



DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)
SPECIAL BOARD MEETING MINUTES
THURSDAY, FEBRUARY 4, 2021
1:00 P.M.

MEMBERS PRESENT

Joseph W. Clark, Chair
 Janice M. Adams
 Lyle M. Blanchard
 Joseph M. Bress
 Mary A. Collins
 Geoffrey P. Grambo
 Danny C. Gregg
 Tracy S. Harris
 Nathan Saunders
 Edward C. Smith
 Bruno Fernandes, Ex officio

DCRB STAFF PRESENT

Erie Sampson, General Counsel
 Mark Spindel
 Ram Murthy
 Akiko Kawashima
 Karen Hsu
 Vernon Valentine
 Leslie King
 Adina Dorch
 Johniece Harris
 Deborah Reaves, Board Liaison

MEMBER NOT PRESENT

Greggory J. Pemberton

OTHERS PRESENT

Nancy Ostrowski, Office of D.C. Pensions
 U.S. Department of Treasury

ROLL CALL

Chair Clark called the meeting to order at 1:48 p.m. and Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

Chair Clark introduced a motion to approve the Board Meeting minutes.

Motion #1: To approve the Board meeting minutes.

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

Tally #1		Date: February 4, 2021			
<u>Motion #1:</u> To approve the Board meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Vice Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Grambo, Geoffrey P.	√				

Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.					√
Saunders, Nathan A.			√		
Smith, Edward C.	√				

[Board minutes for the January 26th meeting were not provided in the portal and will be approved separately at the next regularly scheduled Board meeting.]

CHAIR’S REPORT

Trustee Clark referred the Trustees to his written report in the interest of time, and he stated that going forward, the goal is to start the Board meeting on time, be respectful of each other’s time, and never to rush the business of the Board. He started the meeting by:

- Welcoming new Trustees Geoffrey P. Grambo, representing the retired firefighters; Trustee Nathan Saunders, representing active teachers; and Trustee Danny C. Gregg, representing retired police.
- Noting that the staff will be conducting a new trustee orientation on February 9-10, and that the agenda will include comprehensive training, DCRB’s mission and vision, and Board governance.

Trustee Clark stated that upon the retirement of the Board’s Chair, the Vice Chairman has 14 business days after notice of vacancy to convene the Board and elect a new Chair to serve the remaining term of the prior Board Chair. Since the Board Chair retired on January 27, 2021, and the next officer elections are expected to occur on February 18, 2021, that time is greater than the requisite 14-business days after the former Board Chair, Gary Hankins, retired from the Board.

Trustee Clark then introduced a motion to serve as Acting Board Chair until officer elections are held on February 18th.

Motion #2: Pursuant to the Board’s governance policy, the Vice-Chair becomes the Acting Chair upon the retirement of the Chair. The Acting Chair has 14 business days after notice of vacancy to convene the Board and elect a new chair to serve the remaining term of the prior Board Chair. The Board Chair retired on January 27, 2021. The next officer elections are expected to occur on February 18, 2021, which is greater that the requisite 14-business days after the Board chair retired from the Board.

The motion was moved by Trustee Smith and properly seconded by Trustee Adams. The motion was approved (9–0). *(See Tally #2)*

Tally #2:	Date: February 4, 2021
<u>Motion #2:</u> Pursuant to the Board’s governance policy, the Vice-Chair becomes the Acting Chair upon the retirement of the Chair. The Acting Chair has 14 business days after notice of vacancy to convene the Board and elect a new Chair to serve the remaining term of the prior Board chair. The Board Chair retired on January 27, 2021. The next officer elections are expected to occur on February 18, 2021, which is greater that the requisite 14-business days after the Board chair retired from the Board.	

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.	√				
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.					√
Saunders, Nathan A.			√		
Smith, Edward C.	√				

Acting Chair Clark referred the Trustees to read the remainder of his written report and introduced Nancy Ostrowski, Director of the Office of D.C. Pensions (ODCP), to the Board.

