



DISTRICT OF COLUMBIA RETIREMENT BOARD
BOARD MEETING MINUTES
SEPTEMBER 15, 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
Darrick Ross
Nathan A. Saunders
Edward C. Smith (by telephone)
Thomas N. Tippet
Lenda P. Washington
Jeffrey Barnette, ex officio

DCRB STAFF PRESENT

Eric Stanchfield, Executive Director
Sheila Morgan-Johnson
Erie Sampson
Johnetta Bond
Peter Dewar
Anthony Shelborne
Joan Passerino
Leslie King
Adina Dorch
Ortencia Nichols
Deborah Reaves
Johniece Harris
Wukyanos Gebremeskel

MEMBERS NOT PRESENT

Michael J. Warren

OTHERS PRESENT

Brenda Mathis, District OCFO

ROLL CALL

Chairman Bress called the meeting to order at 1:38 p.m., and Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

Chairman Bress introduced a motion to approve the July 21, 2016, Board meeting minutes.

Motion #1: To approve the July 21, 2016, Board meeting minutes.

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

CHAIRMAN'S COMMENTS

Chairman Bress commented on the following topics:

End of Fiscal Year 2016

Since fiscal year (FY) 2016 will end in two weeks, Trustees were reminded to timely submit their timesheets, travel reimbursement requests, travel reports, and any other materials needed to close out this year. Any such documents should be submitted by October 15, 2016. Trustees should contact Deborah Reaves or Bonnie Rivers with any questions.

Overview of Activities Through Calendar Year End 2016

The final quarter of this calendar year is very full with both routine activities and periodic projects. Over this quarter, the Board will be presented with information and asked to take actions related to: the FY 2018 Budget; the FY 2016 Financial Audit; the October 1, 2016 Actuarial Valuation; the Actuarial Experience Study for FY 2010 through FY 2015; trustee elections for a retired police officer, an active firefighter, and an active teacher; and the Teachers' and Police Officers and Firefighters' Retirement Funds' asset allocation study. Trustees were encouraged to attend all meetings and to arrive on time, since the meetings will be long and heavy with content.

EXECUTIVE DIRECTOR'S REPORT

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

Trustee Elections

Candidate notification materials for this year's trustee elections (for retired police officer, active firefighter, and active teacher) were mailed to qualified voters on September 8th. Information about the elections, including a schedule of important dates, has been posted to DCRB's website. Updates will be provided to Trustees periodically and the results will be presented to the Board for certification at its December meeting.

Budget and Audit Updates

On September 1, 2016, the Finance Department sent materials to all other DCRB departments regarding the FY 2018 budget development process. The materials included a calendar, which provided a timeline for several tasks, meetings and the budget submissions. The first draft of the FY 2018 budget will be presented to the Operations Committee at its November meeting.

CliftonLarsonAllen, LLP conducted an interim audit of financial statements for FY 2016 during the week of August 15, 2016. They will present their Audit Plan for the 2016 review to the Audit Committee at its October meeting.

Fossil Fuels Investment Inquiry

DCRB received a letter from the African American Environmentalist Association questioning "the Board's recent fossil fuel divestment announcement" and stating that "investments in pension funds need to be based on fiduciary responsibilities, rather than ideology." A response, pointing to DCRB's fiduciary duty and its Environmental, Social, and Governance Policy Statement as a basis for Board's investment decisions related to fossil fuels, is being prepared by Investment Department staff and will be mailed within the next few days.

DCRB Newsletter – Teachers' Edition

DCRB's Summer Newsletter – Teachers' Edition was distributed the week after Labor Day. In addition to introducing teachers to the Board's teacher trustees, the newsletter provides information on: post-retirement health care coverage, participation in the Teachers' Retirement Plan while teaching at a District of Columbia Public Charter School, life events changes, the Government Pension Offset, and plan membership and eligibility.

Actuarial Experience Study

Cavanaugh Macdonald has provided DCRB with preliminary information regarding the actuarial experience study covering the period from October 1, 2010, through September 30, 2015. Given

that other essential activities may need to precede this discussion (e.g., the asset allocation study) the results are expected to be presented to the Operations Committee during its November meeting.

INVESTMENT COMMITTEE REPORT

Committee Chair Blum presented the following motion from the September 15, 2016, Investment Committee meeting:

Motion #2: To approve the proposed Proxy Voting Guidelines.

