



**DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)**  
**DRAFT\* OPEN BOARD MEETING MINUTES**  
**THURSDAY, January 23, 2025**  
**1:30 P.M. via WebEx**

**MEMBERS PRESENT**

Chair, Joseph M. Bress  
Lyle M. Blanchard  
Joseph W. Clark (1:47 pm)  
Geoffrey Grambo  
Danny C. Gregg  
Tracy S. Harris  
Nathan A. Saunders  
Greggory Pemberton  
Adam Weers

**MEMBERS NOT PRESENT**

Mary A. Collins  
Christopher Finelli  
Carmen Pigler, Ex Officio

**DCRB STAFF PRESENT**

Gianpiero “JP” Balestrieri, Executive Director  
Emily Bowie  
Kate Robinson  
Patrick Sahn  
Paul Gormley  
Ram Murthy  
Daniel Hernandez  
Vernon Valentine  
Lauren Smith  
Lori Morgan  
Leslie West  
Jaininne Edwards  
David Mobley  
Johniece Harris, Board Liaison

**OTHERS PRESENT**

Gar Chung Financial News

**ROLL CALL**

Chair Joseph Bress called the meeting to order at 1:33 p.m. and Ms. Johniece Harris called the roll.

**APPROVAL OF MINUTES**

Chair Bress introduced a motion to approve the open session Board meeting minutes.

**Motion #1:** To approve the November 21, 2024, Open Board meeting minutes.

The motion was moved by Trustee Bress and properly seconded by Trustee Harris.  
The motion was approved by unanimous vote (9-0). (See Tally #1)

Tally #1			Date: January 23, 2025		
<b><u>Motion #1:</u></b> To approve the November 21, 2024, Open Board meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle M.	√				
Clark, Joseph W.	√				
Collins, Mary A.					√
Finelli, Christopher					√
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Saunders, Nathan A.	√				
Weers, Adam	√				

**Motion #2:** To approve the December 17, 2024, Special Open Board meeting minutes.

The motion was moved by Chair Bress and properly seconded by Trustee Grambo.  
The motion was approved by unanimous vote (9-0). (See Tally #2)

Tally #2			Date: January 23, 2025		
<b><u>Motion #2:</u></b> To approve the December 17, 2024, Special Open Board meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle M.	√				
Clark, Joseph W.	√				
Collins, Mary A.					√
Finelli, Christopher					√
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Saunders, Nathan A.	√				
Weers, Adam	√				

## **CHAIR REPORT**

Chair Bress referred the trustees to his written report and commented on the following topics:

- **In-Person Board Attendance:** Board meetings will continue virtually and in person. Those who want to meet in the Board room are welcome to do so, please let staff know.
- **Updates on Investments:** The political landscape now has changed. The market has been positive since the beginning of the year. The Fund increased 8.2% since the beginning of the year, bringing the Fund \$12.2 billion. That helps to offset the -1.5% loss since the beginning of this fiscal year.

Inflation ticked up a bit and employment improved by the end of the year. As a result, the Fed has become more reserved as to further cuts early this year. Some have predicted a 50/50 probability of an interest rate cut in March. However, in the past such a prediction has resulted in no cut. And the recent statement by President Trump of a 25% tariff on imported Canadian and Mexican goods effective February 1 may have an impact on the market and inflation. Today we move forward with additional investment opportunities that we expect will preserve and advance our Fund in this environment. I wish the Board and our employees a Happy New Year and look forward to a prosperous new year for the fund.

