).

The motion was moved by Trustee Clark and properly seconded by Trustee Hankins. The motion was approved (11-0). *(See Tally #4)*

Motion #5: To reconvene in open session at 2:08 p.m.

The motion was moved by Trustee Smith and properly seconded by Trustee Collins. The motion was approved (12-0). *(See Tally #5)*

OTHER BUSINESS

Trustees Smith and Collins provided the Board with summaries of information they received at recent conferences they had attended.

ADJOURNMENT

There being no further business to come before the Board, Chairman Clark then introduced a motion to adjourn the meeting.

Motion #6: To adjourn the meeting at 2:16 p.m.

The motion was moved by Trustee Hankins and properly seconded by Trustee Bress. The motion was approved (12-0). *(See Tally #6)*

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

Tally #1:		Date: June 20, 2019			
To approve the minutes of the May 16, 2019 Board meeting.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair			√		
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Hankins, Gary W.	√				
Harris, Tracy S.					√
Pemberton, Gregory J.	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				

Tally #2:		Date: June 20, 2019			
To adopt the amended Investment Policy Statement for Real Assets and to amend the Board's ESG policy to exclude corrections (prisons) from any direct investments.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Hankins, Gary W.	√				
Harris, Tracy S.					√
Pemberton, Gregory J.	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				

Tally #3:			Date: June 20, 2019		
To approve the amended 2019 Private Markets Commitment Budget in the amount of \$575 million.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Hankins, Gary W.	√				
Harris, Tracy S.					√
Pemberton, Gregory J.	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				

Tally #4:			Date: June 20, 2019		
To convene the meeting in closed session to train and develop Board Trustees pursuant to D.C. Code § 2-575(b)(12).					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Hankins, Gary W.	√				
Harris, Tracy S.					√
Pemberton, Gregory J.	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				

Tally #5:			Date: June 20, 2019		
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To reconvene in open session.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Hankins, Gary W.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				

Tally #6:			Date: June 20, 2019		
To adjourn the meeting at 2:16 p.m.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Daniels, Denise D.	√				
Hankins, Gary W.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Smith, Edward C.	√				
Tippett, Thomas N.	√				
Warren, Michael J.	√				