



DISTRICT OF COLUMBIA RETIREMENT BOARD
BOARD MEETING MINUTES
MARCH 16, 2017
1:30 P.M.

MEMBERS PRESENT

Joseph M. Bress, Chair
Janice M. Adams
Lyle M. Blanchard
Joseph W. Clark
Mary A. Collins
Gary W. Hankins
Darrick O. Ross
Nathan A. Saunders
Edward C. Smith
Thomas N. Tippet
Lenda P. Washington
Michael J. Warren
Jeffrey Barnette, ex officio

DCRB STAFF PRESENT

Eric Stanchfield, Executive Director
Sheila Morgan-Johnson
Jhonna Bond
Anthony Shelborne
Peter Dewar
Joan Passerino
Leslie King
Tahir Kazmi
Adina Dorch
Ferdinand Frimpong
Jason Todd
Deborah Reaves
Johniece Harris
Wukyanos Gebremeskel

MEMBERS NOT PRESENT

OTHERS PRESENT

Ms. Karen Anderson, Hewlett-Packard
Fred Duball, Hewlett-Packard
George Boyd
John Haggerty, Meketa Investment Consulting
Molly LeStage, Meketa Investment Consulting
Mary Mustard, Meketa Investment Consulting
Peter Wooley, Meketa Investment Consulting

ROLL CALL

Chairman Bress called the meeting to order at 1:30 p.m., and Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

Chairman Bress introduced motions to approve the January and February Board meeting minutes.

Motion #1: To approve the January 26, 2017, Board meeting minutes.

The motion was moved by Trustee Hankins and properly seconded by Trustee Collins. The motion was approved with one abstention (11-0). (*See Tally #1*)

Motion #2: To approve the February 3, 2017, special Board meeting minutes.

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

Trustee Clark requested a change to the order of the agenda to allow the Investment Committee report to be presented prior to the Chair's comments. The Chairman granted the request.

INVESTMENT COMMITTEE REPORT

Committee Chair Warren introduced the following motions:

Motion #3: To commit up to €50 million to Chequers Capital XVII, private equity, subject to contract negotiations.

The motion was moved by Trustee Warren and properly seconded by Trustee Collins. The motion was approved (12-0). (*See Tally #3*)

Motion #4: To commit up to \$50 million to One Rock Capital Partners II, L.P., private equity, subject to contract negotiations.

The motion was moved by Trustee Warren and properly seconded by Trustee Washington. The motion was approved (11-0, with Trustee Warren remaining silent). (*See Tally #4*)

Motion #5: To approve the amended Appendix A and removal of Appendix B of the Board's November 19, 2015 Investment Policy Statement.

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

CHAIRMAN'S COMMENTS

Chairman Bress commented on the following topics:

Welcome to Trustee Adams

Chairman Bress welcomed new mayoral-appointed Trustee, Janice Adams to the Board. Trustee Adams was sworn in on Friday, March 3rd, 2017. In attendance at the swearing in were Board Vice-Chair Clark, and Chief Investment and Chief Operating Officer, Sheila Morgan-Johnson. Chairman Bress stated that he and the other Trustees look forward to working with her.

Public Roundtable Reappointments of Trustees Blanchard and Warren

On February 27, 2017, the Council of the District of Columbia's (the "Council") Committee of the Whole issued a Notice announcing a public roundtable on Monday, March 13, 2017, to confirm the Council's reappointments of Trustees Blanchard and Warren as members of the District of Columbia Retirement Board. The roundtable took place following DCRB's Performance Hearing Testimony. The Committee of the Whole will vote on the reappointments on Tuesday, March 21, 2017.

Meeting With the Mayor

Mayoral Trustees Adams, Clark, and Washington met with Mayor Muriel Bowser on March 7, 2017. They provided the Mayor with information on the Police Officers and Firefighters' and Teachers' Retirement Funds, as well as fact sheets on the Police Officers and Firefighters' and Teachers' Retirement Plans, and responded to her questions about the Board, the Plans, and the Funds. Trustee Clark gave a short synopsis of the meeting and noted that the Mayor's Chief of Staff, John Falcicchio; Senior Advisor, Beverly Perry; and Director of the Mayor's Office of Talent and Appointments, Steve Walker, also attended the meeting.