- **Rules of Professional Behavior for Board Meetings:** I would like to ask that Trustees and Staff please observe the following rules of professional behavior for Board and Committee meetings:
  1. Board and Committee meetings must start and end on time in accordance with the schedule set forth in the meeting agenda.
  2. Trustees and Staff must treat each other with respect and professionalism.
  3. Each Trustee is also asked to be respectful of their peers.
  4. Please turn your camera on and mute your audio until you are asked to speak
- **Annual Open Public Meeting Schedule:** The Annual Open Public Meeting Schedule of Board meetings for the calendar year 2025 will be included in Diligent Board books and posted to DCRB's website.
- **Board Officers Elections:** Board officer elections will occur in the March 20, 2025, Board Meeting during Other Business. The positions are Chair of the Board, Vice Chair/Secretary of the Board and Treasurer/Audit Committee Chair.
- **Welcome New Trustees:** As announced during the December 17, 2024, Open Special Board Meeting, Christopher Finelli was re-elected on the Board of Trustees to represent the active Firefighters and Nathan Saunders was re-elected on the Board of Trustees to represent the active Teachers. Please join me in welcoming Trustee Finelli and Trustee Saunders on their re-election to the DCRB Board of Trustees.
- **BEGA Ethics Training:** BEGA is conducting 2025 Quarterly Boards and Commissions Ethics Training on Wednesday, January 29, 2025, for members of the Board. An email was distributed to your dc.gov email addresses which provides the link to register to attend the training. This BEGA-sponsored training is separate from the annual DCRB Trustee Fiduciary and Ethics training, which will be held during a special closed session of the Board in February 2025.
- **Next Board Meeting:** The next meeting will be held on March 20, 2025.
- **Board Motions:** As a reminder, when voting on Board motions and resolutions, individual voice votes are required.
- **Member Complaints:** Trustees who receive questions or complaints from members on issues administered by DCRB should contact the Executive Director and the Department Chief who is

responsible for issue resolution.

Trustees moved to the next item on the agenda.

## **EXECUTIVE DIRECTOR'S REPORT**

Executive Director, Gianpiero "JP" Balestrieri, gave an update on the following topics:

### **1. Staffing Update**

- a. **New Hires**
- b. **Current Vacancies to Fill**

### **2. Fiscal Year 2024 Fund Performance and Investment Update (As of 11/11/2024)**

- a) **Total Market Value of the Fund:** is at \$12.4 billion
- b) **Firm Fund Liquidity:** Currently, the Fund holds approximately \$133 million in cash vs. monthly benefit payments of approximately \$30mn.
- c) **Net Returns to the Fund:**
  - i. Calendar Year End 2024: 8.3%
  - ii. Calendar YTD 2025: 1.3%
  - iii. Fiscal YTD 2025: 0%
  - iv. Last twenty (20) Years Average: the net return has averaged +6.8% per annum

### **3. Asset Allocation & Rebalancing Update (As of 01/22/2025)**

The DCRB investment team monitors the portfolio's asset allocation daily to ensure the asset allocation stays in line with targets and that there is sufficient liquidity to meet benefit payments, capital calls, and other operational needs.

- a. **Since the last Board meeting:** the investment team completed 12 rebalancing transactions valued at about \$438 million.
- b. **FY 25 to date:** the investment team has completed another 38 rebalancing transactions valued at approximately \$3.171 billion in FY 2025 to date.

### **4. Updated Investment Policy**

The investment policy serves as the governing document for the investment of the assets of the retirement funds as well as for the planning and implementation of DCRB's investment program, outlining DCRB's investment philosophy, practices, policies, and objectives and defining the roles, duties and responsibilities of the individuals and entities involved in the investment process.

### **5. DCRB Annual Audited Financial Statements for Fiscal Year End 2024**

The 2024 Fiscal Year DCRB audited financial statements were issued by Watson Rice on December 14, 2024, and approved by the Audit Committee and the full Board of Trustees on December 17th, 2024.

### **6. DCRB Awards**

For the sixteenth consecutive year, DCRB was awarded on November 13th, 2024, the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for its Fiscal Year ended 2022 Annual Comprehensive Financial Report, the highest form of recognition in governmental accounting and financial reporting. DCRB is

also, among a select number of public systems to receive the Public Pension Coordinating Council's (PPCC) 2024 Recognition Award for Funding and Administration, "in recognition of meeting professional standards for plan funding and administration, as set forth in the Public Pension Standards."

**7. Financial Management System (FMS) Modernization Process Update**

DCRB issued an RFP on October 21st, 2024, to find a comprehensive end-to-end FMS solution for acquisition planning and procurement, contract management, financial management with planning, programming, budgeting, and execution (PPBE) using standard modules of Ledger, Accounts Payable, Accounts Receivable, Cash Management, and Reporting, along with Fixed Assets and Forecasting.

