



DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)
DRAFT* OPEN BOARD MEETING MINUTES
THURSDAY, May 15, 2025
1:30 P.M. via WebEx

***These draft minutes must be approved by the Board at its next Open Board meeting.**
Full meeting minutes will be posted after the next Open Board meeting.

MEMBERS PRESENT

Chair, Danny Gregg
Lyle M. Blanchard (1:35 p.m.)
Joseph M. Bress
Mary A. Collins
Christopher Finelli
Geoffrey Grambo
Tracy S. Harris
Greggory Pemberton
Adam Weers

MEMBERS NOT PRESENT

Joseph W. Clark
Nathan A. Saunders
Carmen Pigler, Ex Officio

DCRB STAFF PRESENT

Gianpiero "JP" Balestrieri, Executive Director
Kate Robinson
Violeta Curiel Gonzalez
Patrick Sahm
Samantha Van der Bunt
Ram Murthy
Daniel Hernandez
Vernon Valentine
Lauren Smith
Lori Morgan
Leslie West
Jaininne Edwards
Wukyanos Gebremeskel
Shaquja Clark
Johniece Harris, Board Liaison

OTHERS PRESENT

Gar Chung, Financial News
Mustsfa Elgabry, Blackrock

ROLL CALL

Chair Danny Gregg called the meeting to order at 1:30 p.m. and Ms. Johniece Harris called the roll.

APPROVAL OF MINUTES

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

Motion#1: To approve the March 20, 2025, Open Board meeting minutes.

The motion was moved by Trustee Gregg and properly seconded by Trustee Bress.
The motion was approved by unanimous vote (8-0). (*See Tally #1*)

| Tally #1 | | | Date: May 15, 2025 | | |
|---|-----|----------------|------------------------|-----------------------|--------|
| <u>Motion #1:</u> To approve the March 20, 2025, Open Board meeting minutes. | | | | | |
| Members | Aye | Nay/ Oppose | No Vote/ Abstain | No Vote/ Recuse | Absent |
| Gregg, Danny C., Chair | | | | | |
| Blanchard, Lyle M. | | | | √ | |
| Bress, Joseph M. | | | | | |
| Clark, Joseph W. | | | | | √ |
| Collins, Mary A. | | | | | |
| Finelli, Christopher | | | | | |
| Grambo, Geoffrey P. | | | | | |
| Harris, Tracy S. | | | | | |
| Pemberton, Gregory J. | | | | | |
| Saunders, Nathan A. | | | | | √ |
| Weers, Adam | | | | | |

CHAIR REPORT

Chair Gregg 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.

- **Board Etiquette:**

Decorum- professionalism – 1) civility; 2) mutual respect and courtesy toward others and 3) preparation, i.e., thoroughly read briefing materials, test links to access meeting before the actual meeting, 4) be on time – meetings will begin once a quorum is met.

Agenda – out of respect for other trustees and staff please plan to arrive on time and remain focused exclusively on the agenda items. Once a meeting is convened, other matters aside from the prepared Agenda may be addressed during “Other Business.”

Computer Camera - please turn on your camera and mute your audio until you intend to speak.

- **Board Governance**

Delegation of Authority – Board governance focuses on setting the overall direction, strategy, and policies for DCRB, while management focuses on the day-to-day operations and implementation of those policies. Trustees must refrain from getting into the weeds. Trustees and the ED will create the vision for DCRB and it's the duty of the paid professional staff to help us achieve that vision through the development of operational programs and policies and procedures.

Complaints/Concerns – refer complaints to the responsible department head with a courtesy notification to the executive director. DCRB staff will address the issue and contact the complainant with findings and any resolution that addresses the concern. The originating trustee will be kept informed

Investments– the executive director and chairman of the Investment Committee will update us on the performance of the Fund.

Standing Committees-Standing Committees Chairs/Vice Chairs:

- Investment Committee of the Whole–Chair Adam Weers/Vice Chair Tracy Harris
- Audit Committee – Chair Tracy Harris/Vice Chair Mary Collins
- Benefits Committee – Chair Geoff Grambo/Vice Chair Nathan Saunders
- Legislative Committee – Chair Lyle Blanchard/Vice Chair Mary Collins
- Operations Committee - Chair Chris Finelli/Vice Chair Gregory Pemberton

• **Scheduled Meetings- Schedule of Board of Trustees Meetings:**

Trustee meetings are every other month. A schedule is posted at DCRB website with dates and times.

