



DISTRICT OF COLUMBIA RETIREMENT BOARD
BOARD MEETING MINUTES
OCTOBER 20, 2016
1:00 P.M.

MEMBERS PRESENT

Joseph M. Bress, Chair
Lyle M. Blanchard
Barbara Davis Blum
Joseph W. Clark
Mary A. Collins*
Gary W. Hankins
Nathan A. Saunders
Edward C. Smith
Thomas N. Tippett
Michael J. Warren
Lenda P. Washington
Jeffrey Barnette, ex officio

DCRB STAFF PRESENT

Eric Stanchfield, Executive Director
Sheila Morgan-Johnson
Johnetta Bond
Anthony Shelborne
Joan Passerino
Leslie King
Adina Dorch
Katie Schultz
Deborah Reaves
Johniece Harris
Denise McSears
Wukyanos Gebremeskel

* arrived after roll was called.

MEMBERS NOT PRESENT

Darrick O. Ross

OTHERS PRESENT

John Henry, OCFO

ROLL CALL

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

APPROVAL OF MINUTES

Chairman Bress introduced a motion to approve the September 15, 2016 Board meeting minutes.

Motion #1: To approve the September 15, 2016 Board meeting minutes.

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

CHAIRMAN'S COMMENTS

Chairman Bress commented on the following topics:

Letter to the African American Environmentalist Association

On September 16, 2016, the Board responded to a letter (dated August 30, 2016) from Norris McDonald, Founder and President of the African American Environmentalist Association, related to the Board's divestment of certain fossil fuel investments. A copy of the responding letter is attached for your information.

End of Fiscal Year 2016

As noted last month, the deadline for submitting timesheets, travel reimbursement requests, travel reports, and any other supporting documents needed to close out fiscal year 2016 was October 15, 2016. Chairman Bress noted that Trustees who may still have outstanding materials should submit them as soon as possible.

Overview of Activities Through Calendar Year End 2016

As also noted last month, during the final quarter of this calendar year, the Board will be presented with information and/or asked to take actions related to a number of important matters, including the FY 2018 Budget; the FY 2016 Audit of DCRB's Financial Statements; the October 1, 2016 Actuarial Valuation; the Actuarial Experience Study for FY 2010 through FY 2015; the Teachers' and Police Officers and Firefighters' Retirement Funds' asset allocation study; and the certification of election results for trustees representing retired police officers, active firefighters, and active teachers. Given the number of these matters and their significance to the Board's mission, Trustees were encouraged to attend all meetings and to arrive on time, since the meetings will be long and heavy with content.

Mandatory Ethics Training

Earlier this month, the Mayor's Office sent out reminders to certain individuals appointed to boards and commissions reminding them of the requirement for Mandatory Ethics Training. Since DCRB arranged for the Board of Ethics and Government Accountability to conduct such training on April 21, 2016, DCRB's Legal staff contacted the Mayor's Office on Talent and Appointments (MOTA) to let them know that most Board members had fulfilled that obligation. Chairman Bress noted that if anyone had not been able to attend the April training, they can enroll in an upcoming session by accessing MOTA's website at <http://mota.dc.gov/page/upcoming-ethics-training-dates> or by contacting DCRB's Legal staff with any questions.

EXECUTIVE DIRECTOR'S REPORT

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

Trustee Elections

The deadline for receiving proposed candidate nominations was September 29, 2016. Lots will be drawn on October 21, 2016 to determine where names will be placed on the ballots. Ballots will be mailed to qualified voters on October 31, 2016.

Budget and Audit Updates

As noted last month, FY 2018 Budget materials were provided to all DCRB departments and the Finance Department has conducted budget planning meetings with department managers. The first draft of the FY 2018 Budget will be presented to the Operations Committee at its November meeting.

As also noted last month, CliftonLarsonAllen, LLP conducted an interim audit of DCRB's financial statements during the week of August 15, 2016 and representatives from the firm presented DCRB's FY 2016 Audit Plan to the Audit Committee earlier today. The full audit of DCRB's financial statements as of September 30, 2016 will begin on November 14, 2016.

Actuarial Experience Study

Cavanaugh Macdonald Consulting, LLC has provided DCRB with preliminary information regarding the actuarial experience study covering the period from October 1, 2010 through September 30, 2015. It is expected that the results will be presented to the Board during its December meeting.

Visit by Australian Pension Board

On October 19, 2016, DCRB staff met with a trustee of Australia's New South Wales State Super Fund to discuss mutually relevant issues surrounding pension fund administration and management.

INVESTMENT COMMITTEE REPORT

Committee Chair Blum presented the following motions from the October 20, 2016, Investment Committee meeting:

Motion #2: To commit up to \$30 million to ONCAP IV, L.P. (private equity), subject to contract negotiations.

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

Motion #3: To commit up to \$30 million to Vector Capital V, L.P. (private equity), subject to contract negotiations.