**8. DCRB Self-Service Portal Integration Feasibility (Certified Public Manager (CPM) Program)**

On December 13th, 2024, DCRB was awarded a new CPM project that will conduct a feasibility study to determine if DCRB can utilize the active District's self-service portal to enable retirees to complete their transactions online and transfer the data into the STAR system. On Friday, January 10, 2025, the DCRB Benefits and IT team met with the District's Certified Public Manager program to kick off a 9-month project. DCHR sponsors this nationally accredited program through a strategic partnership with George Washington University. There is no cost to DCRB to participate in this program.

Trustees moved to the next item on the agenda.

**LEGAL DEPARTMENT REPORT**

Emily Bowie, Interim General Counsel, referred to the Board to the written report, which highlighted the following:

**TRUSTEE FINANCIAL DISCLOSURES – NEW REQUIREMENTS**

The Board of Ethics and Government Accountability ("BEGA") has adopted a final rule amending 3 DCMR § 5704 to designate several District board and commission members as "public officials" for purposes of BEGA's annual financial disclosure requirements. 3 DCMR § 5710 (attached). As public officials, DCRB's Trustees are now required to electronically file a Public Financial Disclosure Statement with BEGA each year. Public Financial Disclosure Statements are posted online and searchable by members of the public. (See <https://efiler.bega.dc.gov/FDSSearch>). The Trustees' first annual Public Financial Disclosure Statements are due to BEGA on May 15, 2025.

As you know, DCRB's enabling statute already requires the Trustees to submit annual public financial disclosures to the Mayor and the DC Council. See DC Code § 1-909.01 (attached). These required disclosures differ from the financial metrics District public officials must report to BEGA. Compare id., with 3 DCMR § 5701 (attached). DCRB's legal team is currently in discussion with BEGA about harmonizing these requirements for DCRB's Trustees and will keep the Board apprised of developments and new procedures.

Chair Bress asked if there is a separate form that needs to be filled out and if a copy could be sent to the trustees. Ms. Bowie responded, yes, they do. Chair Bress asked how many individuals are required to file both to the Mayor's office, City Council, and BEGA. Ms. Bowie responded that she wasn't sure but would look at the list to confirm if the other Boards and Commissions are subject to two forms of oversight. Chair Bress asked if the BEGA reporting was by DC Council's statute. Ms. Bowie responded that DC Council passed a statute that enables BEGA to require financial reporting, and that statute defines the list of public filers and gives BEGA the authority to add new public filers to the list. Chair Bress stated that it's clear the DC Council did not list DCRB trustees as reporters to BEGA, but instead to the Mayor and City Council, and asked what interest BEGA has in adding DCRB's trustees. Ms. Bowie responded that she is

not certain BEGA had DCRB’s enabling Act in mind when passing the rule making. Chair Bress asked if the information that will be filed by the Board of trustees with BEGA will be publicly available. Ms. Bowie responded yes; it will be searchable by the public on the website. This is as opposed to the financial disclosures filed with the Mayor which are made available to the public upon request.

Trustees moved to the next item on the agenda.

**INVESTMENT COMMITTEE REPORT**

Committee Chair Weers reported that the Investment Committee met on Thursday, January 23, 2025, which started with the educational workshop. The official actions taken at this meeting are presented below for ratification by the full Board.

**Motion #3:** To approve a commitment of up to \$100 million (~C\$145mn) to “Fund AA” \*, a private equity fund, pending legal review and final due diligence.

The motion was moved by Trustee Weers and properly seconded by Trustee Harris. The motion was approved unanimous vote (8-0). (See Tally #3)

Tally #3			Date: January 23, 2025		
<b><u>Motion #3:</u></b> To approve a commitment of up to \$100 million (~C\$145mn) to “Fund AA” *, a private equity fund, pending legal review and final due diligence.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle M.	√				
Clark, Joseph W.	√				
Collins, Mary A.					√
Finelli, Christopher					√
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.					√
Saunders, Nathan A.	√				
Weers, Adam	√				

**Motion #4:** To approve a commitment of up to \$75 million to “Fund AB” \*, a private infrastructure fund, pending legal review and final due diligence.