Ms. Ostrowski stated that she is the Director of the Office of D.C. Pension at the U.S. Department of the Treasury (Treasury). She noted that the Office of D.C. Pensions and DCRB have spent a lot of time building a program to support the annuitants, but it hasn't always been easy. She stated that ODCP's mission is like DCRB's mission, but that they are governed by Title XI of the Balanced Budget Act of 1997. ODCP makes timely and active benefit payments as well as manages investment funds for the federal benefit payments for two federal pension funds totaling \$4 billion dollars. ODCP ensures funding from Treasury for the original unfunded pension liability of the District that Treasury assumed in 1997, and payments will continue for 30 years ending in FY 2027. ODCP provides oversight for the federal benefit payments, where Treasury has financial responsibility for benefits earned as of June 30, 1997 for Police Officers, Firefighters, and Teachers. ODCP works closely with the staff at DCRB on the federal benefit payments that Treasury is responsible for.

At the time the Balanced Budget Act was passed in 1997, the District of Columbia's Office of Pay and Retirement Services was doing the benefits administration. DCRB has been the benefit administrator since 2005, and Treasury entered into various agreements and MOUs with DCRB for the administration of federal benefits.

EXECUTIVE DIRECTOR'S REPORT

In the absence of the Executive Director, Sheila Morgan-Johnson, Karen Hsu, DCRB's Pension Administrator, referred the Trustees to the written report and commented on the following topics:

- A draft return-to-work plan was developed and circulated to senior managers. Currently, DCRB continues to operate in a predominately telework capacity with periodic reminders to staff about required health protocols for visits to the office.
- The 1099-R forms for 2020 have been sent out and issued by US mail. We are allowing a couple of weeks for those to be delivered due to mail distribution issues within the US postal service. In mid-February electronic files will be received and duplicate copies will be available for annuitants requesting them.
- Ongoing efforts in recruiting continue as needs are identified across the agency and across the departments.

INVESTMENT COMMITTEE REPORT

Committee Chair Bress indicated that the Investment Committee met this morning and made the following motions:

Motion #3: To approve the 2021 Private Markets Annual Capital Budget in the amount of \$750 million.

The motion was moved by Trustee Bress properly seconded by Trustee Smith. The motion was approved (10–0). *(See Tally #3)*

Tally #3:			Date: February 4, 2021		
<u>Motion #3:</u> To approve the 2021 Private Markets Annual Capital Budget in the amount of \$750 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.	√				
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.					√
Saunders, Nathan A.	√				
Smith, Edward C.	√				

Motion #4: To approve a re-up commitment of up to \$75 million to Centerbridge Capital Partners IV, L.P., a private equity fund, subject to legal review and further due diligence.

The motion was moved by Trustee Bress properly seconded by Trustee Smith. The motion was approved (10–0). *(See Tally #4)*

Tally #4			Date: February 4, 2021		
Motion #4: To approve a re-up commitment of up to \$75 million to Centerbridge Capital Partners IV, L.P., a private equity fund, subject to legal review and further due diligence.					
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.	√				
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.					√
Saunders, Nathan A.	√				
Smith, Edward C.	√				

Motion #5: To approve an initial commitment of up to \$100 million to Blackstone Property Partners, L.P., an open-ended real estate fund, subject to legal review and further due diligence. Pursuant to the Rebalancing Policy (adopted October 21, 2010 and revised September 28, 2017), subsequent additions/redemptions will be at the discretion of the Chief Investment Officer.

The motion was moved by Trustee Bress properly seconded by Trustee Gregg. The motion was approved (7–3). (See Tally #5)

Tally #5			Date: February 4, 2021		
Motion #5: To approve an initial commitment of up to \$100 million to Blackstone Property Partners, L.P., an open-ended real estate fund, subject to legal review and further due diligence. Pursuant to the Rebalancing Policy (adopted October 21, 2010 and revised September 28, 2017), subsequent additions/redemptions will be at the discretion of the Chief Investment Officer.					
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.		√			
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.		√			
Pemberton, Gregory J.					√
Saunders, Nathan A.		√			
Smith, Edward C.	√				

Committee Chair Smith stated that there was no meeting of the Operations Committee this month, so there is no report.