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

Committee Chair Blum noted that there may be a short Investment Committee meeting in October.

OPERATIONS COMMITTEE REPORT

Committee Chair Collins stated that there was no report, since the Committee did not meet this month; however, that there would be a meeting in October.

BENEFITS COMMITTEE REPORT

The Benefits Committee did not meet this month. Committee Chair Smith, who was attending the meeting remotely, asked Vice-Chair Saunders, to present the Report. Vice-Chair Saunders referred Trustees to the written report and Committee Chair Smith emphasized the following activities that occurred since the July Board meeting:

Earned Income Review for Disability Annuitants

The Benefits Department has completed its 2015 income verification project for disabled Police Officer and Firefighters' Retirement Plan annuitants who are under age 50. The final date for submission of 2015 income for verification was May 16, 2016. The results of the 2015 income verification project are provided below:

127	No action – Under Income Limits
13	Suspended – Over Income Limits
2	Suspended – Noncompliance
<u>6</u>	Requested Extension due late tax filing
148	Total Population

Benefits Statistics

Committee Chair Smith indicated that among the statistics appended to the Report, Trustees should focus on the average processing time (from 54 – 68 days) and average call waiting times (2 to 3 minutes).

Trustee Hankins inquired about the possibility of including a live-chat feature to DCRB's website as a way of reducing average call waiting times. Staff stated that they would review the possibility of incorporating such a feature in the future.

LEGISLATIVE COMMITTEE REPORT

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

COUNCIL OF THE DISTRICT OF COLUMBIA

L21-0142, “Fiscal Year 2017 Budget Local Portion Adoption Act of 2016”

This proposed bill, which became law on July 29, 2016, appropriated \$146,456,000 from local funds for the Police Officers and Firefighters’ Retirement System; \$56,781,000 from local funds for the Teachers’ Retirement System; and \$39,095,618 from the Teachers’ and Police Officers and Firefighters’ Retirement Funds for the District of Columbia Retirement Board.

A21-0488, “Fiscal Year 2017 Budget Support Act of 2016”

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

This provision of the proposed bill would amend the “District of Columbia Spouse Equity Act of 1988” (DC Code §1-529.03) to add a new section clarifying that the Mayor is not required to comply with a qualified domestic relations order 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

This provision would amend DC Code §5-544.01(a)(3) to provide 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.

Title III, Subtitle F - Fire and Emergency Medical Services Presumptive Disability Implementation Amendment Act of 2016

This provision would amend the “Fire and Emergency Medical Services Employee Presumptive Disability Amendment Act of 2012” (DC Law 19-311; DC Code §§5-651 - 5-656) to require additional eligibility requirements to be met by EMS employees and reporting requirements by FEMS. **Note:** The 2012 Act is subject to appropriations and has yet to be funded.

Status: The bill, B21-0669, was introduced on March 24, 2016, and was enacted with Act number A21-0488 on August 18, 2016. The Act was transmitted to Congress on August 24, 2016, and has a projected law date of November 29, 2016.

L21-0125, “Neighborhood Engagement Achieves Results Act of 2015”

This proposed bill became law on June 30, 2016. Title II, Subtitle J of this act allows, with the exception of disability annuitants, police officers retired from the Metropolitan Police Department to be eligible for rehire at the discretion of the Director of the Department of Forensic Sciences as a temporary full-time or part-time employee without jeopardy to the retirement benefits of the police officer.

Committee Chair Blanchard further noted legislation affecting the Metropolitan Police Department which was referenced in a recent “News from Mayor Muriel Bowser” email. He informed the trustees that, if necessary, additional information would be provided at the Board’s October meeting.

AUDIT COMMITTEE REPORT

Committee Chair Hankins stated that there is no report, since the Committee did not meet this month. He indicated, however, that there would be a meeting in October.

OTHER BUSINESS

None.

ADJOURNMENT

Chairman Bress introduced a motion to adjourn the meeting.

Motion #3: To adjourn the meeting at 2:06 p.m.

The motion was moved and properly seconded by Trustee Clark. The motion was approved (11–0). (See Tally #3)

Tally #1:		Date: September 15, 2016			
To approve the minutes of the July 21, 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.	√				

Tally #2:			Date: September 15, 2016		
To approve the proposed Proxy Voting Guidelines.					
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: September 15, 2016		
To adjourn the meeting at 2:06 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.	√				