The motion was moved by Trustee Weers and properly seconded by Trustee Harris. The motion was approved unanimous vote (8-0). (See Tally #4)

Tally #4			Date: January 23, 2025		
<b><u>Motion #4:</u></b> To approve a commitment of up to \$75 million to “Fund AB” *, a private infrastructure fund, pending legal review and final due diligence.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				

Blanchard, Lyle M.	√				
Clark, Joseph W.	√				
Collins, Mary A.					√
Finelli, Christopher					√
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.					√
Saunders, Nathan A.	√				
Weers, Adam	√				

**Motion #5** To approve a commitment of up to \$100 million to “Fund AC” \*, a private credit fund, pending legal review and final due diligence.

The motion was moved by Trustee Weers and properly seconded by Trustee Harris. The motion was approved unanimous vote (8-0). (See Tally #5)

Tally #5		Date: January 23, 2025			
<b>Motion #5:</b> To approve a commitment of up to \$100 million to “Fund AC” *, a private credit fund, pending legal review and final due diligence.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle M.	√				
Clark, Joseph W.	√				
Collins, Mary A.					√
Finelli, Christopher					√
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.					√
Saunders, Nathan A.	√				
Weers, Adam	√				

Trustee Saunders stated that it would be helpful as a rule that the trustees be made aware of what the letters indicate as it pertains to the investments. Chair Weers agreed and suggested that in future meetings could be added as a footnote.

Trustees moved to the next item on the agenda.

**OPERATIONS COMMITTEE REPORT**

In the absence of the Committee Chair Finelli, Vice Chair Clark presented the following report. The Operations Committee was held on December 17th, 2024, with an agenda that included two items:

- The approval of minutes from its October 15<sup>th</sup>, 2024, meeting; and
- A “Valuation Analysis” presentation from Bolton, DCRB’s actuary.

Following discussion during and after Bolton’s presentation, the Committee approved moving forward with

the following motion for full Board review and vote:

*To accept and approve the Report on the Actuarial Valuations of the District of Columbia Teachers' Retirement Plan and the District of Columbia Police Officers and Firefighters' Retirement Plan, prepared as of October 1, 2024, for Fiscal Year ending 2026, presented to the Board by Bolton, Inc. on December 17, 2024.*

***PRESENTED TO THE BOARD ON DECEMBER 17, 2024.***

In the special Board meeting that immediately followed the Committee meeting, the Board voted to approve the motion.

The next Operations Committee is scheduled to be held on Tuesday, February 18<sup>th</sup>, at 1pm.

Trustees moved to the next item on the agenda.

### **BENEFITS COMMITTEE REPORT**

Committee Chair Gregg reported that the Benefits Committee did not meet in January, but the next meeting is scheduled for Thursday, February 20, 2025, at 10 a.m. EST. Below is a summary of recent Benefits Department activities.

Healthcare Open Enrollment Processing – Healthcare Open Enrollment ended in December, and we have completed processing Federal and District health plan changes. Members who have changed health plans should receive new cards in late January/early February.

Certified Public Manager Program – On Friday, January 10, 2025, DCRB met with the District's Certified Public Manager Cohort 37 to kick off a 9-month project focusing on the potential utilization of the District's self-service module to service our annuitants. We are hoping a feasibility analysis can result in a possible movement to the District's platform and provide insights for a future integrated pension system option. As part of this program, District managers will participate in project teams to apply the project management and methodologies learned in class to effectuate real improvement opportunities. DCHR sponsors this nationally accredited program through a strategic partnership with George Washington University. There is no cost to DCRB to participate in this program.

1099-Rs Online – The annual 1099-R tax forms will continue to be mailed to members' home addresses at the end of January. Member can also log into their annuitant self-service portal to retrieve a PDF copy of the form. This will be available beginning early February, and announcements of this feature will be communicated to members via our website and mailed earning statement message.

Trustee Saunders stated that it would be helpful to the members if DCRB could provide fundamental information about the important legislation or law passed pertaining to social security and encourage them to contact their local social security administration. Mr. Hernandez responded that FAQ,s and scripts for the member service representatives have been drafted and sent to legal for review

Trustees moved to the next item on the agenda.

