



**DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)
OPEN BOARD MEETING MINUTES
THURSDAY, JUNE 17, 2021
1:00 P.M.**

MEMBERS PRESENT

Joseph W. Clark, Chair
Jan M. Adams
Lyle M. Blanchard (In@1:15p)
Joseph M. Bress
Mary A. Collins
Geoffrey P. Grambo
Danny C. Gregg
Tracy S. Harris
Greggory Pemberton
Nathan A. Saunders
Edward C. Smith, Vice Chair
Carmen Pigler, Ex officio

DCRB STAFF PRESENT

Betty Ann Kane, Interim Executive Director
Erie Sampson, General Counsel
Mark Spindel
Ram Murthy
Munetsi Musara
Daniel Hernandez
Vernon Valentine
Leslie King
Adina Dorch
Johniece Harris
Deborah Reaves

OTHERS PRESENT

Gar Chung, Reporter, Financial Investment News

ROLL CALL

Chair Clark called the meeting to order at 1:10 p.m. and Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

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

Motion #1: To approve the May 12, 2021 open session Special Board meeting minutes.

The motion was moved by Trustee Gregg and properly seconded by Trustee Adams.
The motion was approved (9-0). (See Tally #1)

Tally #1	Date: June 17, 2021
<u>Motion #1:</u> To approve the May 12, 2021 open session Special Board meeting minutes.	

Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Jan 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 #2: To approve the May 17, 2021 open session Special Board meeting minutes.

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

The motion was approved (10–0). (See Tally #2)

Tally #2:			Date: June 17, 2021		
Motion #2: To approve the May 17, 2021 open session Special Board meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Jan 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 #3: To approve the May 20, 2021, open session Board meeting minutes.

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

The motion was approved (9–0 with 1 abstention). (See Tally #2)

Tally #3:			Date: June 17, 2021		
Motion #3: To approve the May 20, 2021 open session Board meeting minutes.					

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

CHAIR'S REPORT

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

- DCRB had a Budget Oversight Hearing before the DC Council on June 7, 2021. The hearing went very well, and we are preparing responses to Chairman Mendelson's follow-up questions.
- Please welcome our Interim Executive Director, Betty Ann Kane, to her first Board meeting.
- Also, please welcome back Vernon Valentine, DCRB's HR Director, who will be participating in various meetings. Mr. Valentine will be focusing on filling various vacancies, as well as the Executive Director search.
- The Trustee Conference Listing provides Trustees with various opportunities to learn and engage others in Pension Management Administration and Investments.

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

INTERIM EXECUTIVE DIRECTOR'S REPORT

Interim Executive Director, Betty Ann Kane, made the following comments:

- Ms. Kane met with all members of DCRB's Executive Leadership Team, as well as other
- managers, and asked each of them for a list of their priorities.
- She indicated that she will focus on the Procurement function and filling vacancies.
- She reviewed the MOUs with the various agencies for FY 2021.
- She asked for a list of all contracts currently in place.
- Responses to Budget Hearing questions are being prepared.
- She announced that after reviewing issues related to the Self-Service function being prepared for the retirement system, she has approved moving ahead with the Pilot Program, which should identify any outstanding issues before going live with the whole retiree population.

GENERAL COUNSEL REPORT

DCRB's General Counsel, Erie Sampson, highlighted the following items from the General Counsel's report:

- The update on Investment Related opportunities under legal review:
 - Blackstone Property Partners, LP \$100 million dollar commitment closed on May 21, 2021.
 - IFM Global Infrastructure, LP \$200 million dollar commitment closed on June 14, 2021.
 - Carlyle Realty Partners, LP \$50 million dollar commitment is in process.
 - Strategic Value Special Situation Fund V, LP \$75 million dollar commitment is in process.

- The Legal and Compliance alerts have been posted to the Trustees Only book in the Diligent portal.

- The Office of Open Government was asked questions on Board requirements to record certain meetings and the responses were provided by Mr. Johnnie Barton, Attorney Advisor for the District of Columbia Office of Open Government, Board of Ethics and Government Accountability. Ms. Sampson then read through a list of questions the Trustees had asked and the answers provided.