Responses to Council Chairman Mendelson's Questions

Following a meeting that Council Trustees Bress, Blanchard, and Warren held with Council Chairman Mendelson on January 12, 2017, DCRB provided Mr. Mendelson with a letter responding to follow-up questions presented during the meeting.

Response to Letter to the Editor of the Northwest Current

Attached for the Trustees information is a copy of a "Letter to the Editor" that appeared in the February 8, 2017 publication of the Northwest Current, that referenced DCRB and our investment style and costs, as well as investment metrics. Also attached is a copy of DCRB's March 13, 2017, response to the author of the "Letter to the Editor."

Resolution for Former Trustee, Barbara Blum

Chairman Bress read into the record a resolution thanking Ms. Barbara Blum for her sixteen years of service to this Board and its Investment Committee. The resolution stated that during her tenure, Fund assets grew from \$2.0 billion to \$7.1 billion, and that DCRB weathered the most serious economic downturn since the Great Depression. The certificate of the resolution will be presented to Ms. Blum in April.

Resolution for Executive Director, Eric Stanchfield

Chairman Bress read into the record a resolution extending the Board's gratitude and thanks to Eric Stanchfield for ten years of leadership, expertise and knowledge in support of the Board and guiding the staff through a period of growth and expansion following DCRB's accepting responsibility for benefits administration. The resolution stated that Mr. Stanchfield's steady hands and calm demeanor have moved the organization successfully through many challenges.

Mr. Stanchfield was provided with a certificate of the resolution, and he expressed his gratitude to the Trustees for the opportunity to serve the Board. Mr. Stanchfield recounted several memorable experiences that occurred during his tenure and praised his staff for their hard work. Several Trustees noted Mr. Stanchfield's strong leadership, knowledge and many accomplishments as the Board's Executive Director.

Chairman Bress noted that DCRB's news release related to Mr. Stanchfield's retirement from the Board states that Ms. Sheila Morgan-Johnson was named Acting Executive Director.

Resolution for Interim Executive Director, Sheila Morgan-Johnson

Chairman Bress read the following resolution appointing Acting Executive Director, Sheila Morgan-Johnson, as Interim Executive Director, invested with the same authority as the Executive Director, and noted that she will also continue in her roles as Chief Investment Officer and Chief Operating Officer:

WHEREAS, Sheila Morgan-Johnson is the current Chief Investment and Operating Officer and the Acting Executive Director;

WHEREAS, Sheila Morgan-Johnson has provided expertise, direction, committed time, and imparted excellence as the Chief Investment and Operating Officer and Acting Executive Director;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees that we hereby appoint Sheila Morgan-Johnson as the Interim Executive Director until an Executive Director is appointed.

Motion #6:

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

Chairman Bress closed by reminding the Trustees that their Financial Disclosure and Trustee Acknowledgement forms should be completed by the April Board meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, Eric Stanchfield, referred Trustees to his written report:

Performance and Budget Hearings

DCRB's Performance Hearing before the Committee of the Whole under Chairman Phil Mendelson took place on March 13, 2017. DCRB's Budget Hearing is scheduled for April 11, 2017.

Police/Fire Newsletter

The Police Officers and Firefighters' Winter 2017 Newsletter was distributed to active and retired members on March 3, 2017.

OPERATIONS COMMITTEE REPORT

Committee Chair Collins provided the following report:

Contract Log Update

Committee Chair Collins referred Trustees to the written report for information related to the updated contract log.

Telephone System Request For Proposal (RFP)

Committee Chair Collins then introduced the following motion related to the expiring contract for DCRB's current phone system:

Motion #7: To authorize the Interim Executive Director to release an RFP for an agency telephone system.

The motion was moved by Trustee Collins and properly seconded by Trustee Clark. The motion was approved (11-0). (*See Tally #7*)

Actuarial Experience Study

Committee Chair Collins indicated that the Board's actuaries, Cavanaugh Macdonald, will provide Committee members with the results of the Experience Study in a separate meeting. She asked the Trustees to provide their availability for a meeting on April 25, 2017, to review the Actuarial Experience Study in-depth.