## **AUDIT COMMITTEE REPORT**

Committee Chair Harris reported that the Audit Committee met on December 17, 2024, and the following items were presented:

- Audit Presentation:
  - o Watson Rice provided their final communication to the committee:
    - The FY 24 financial statements were issued with an unmodified (clean) opinion.
    - The FY 24 Compliance Report under Government Audit Standards was also issued with an unmodified (clean) opinion. Watson Rice did not identify any internal control matters or findings during their audit.
    - A motion for the approval of the financial statements was approved by the Committee.
- The Budget vs Actual report as of November 30, 2024:
  - o 89% of the original FY 25 budget was still available for spending.
- Internal Auditor Report:
  - o The Internal Audit Director discussed the following items during his presentation:
    - New Finding- It has been determined that DCRB lacks a formalized document retention policy. In response, DCRB, led by the Legal team, will finalize, and adopt a comprehensive agency wide record retention policy by September 30, 2025.
    - Prior Findings- Risk mediation and process and procedure documents have been completed for all benefit related findings. The Finance Department will continue to make improvements to the month-end and year- end close processes. All prior findings are now in a monitoring stage.

The next Audit Committee meeting is scheduled for February 18, 2025, at 10 am.

Trustees moved to the next item on the agenda.

## **LEGISLATIVE COMMITTEE REPORT**

Committee Chair Blanchard reported on the following report reflects activities of interest since the November 21, 2024, Board Meeting:

### **COUNCIL OF THE DISTRICT OF COLUMBIA**

#### **Legislation:**

#### **Committee of the Whole - Deferred Retirement Option Program (“DROP”) Amendment Act of 2024 (Bill 25-928).**

The Council declined to adopt the DROP Amendment Act prior to the end of the calendar year. It is unclear whether or when the DROP Act will be reintroduced. DCRB’s legal team will continue to monitor any future developments.

- **Resolution – Working Conditions and Compensation Agreements between DCPS and the Washington Teachers’ Union, Local #6 (Res. 26-13).**

The Council has approved the Working Conditions and Compensation Agreement between DCPS and the Washington Teachers’ Union, Local #6 and related pay schedules. Effective immediately, the Agreement increases the compensation and benefits payable to DCPS employees.

#### **Other**

- **Mayor’s Order 2025-004 - Police Complaints Board – Confirmation Resolutions**

Chair Mendelson introduced Confirmation Resolutions for the Police Complaints Board on January 7, 2025, on behalf of Mr. Jeffrey T. Tignor and Mr. Earl Fowlkes, Jr. who are reappointed for terms ending on January 12, 2027.

**UNITED STATES CONGRESS**

▪ **Social Security Fairness Act (H.R.82)**

President Biden signed the Social Security Fairness Act, HR 82, into law on January 5, 2025. The Act repeals two federal laws -- the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) – from the Social Security Act (42 U.S.C. § 402 et. seq.). The WEP/GPO reduced monthly social security benefits payable to public employees and their spouses who are covered by pension plans maintained for public employers that do not withhold social security taxes from employee salaries. Under the Act, annuitants and beneficiaries who were impacted by the WEP/GPO will begin receiving social security benefits that are no longer reduced and are entitled to increased benefits retroactive to January 2024. The Social Security Administration is responsible for the implementation of the changes under the Act.

Committee Chair Blanchard stated that the City Council has issued the public hearing schedule for the agency oversight hearings and would forward the link to Mr. Balestrieri once confirmed.

Trustees moved to the next item on the agenda.

There being no further business to come before the Board of Trustees, Chair Bress introduced motion to adjourn the meeting.

**Motion #6:** To adjourn the meeting at 2:23 pm.

The motion was moved by Chair Bress and properly seconded by Trustee Harris. The motion was approved by unanimous vote (9-0). (See Tally #6)

Tally #6		Date: January 23, 2025			
<b><u>Motion #6:</u></b> To adjourn the meeting at 2:23 pm.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Bress, Joseph M., Chair	√				
Blanchard, Lyle M.	√				
Clark, Joseph W.	√				
Collins, Mary A.					√
Finelli, Christopher					√
Grambo, Geoffrey P.	√				
Gregg, Danny C.	√				
Harris, Tracy S.	√				
Pemberton, Gregory J.	√				
Saunders, Nathan A.	√				
Weers, Adam	√				