



**DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)
OPEN BOARD MEETING MINUTES
THURSDAY, December 16, 2021
1:00 P.M.**

MEMBERS PRESENT

Joseph W. Clark, Chair
Lyle M. Blanchard
Joseph M. Bress
Mary A. Collins
Geoffrey P. Grambo
Danny C. Gregg
Tracy S. Harris
Nathan A. Saunders
Edward C. Smith, Vice Chair
Adam Weers
Carmen Pigler, Ex officio

DCRB STAFF PRESENT

Gianpiero “JP” Balestrieri, Executive Director
Betty Ann Kane
Ram Murthy
Patrick Sahn
Munetsi Musara
Daniel Hernandez
Vernon Valentine
Darrell Pressley
Leslie King
Wukyanos Gebremeskel
Johniece Harris

MEMBER NOT PRESENT

Greggory Pemberton

OTHERS PRESENT

Ann Sturner- Bolton
Tom Vicente – Bolton
James Francis – Paradigm Asset Management
Gar Chung – Financial News

ROLL CALL

Chair Joseph Clark called the meeting to order at 1:05 p.m. and Ms. Johniece Harris called the roll.

APPROVAL OF MINUTES

Chair Joseph Clark introduced motions to approve the open session Board meeting minutes.

Motion #1: To approve the November 18, 2021 open session Board meeting minutes.

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

The motion was approved (10-0) with one abstention. *(See Tally #1)*

Tally #1			Date: December 16, 2021		
Motion #1: To approve the November 18, 2021 open session Board meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
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.	√				
Weers, Adam	√				

CHAIR’S REPORT

Chair Joseph Clark stated that there is no written report. He then gave an oral presentation to the Trustees commenting on the following topics:

- Certify the 2021 Retired Teacher results.
- Mandatory Cybersecurity Training to be completed by December 31, 2021.
- Trustees conference listing available in Board materials.
- Presented Trustees’ resolutions for Jan Adams and Edward Smith, also available in Board materials.

Chair Clark recognized Trustee Edward Smith for the work he has done as a firefighter and Trustee on the Board throughout his 12-year tenure.

Trustee Edward Smith stated how he has grown over the years as a Trustee on the Board, and he is appreciative to the staff and fellow Board members. He also encouraged Board members to resume meeting in person as soon as possible.

Chair Joseph Clark concluded his report and moved to next item on the agenda.

Motion #2: To certify Mary Collins as the winner of the 2021 Retired Teacher Representative Election.

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

The motion was approved with (9–0). (See Tally #2)

Tally #2:		Date: December 16, 2021			
Motion #2 To certify Mary Collins as the winner of the 2021 retired teachers' election.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
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.	√				
Weers, Adam	√				

EXECUTIVE DIRECTOR'S REPORT

Executive Director, Gianpiero “JP” Balestrieri, gave an oral presentation to the Trustees on the following topics:

- The Executive Director extended congratulations to Trustee Collins for being reelected and certified as the winner of the 2021 Retired Teacher Representative Election. He also congratulated Trustee Jan Adams on her departure from the Board of Trustees and Edward Smith on his retirement.
- The Executive Director told Trustees that he is working on moving the organization forward with a bottom-up approach to drive organizational change, to include employee participation and leadership at all levels. The Executive Director mentioned other key objectives, including:
 - Treating everyone as part of a team and middle managers helping to lead department managers.
 - Motivating and empowering employees to take ownership and identifying inefficiencies in the value chain of the operations.
 - DCRB Procurement rules that will be taking effect in FY 2022.\
 - A pending employment offer to fill the Supervisor Contract Specialist position, who will report to the Chief Financial Officer (CFO) and establish processes.
 - Investments and Benefits are being considered as core agency departments with the rest of the operations serving these departments on both sides of the supply chain.
 - New investment processes that have been established and implemented, to bring legal and risk compliance review earlier into the process. This process will provide Trustees, the Investment Committee, and the Board

- more informed consent and data for review and approval.
- The Investment team has reviewed proposals from five (5) firms from alternative investments and three (3) from general investments. The goal is to present to the Investment Committee by the end of the 1st quarter in FY 2022.