BENEFITS COMMITTEE REPORT

Committee Chair Collins stated that there was no meeting of the Benefits Committee this month, so there is no report, but a full update will be provided on February 18, 2021.

LEGISLATIVE COMMITTEE REPORT

In the absence of Committee Chair Blanchard, Trustee Clark stated that there was a Legislative Committee meeting this month. He then referred the Trustees to the written report and made the following comments:

The Legislative Committee met on Thursday, February 4, 2021. The full Board requested a review of the adequacy of annual trustee compensation. The Committee determined that the amount of annual trustee pay has not been increased since April 2005, before benefits administration responsibilities were transferred to DCRB from the District Government. Further, the funds managed by the Board have grown during this period and the investments have become more diverse, complex, and sophisticated. IT and contracting have also become more complicated. Based on the totality of these circumstances, the Trustees are required to be more knowledgeable and expend more time on Board matters, while working their full-time jobs.

Chair Clark then presented the following motion to the Board.

Motion #6: To approve a proposed increase to the statutory cap applied to the annual compensation granted to Trustees for their service to the Board and recommend that the Council of the District of Columbia propose an amendment to D.C. Code § 1-711 to raise the cap from \$10,000 per Trustee per year to \$15,000 per Trustee per year.

The motion was moved by Trustee Blanchard and properly seconded by Trustee Harris.

The motion was approved (10–0). *(See Tally #6)*

Tally #6:		Date: February 4, 2021			
<u>Motion #6:</u> To approve a proposed increase to the statutory cap applied to the annual compensation granted to Trustees for their service to the Board and recommend that the Council of the District of Columbia propose an amendment to D.C. Code § 1-711 to raise the cap from \$10,000 per Trustee per year to \$15,000 per Trustee per year.					
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.	√				
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				

Pemberton, Gregory J.					√
Saunders, Nathan A.	√				
Smith, Edward C.	√				

Committee Chair Blanchard commented that there was a briefing on the CAFR before the City Council and an upcoming Performance Oversight Hearing will be on March 11, 2021. He also stated that next month there should be progress at the staff level on the procurement regulations before they are published. He stated he is also working on making reviews of investment contracts and other investment related contracts more timely.

Trustee Clark stated that in March, Chairman Mendelson will be conducting a hearing on the re-appointment of Trustee Blanchard to the Board.

AUDIT COMMITTEE REPORT

Committee Chair Harris stated that there was no meeting of the Audit Committee this month, so there is no report. She further stated that she plans to have a meeting every month going forward.

Chair Clark presented a motion to convene in closed session at 2:59 p.m.

Motion #7: To convene the meeting in closed session pursuant to DC Code §2-575(b) (10) to discuss a personnel matter.

The motion was moved by Chair Clark and properly seconded by Trustee Harris.

The motion was approved (10–0). *(See Tally #7)*

Tally #7:		Date: February 4, 2021			
<u>Motion #7:</u> To convene the meeting in closed session pursuant to DC Code §2-575(b) (10) to discuss a personnel matter.					
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.	√				
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.					√
Saunders, Nathan A.	√				
Smith, Edward C.	√				

[Closed Session 2:59 p.m. – 4:57 p.m.]

Chair Clark made the following motion to return to Open Session.

Motion #8: To reconvene in Open Session at 4:55

The motion was moved by Chair Clark and properly seconded by Trustee Harris.

The motion was approved (10-0). (See Tally #7)

Tally #8:			Date: February 4, 2021		
Motion #8: To reconvene in Open Session at 4:57.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Vice Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle M.	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.					√
Saunders, Nathan A.	√				
Smith, Edward C.	√				

ADJOURNMENT

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

Motion #9: To adjourn the meeting at 4:57 p.m.

The motion was moved by Trustee Saunders and properly seconded by Trustee Adams.

The motion was approved (9-0). (See Tally #8)

Tally #9:			Date: February 4, 2021		
Motion #9: To adjourn the meeting at 4:00 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.	√				
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.					√

Saunders, Nathan A.	√				
Smith, Edward C.					√

The meeting adjourned at 5:00 p.m.