- We received a Morgan Lewis news flash on *ESG Considerations for Investment Managers and a Review of Current ESG Standards and Frameworks*. The article was provided to further the knowledge of Trustees on the complex issues surrounding ESG and socially targeted investments. The recent fiduciary training, and the news review, put Trustees in a good position to review Meketa's investment (financial) analysis to bolster the April 2021 Board motion pertaining to the private prison resolution.

A discussion followed about the security of Board minutes recordings and compliance alerts.

Ms. Sampson clarified that the compliance alerts are specific to DCRB and a general matter could be included in the General Counsel's report for the Open Board meetings. She indicated that when a compliance alert is posted in the Trustees only portal in Diligent, it recommends what action the Board should consider, and it outlines the particular concern that the Trustees should be made aware of and is not a general matter.

Chair Clark responded that if a Trustee feels a specific item warrants a Special Board Meeting it would be prudent to let him or the Executive Director know so the issue can be addressed immediately.

Ms. Sampson concluded her report.

INVESTMENT COMMITTEE REPORT

The Investment Committee did not meet this month, so there is no report. The next Investment Committee Meeting is scheduled for Thursday, July 15, 2021.

BENEFITS COMMITTEE REPORT

Committee Chair Collins stated that the Benefits Committee did not meet in June, but that Betty Ann Kane, the Interim Executive Director, had already given some updates from the Benefits Committee Report. Ms. Collins then highlighted the following items from her report.

- Annual Income Verification is sent out to certain disabled participants who are required to verify their income to ensure that any required adjustments to their annuity amounts can be made. The notifications that covered a population of 83 participants were sent out during the third week of March 2021. As of the date of this report, 65 members have submitted information to DCRB (76%).
- The Annuitant Self Service pilot program will move forward to a sample population of 600 members, which will include a thorough evaluation of the pilot results including any operational or other issues before a decision can be made to expand beyond the pilot. The next phase of the project, the pilot launch, is scheduled to begin in late July 2021.
- DCRB staff is working with Bolton, DCRB's actuary, on the Actuarial Experience Study, which is an in-depth review of the Plans' assumptions based on data from the period, July 1, 2015 through June 30, 2020. A final report and recommendations will be presented to DCRB's Board and Executive Leadership prior to the required analysis for the October 2021 valuation.

Committee Chair Collins stated that the charts appended to the Benefits Report provide a clear view of the amount of calls being handled by the Benefits staff and suggested that the Trustees review them.

There followed a discussion about reducing the number of days from the date of retirement to members' receipt of their first annuity payment. Much of this discussion revolved around data issues and working closely with the various agencies involved in the retirement process. Interim Executive Director, Betty Ann Kane, indicated that she will also get involved in assisting Mr. Hernandez with agency meetings. Committee Chair Collins urged the Trustees to review the data charts appended to the Benefits Committee Report.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard highlighted the following items from his report.

The District of Columbia Retirement Board Leadership Temporary Amendment Act of 2021, B24-0199 introduced, on a temporary basis, an amendment to the District of Columbia Retirement Reform Act to allow the Board to increase the annual salary of DCRB's Executive Director at a rate not to exceed 135% of the highest step of Grade E5 of the Executive Service (or approximately to \$300,000).

This version of the legislation strikes the provisions of the B24-0198 – District of Columbia Retirement Board Leadership Emergency Amendment Act of 2021, which would allow the Board to waive the District residency requirement and does not include any increase to the maximum compensation of Board trustees as provided in the original legislation still under Council review, B24-0128 – District of Columbia Retirement Board Leadership Amendment Act of 2021. The bill was enacted without the Mayor’s signature on May 26, 2021 and transmitted to Congress on June 9, 2021 for congressional review with a projected law date of July 29, 2021.

Committee Chair Blanchard stated that the permanent version of the legislation had a hearing back on March 12, 2021, and the conclusion of the hearing was that Council Chairman Mendelson wanted to hold a public hearing on the legislation later this year, and once it goes into effect it will be for 225 days.

Committee Chair Blanchard concluded his report.

AUDIT COMMITTEE REPORT

Committee Chair Harris stated that the Audit Committee met on June 10, 2021, and that the next Audit Committee meeting is scheduled for July 8, 2021. She then highlighted the following items from her report.

- The status of the Annual Financial Audit findings and corrective actions,
- The status of the findings and corrective actions of the OIG Evaluation of Procurement Processes and Select Contracts, and
- The budget to actual report as of May 31, 2021.