The Executive Director concluded his report and moved to the next item on the agenda.

GENERAL COUNSEL REPORT

Chair Clark referred the Trustees to the written report provided in the Diligent Board book.

Chair Clark concluded the report and moved to next item on the agenda.

INVESTMENT COMMITTEE REPORT

Chair Clark stated that the Investment Committee did not meet on Thursday, December 16, 2021, so there is no report. The next Investment Committee meeting is scheduled for Thursday, January 20, 2022.

BENEFITS COMMITTEE REPORT

Chair Clark referred the Trustees to the written report provided in the Diligent Board book. Daniel provided a brief overview of the work being done in Benefits.

Chair Clark concluded the report and moved to next item on the agenda.

LEGISLATIVE COMMITTEE REPORT

Chair Clark referred the Trustees to the written report provided in the Diligent Board book.

Chair Clark concluded the report and moved to next item on the agenda.

AUDIT COMMITTEE REPORT

Chair Clark referred the Trustees to the written report provided in the Diligent Board book

Chair Clark concluded the report and moved to the next item on the agenda.

Trustee Mary Collins asked, in terms of litigation, how much has DCRB paid, and which plan has the largest amount involved in the litigation?

Leslie King responded that the information is confidential and will be provided to the Trustees at the January 20, 2022 Board meeting.

OPERATIONS COMMITTEE REPORT

Committee Saunders presented the following motions for approval.

Tom Vicente from Bolton stated the three (3) primary factors that effected the evaluation this year and the net result of those three (3) factors:

- Funding status grew to 112.3% overall
- Higher funded ration
- Stronger funding percentage

The District had a lower contribution, decreasing from \$184 million for FY 2022 to \$126.3 million for FY 2023. The three (3) drivers were strong investment results with over a 20% return on the assets, experience that was favorable to the plan that had been assumed, and assumption changes that the Board approved in October that had a positive impact.

Committee Chair Saunders asked if the talk of rate hikes by the Federal Reserve should make DCRB feel any different about the valuation?

Mr. Vicente responded that if the inflation does stay high, there could be several impacts. The high inflation will cause the post retirement cost-of-living adjustment for retirees to be higher, which will increase plan costs. The potential of interest rates rising, and if inflation goes up and the interest rates are higher, the value of bonds will become lower. It will most likely have an impact on the stock market and cause more volatility, and impact salaries as well.

DCRB Chief Financial Officer (CD Munetsi Musara provided an overview of the FY23 proposed budget.

Trustee Collins stated that the FY23 proposed budget does not have enough details, therefore she can't support the budget. The organizational chart needs to be provided to show the functions of the staff and the structure of the organization.

Mr. Balestrieri responded that the organizational chart is still being defined and will be provided hopefully in the 1st quarter of January 2022 and the FY22 accounts for two (2) FTE's, the Internal Auditor, and the Investment Funds Attorney.

Chair Clark asked that the Board be provided with a picture of the organizational structure at the January 20, 2022 Board meeting. Also, according to the Audit report \$640,000 was returned to the fund from the prior year.

Committee Chair Saunders asked why the Investment Management fees issue did not show up in the Audit?

Mr. Musara responded that the auditors want to make sure DCRB is presenting the financial statements correctly, and it is not an audit issue but a presentation issue.

Chair Clark concluded the report and moved to the next item on the agenda.

Motion #3: To authorize the Executive Director to enter into a contract with the qualified contractor,

- To provide professional services to upgrade the DCRB Financial Management System, and ongoing support, for a base period of one-year at \$132,000 and,
- Four 1-year option periods, for a total contract term of five years.

- Each option year of the contract term shall not exceed \$100,000.
- The total contract amount shall not exceed \$514,000, subject to contract negotiations.

The motion was moved by Committee Chair Saunders and properly seconded by Trustee Tracy Harris.