The motion was moved by Trustee Blum and properly seconded by Trustee Tippet. The motion was approved (10-0, with one abstention). (*See Tally #3*)

OPERATIONS COMMITTEE REPORT

Committee Chair Collins stated that there was no report, since the Committee did not meet this month. She indicated that the Committee is tentatively scheduled to meet on November 14, 2016, at 10 a.m., and that the following topics will be discussed: 1) proposed amendments to the Procurement policies regarding Agency utilization of certified business enterprises and the procurement of goods and services as they relate to DCRB compliance with the Department of Small Business Development reporting requirements; 2) review amendments to the DCRB Procurement Manual; 3) review the proposed Retirement Modernization Program budget; 4)

discuss the proposed date and time for the December Operations Committee meeting; and 5) review the updated contract and draft Agency acquisition plans for FY 2017.

BENEFITS COMMITTEE REPORT

Committee Chair Smith indicated that the Benefits Committee did not meet during the months of September and October and referred Trustees to the Benefits Committee Report, emphasizing the following activities that occurred since the last report:

Retirement Modernization Project - Electronic Transmission of HR Data to STAR

Chairman Smith noted that information on this project has been updated in the Report.

Retirement Benefit Statement Project

The test group of 170 FEMS members has been selected. They will receive an email next week requesting their participation in the pilot program and requesting their feedback.

2016 Health Benefits Open Enrollment

The Federal and District Health Benefits Open Seasons will begin on Monday, November 14, 2016 and end on Monday, December 12, 2016.

Term Vested Project

Chairman Smith noted that information on this project has been updated in the Report.

Equalization Increases

Since active union and nonunion police officers and nonunion firefighters received an FY 2017 pay increase of 3% on October 2, 2016, equalization increases in the same percentage will be paid to eligible retired union and nonunion police officers and retired nonunion firefighters, effective November 1, 2016 and payable December 1, 2016. Retired union firefighters will not receive an equalization increase (if any) until the provisions of the bargaining agreement that is currently being negotiated are known.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard noted that the following reflects activities of interest since the September Board Meeting:

COUNCIL OF THE DISTRICT OF COLUMBIA

The Committee on the Judiciary held public hearings on both of the following bills on October 17, 2016;

B21-827, “Senior Law Enforcement Officer Amendment Act of 2016”

This proposed bill would allow the Metropolitan Police Department’s Chief of Police to rehire retired detectives and sergeants at higher pay grades than allowed under the District’s salary offset law in order to retain veteran, experienced officers.

B21-847, “Law Enforcement Career Opportunity Amendment Act of 2016”

This proposed bill would raise the upper age limit for the Metropolitan Police Department’s Cadet Program from 21 to 25 to expand program eligibility.

The following law became final on October 8, 2016 and is applicable retroactive to October 1, 2016:

L21-160, “Fiscal Year 2017 Budget Support Act of 2016”

Title I, Subtitle L - Equity in Survivor Benefits Clarification Amendment Act of 2016

Amends the D.C. Spouse Equity Act of 1988 to preclude orders issued after an employee’s or retiree’s death.

Title III, Subtitle E - Fire and Emergency Medical Services Department Chief Officers Service Longevity Amendment Act of 2016

Provides longevity pay calculated based on annual rate of pay and total active service for non-union, active Assistant Fire Chiefs, Deputy Fire Chiefs and Battalion Fire Chiefs.

AUDIT COMMITTEE REPORT

Committee Chair Hankins stated that the Committee met on October 20, 2016 and discussed the following matters:

2016 Audit:

CliftonLarsonAllen, LLP has completed the preliminary audit work, and will conclude the substantive matters in November. They will provide a report to the Committee in December.

Insurance Review

DCRB’s Finance staff has reviewed Agency insurance coverage and preliminarily recommended that current coverage continue as is, pending the receipt of further information.

OTHER BUSINESS

Trustee Smith noted that when a vote is taken, those trustees who may be attending a meeting electronically should be polled separately, since their vote is not identifiable among the other voice votes cast. Chairman Bress indicated that a procedure will be put into place to accommodate such situations.

ADJOURNMENT

Chairman Bress introduced a motion to adjourn the meeting.

Motion #4: To adjourn the meeting at 1:47 p.m.

The motion was moved by Trustee Tippett and properly seconded by Trustee Warren. The motion was approved (11–0). (*See Tally #4*)

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

Tally #1:		Date: October 20, 2016			
To approve the minutes of the September 15, 2016 meeting.					
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.	√				

* arrived after roll was called.

Tally #2:		Date: October 20, 2016			
To commit up to \$30 million to ONCAP IV, L.P. (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.	√				

Tally #3:			Date: October 20, 2016		
To commit up to \$30 million to Vector Capital V, L.P., 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.	√				

Tally #4:			Date: October 20, 2016		
To adjourn the meeting at 1:47p.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.	√				