Each of the Audit and Evaluation findings were assigned to the individual responsible for remediating the finding. For the July meeting, the reports will include key milestone and expected completion dates for each.

Regarding spending, the budget to actual report showed that the Board has 47% of the total budget available for the remainder of the year, and we were informed that there are no anticipated spending pressures.

The Director of Risk and Investment Compliance, Kimberly Woods, noted a compliance update related to Odyssey Investment Partners V, LP that was not presented to the Audit Committee, as this matter is being referred to the Investment Committee for their review.

Committee Chair Harris stated that here is one action item that is included for the Board to act on and that is the approval of the motion to increase the fiduciary liability insurance coverage. She then introduced the following motion to approve the fiduciary liability insurance coverage.

Motion #4: To approve increasing DCRB’S fiduciary liability insurance coverage from \$10 million to \$50 million, for the remaining 2021-2022 premium year by adding to its portfolio up to four layers of \$10 million in coverage from the following insurance carriers, RLI, Everest, AIG and Allied World, and authorizing the Interim Executive Director to expend no more than \$231,184 for the total premiums.

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

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

Tally #4		Date: June 17, 2021			
Motion #4: To approve increasing DCRB'S fiduciary liability insurance coverage from \$10 million to \$50 million, for the remaining 2021-2022 premium year by adding to its portfolio up to four layers of \$10 million in coverage from the following insurance carriers, RLI, Everest, AIG and Allied World, and authorizing the Interim Executive Director to expend no more than \$231,184 for the total premiums.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Jan 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 Harris conclude her report.

OPERATIONS COMMITTEE REPORT

Committee Chair Saunders stated that the Operations Committee met on June 8, 2021 and highlighted the following items from his report.

- A review and discussion of highlights from the Executive Status Report (ESR), including revisions made to the report's format, and input for further format changes. The ESR content-review included a discussion of:
 - proposed revisions to the procurement rules; senior-level vacancies; tracking for contract expenditures; notification of key contract events; Information Technology audit recommendations; and
 - the status of the contractual relationship between DCRB and the Office of Contracts and Procurement (OCP).
- A presentation on the Morgan, Lewis & Bockius, LLP Investment Counsel contract, as well as discussion on the Legal review process for investments.

Committee Chair Saunders presented the following motion to approve the fiduciary liability

insurance coverage.

Motion #5: To approve additional funding not to exceed \$350,000 and amend the contract with Morgan Lewis & Bockius through the remainder of the contract year ending November 2021, and to direct the Executive Director to include an audit of the contract by DCRB’s auditor by December 31, 2021.

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

The motion was approved (10–0). (See Tally #5)

Tally #5			Date: June 17, 2021		
Motion #5: To approve additional funding not to exceed \$350,000 and amend the contract with Morgan Lewis & Bockius through the remainder of the contract year ending November 2021, and to direct the Executive Director to include an audit of this contract by DCRB’s auditor by December 31, 2021.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Jan 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.	√				

Chair Clark introduced the following motion to enter closed session at 2:14 p.m.

Motion #6: To enter closed session to discuss personnel matters pursuant to *D.C. Code § 1-909.05(e)*; see also *D.C. Code § 2-575(b) (10)*.

The motion was moved by Trustee Collins and properly seconded by Trustee Gregg.

The motion was approved (11–0). (See Tally #6)

Tally #6			Date: June 17, 2021		
Motion #6: To enter closed session to discuss personnel matters pursuant to <i>D.C. Code § 1-909.05(e)</i> ; see also <i>D.C. Code § 2-575(b) (10)</i> .					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Jan 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 Executive Session: 2:14 p.m. – 3:51 p.m.)

At 3:51 p.m., Chair Clark introduced the following motion to reconvene in Open Session.

Motion #7: To reconvene in Open Session at 3:51 p.m.

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

The motion was approved (11–0). *(See Tally #7)*

Tally #7		Date: June 17, 2021			
<u>Motion #7:</u> To reconvene in Open Session at 3:51 p.m.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Jan 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 #8: To adjourn the meeting at 3:55 p.m.

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

The motion was approved (11-0). (See Tally #8)

Tally #8:		Date: June 17, 2021			
Motion #8: To adjourn the meeting at 3:55 p.m.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Jan 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.	√				