The motion was approved (10-0). (See Tally #3)

Tally #3:		Date: December 16, 2021			
Motion #3: To authorize the Executive Director to enter into a contract with the qualified contractor,					
<ul style="list-style-type: none"> • To provide professional services to upgrade the DCRB Financial Management System, and ongoing support, for a base period of one-year at \$132,000 and, • Four 1-year option periods, for a total contract term of five years. • Each option year of the contract term shall not exceed \$100,000 • The total contract amount shall not exceed \$514,000, subject to contract negotiations. 					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
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.	√				
Weers, Adam	√				

Motion #4: To accept and approve Bolton Inc.’s Actuarial Valuations Report on the District of Columbia Teachers’ Retirement Plan and the District of Columbia Police Officers and Firefighters’ Retirement Plan as of October 1, 2021, for Fiscal Year ending 2023, presented to the Board by Bolton on December 16, 2021, and incorporated herein by reference.

The motion was moved by Committee Chair Saunders and properly seconded by Trustee Edward Smith.

The motion was approved (10–0). (See Tally #4)

Tally #4:	Date: December 16, 2021
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Motion #4: To accept and approve Bolton Inc.’s Actuarial Valuations Report on the District of Columbia Teachers’ Retirement Plan and the District of Columbia Police Officers and Firefighters’ Retirement Plan as of October 1, 2021, for Fiscal Year ending 2023, presented to the Board by Bolton on December 16, 2021, and incorporated herein by reference.

Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
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.	√				
Weers, Adam	√				

Motion #5: To approve the proposed FY23 Operating Budget of \$42,778,952 and 89 FTEs.

The motion was moved by Committee Chair Saunders and properly seconded by Trustee Tracy Harris

The motion was approved (9-1). (See Tally #5)

Tally #5:			Date: December 16, 2021		
Motion #5: To approve the proposed FY23 Operating Budget of \$42,778,952 and 89 FTEs.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
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.	√				
Weers, Adam	√				

Motion #6: To approve a one-year extension of the District of Columbia Board’s legal services contract #DCRB-18-C-0033 dated December 26, 2018, with the Groom Law Group to continue to provide legal counsel for the Board in tax, fiduciary and employee

benefits matters based on the same terms and conditions and a budgeted not-to-exceed amount of \$500,000.00 (excluding litigation).

The motion was moved by Committee Chair Saunders and properly seconded by Trustee Danny Gregg.

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

Tally #6:		Date: December 16, 2021			
Motion #6: To approve a one-year extension of the District of Columbia Board’s legal services contract #DCRB-18-C-0033 dated December 26, 2018, with the Groom Law Group to continue to provide legal counsel for the Board in tax, fiduciary and employee benefits matters based on the same terms and conditions and a budgeted not-to-exceed amount of \$500,000.00 (excluding litigation).					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
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.	√				
Weers, Adam	√				

Motion #7: To approve a one-year extension of the District of Columbia legal services contract #DCRB-18-C-0034 dated December 26, 2018, with Kessler, Topaz, Meltzer and Check, LLP to continue to provide counsel for the Board in securities litigation matters based on the same terms and conditions, including cost reimbursement.

The motion was moved by Committee Chair Saunders and properly seconded by Trustee Tracy Harris

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

Tally #7:		Date: December 16, 2021			
Motion #7: To approve a one-year extension of the District of Columbia legal services contract #DCRB-18-C-0034 dated December 26, 2018, with Kessler, Topaz, Meltzer and Check, LLP to continue to provide counsel for the Board in securities litigation matters based on the same terms and conditions, including cost reimbursement.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
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.	√				
Weers, Adam	√				

Chair Clark made note that the Executive Summary motions will be corrected to read “District of Columbia’s Retirement Board.”

Committee Chair Saunders concluded his report and moved to the next item on the agenda.

Chair Clark asked if the matter to be discussed during the Closed Session can be moved to the January Board meeting. Also, the Board officers’ elections will occur in the January Board meeting as well.

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

Motion #8: To adjourn the meeting at 3:03 p.m.

The motion was moved by Trustee Edward Smith and properly seconded by Trustee Geoffrey Grambo.

The motion was unanimously approved (10-0). (See Tally #8)

Tally #8:		Date: December 16, 2021			
Motion #8: To adjourn the meeting at 3:03 p.m.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
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.	√				
Weers, Adam	√				