BENEFITS COMMITTEE REPORT

Committee Chair Smith stated that the Benefits Committee did not meet in January or February and highlighted the following activities:

Teachers' Retirement Workshop

DCRB will host two DC Public Schools Retirement Workshops on Thursday, March 23, 2017, and Tuesday, March 28, 2017, from 4:00 pm – 7:00 pm for active teachers.

Firefighters' New Recruit Workshop

The DCRB Benefits Department will join DCHR to provide a workshop for new firefighter recruits.

Committee Chair Smith pointed out the 52- to 65-day time frame for payments to new retirees.

Several Trustees commended Benefits Department staff on the excellent service they have been providing to members.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard noted the performance and budget hearings, the roundtables reappointing himself and Trustee Warren to the Board, and the Mayoral appointment of Trustee Adams.

AUDIT COMMITTEE REPORT

Committee Chair Hankins stated that there is no Report, since the Committee did not meet this month. He did note, however, that DCRB's Certified Annual Financial Report (CAFR) is nearly complete and is expected to be published toward the end of the month.

OTHER BUSINESS

DCRB BOARD OFFICER ELECTIONS

Chairman Bress opened the floor for nominations for the positions of Board Chairperson, Board Vice-Chair & Secretary, and Board Treasurer. Mr. Bress noted that the elections are by secret ballot and that there is one ballot for each officer. The following nominations were made:

- Chairperson: Trustee Lenda Washington nominated Trustee Joseph Clark.
- Vice-Chair/Secretary: Trustee Mary Collins nominated Trustee Gary Hankins.
- Treasurer: Trustee Thomas Tippettt nominated Trustee Lyle Blanchard.

The Trustees acknowledged that the maximum term for these positions is two years and that a waiver is required to serve beyond two consecutive years. The Trustees noted that Trustee Blanchard had already served a maximum term as Treasurer and that a waiver of the maximum term limitation was necessary to allow him to continue to serve as Treasurer, if his nomination results in an election by the Board. Consequently, the following motion was made by Trustee Clark:

Motion #8: To waive the maximum two consecutive year term limit to permit Trustee Blanchard to serve as Treasurer for an additional one-year period, if he is so elected by the Board.

The motion was moved by Trustee Tippettt and properly seconded by Trustee Collins. The motion was approved (11-0). (*See Tally #8*)

Results of the Board Elections by Secret Ballot

Chairman Bress then presented the following results of the Officer elections:

- Chairman: Trustee Joseph Clark
- Vice-Chair/Secretary: Trustee Gary Hankins
- Treasurer: Trustee Lyle Blanchard

ADJOURNMENT

Chairman Bress introduced a motion to adjourn the meeting.

Motion #9: To adjourn the meeting at 2:35 p.m.

The motion was moved by Trustee Bress and properly seconded by Trustee Hankins. The motion was approved (11-0). (*See Tally #9*)

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

Tally #1:		Date: March 16, 2017			
To approve the January 26, 2017, Board meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Adams, Janice M.			√		
Blanchard, Lyle	√				
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 16, 2017			
To approve the February 3, 2017, special Board meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Adams, Janice M.			√		
Blanchard, Lyle	√				
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 March 16, 2017			
To commit up to €50 million to Chequers Capital XVII, private equity, subject to contract negotiations.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
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 16, 2017			
To commit up to \$50 million to One Rock Capital Partners II, L.P., private equity, subject to contract negotiations.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
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.	√				

* Trustee Warren read the motion but remained silent during the vote.

Tally #5:		Date: March 16, 2017			
To approve the amended Appendix A and removal of Appendix B of the Board's November 19, 2015 Investment Policy Statement.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
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 16, 2017			
To approve the Resolution appointing Sheila Morgan-Johnson as DCRB's Interim Executive Director.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
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: March 16, 2017			
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To authorize the Interim Executive Director to release an RFP for an agency telephone system.

Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
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 16, 2017

To waive the maximum two consecutive year term limit to permit Trustee Blanchard to serve as Treasurer for an additional one-year period, if he is so elected by the Board.

Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
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: March 16, 2017

To adjourn the meeting at 2:35 p.m.

Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
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.	√				