Committee meetings shall be held during the months that a Board meeting is not scheduled.

August – no meetings

Training sessions for all Trustees will be held prior to the investment committee meeting in the months the Board of trustees meet. All Trustees are encouraged to seek out knowledge-based and skills-based training opportunities to better serve Plan participants.

- **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.
- **Trustee Elections:** It's that time again!! Trustee elections will be held this summer for the Retired Teachers' position on our Board of Trustees. As in the past, the process will begin August 1, 2025, and the winner will be certified in December. The new term will begin on January 28, 2026.
- **Next Board Meeting:** The next meeting will be held on July 17, 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

- New & Pending Hires**
- Current Vacancies to Fill**
- Classification & Compensation Study**

2. Fiscal Year 2024 Fund Performance and Investment Update (As of 5/14/2025)

- Total Market Value of the Fund:** is at \$12.6 billion
- Firm Fund Liquidity:** Currently, the Fund holds approximately \$160 million in cash vs. monthly benefit payments of approximately \$30mn.
- Net Returns to the Fund:**
 - Calendar YTD 2025: 3.9%
 - Fiscal YTD 2025: 2.4%
 - Last twenty (20) Years Average: the net return has averaged +6.8% per annum

3. Asset Allocation & Rebalancing Update

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.

- Since the last board meeting:** the investment team has completed another 19 rebalancing transactions valued at about \$640 million.
- FY 25 to date:** the investment team has completed 69 rebalancing transactions valued at approximately \$4.249 billion in FY 2025 to date.

4. Closings Since last Board Meeting

- DCRB closed an investment of \$75Mn in Hull Street Energy III, an investment manager focused on infrastructure.
- DCRB closed an investment of C\$140Mn/\$100Mn in Birch Hill Equity Partners VII, an investment manager focused on middle market private equity investments.
- DCRB closed an investment of \$100Mn in SVP Special Opportunities VI, an investment manager focused on private credit investments.

5. Updated Investment Policy

The updated 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. Management presented an updated investment policy and for initial review by the Investment Committee in today's IC meeting.

6. Custodial Banking Services RFP

The Finance and Investments teams have worked with the procurement department to conduct an RFP process for a new custodial banking services recommendation to be presented at the Operations Committee meeting in June 2025 and then to the full Board in July 2025.

7. DCRB Annual Consolidated Financial Report (ACFR) FYE 2024 Update

The Fiscal Year end 2024 ACFR has been published and printed as of March 28, 20225. On April 25, 2025, financial summaries for the Teachers, Police and Fire plans were also prepared and posted to the DCRB website.

8. RFP Process for Independent Audit Services Provider

The Finance team has worked with the procurement department to conduct an RFP process for a new independent audit services provider recommendation to be presented at the Audit Committee meeting in June 2025 and then to the Board for approval in July 2025.

9. Stakeholder Outreach: Trainings and Workshops

The Benefits team continues to lead a very proactive stakeholder outreach program to kick off calendar year 2025 focused on training and workshops with employer agencies.

- a. April 1, 2025: Association of Retired Police Officers (AORP) Meeting
- b. April 7, 2025: Retired Firefighters Association Meeting
- c. April 9, 2025: Washington Teachers' Union (WTU) Retiree Association Meeting

10. Benefits Administration Pension System RFP Process

DCRB management will present an education session on the options reviewed to date for the Benefits Administration Pension System (BAPS) at the June 2025 operations committee prior to moving forward with the RFP procurement process for BAPS. DCRB management intends to conduct and complete the RFP process for review and approval by the trustees in the fall of 2025.

Trustees moved to the next item on the agenda

LEGAL DEPARTMENT REPORT

Kate Robinson, Interim General Counsel, reported to the Board there were no new developments. DCRB's Legal Department continues to make progress on our goals and projects for fiscal year 2025.

Kate Robinson, Interim General Counsel stated that the Trustees have been granted by BEGA an extension Until June 15th to file Financial Disclosures Forms, the Council approved emergency legislation to delay BEGA's rules until next year. The Mayor has a ten-day review period, which ends May 20th to either sign or veto the bill and allow it become law with taking any action.

Trustees moved to the next item on the agenda

INVESTMENT COMMITTEE REPORT

Committee Chair Weers reported that the Investment Committee met on May 15, 2025. The official actions taken at this meeting are presented below for ratification by the full Board.

Motion #2: To approve a full redemption from “Fund AE”* and the transfer of proceeds to the “Fund AF”*. The Investment Team should report on the results of the transition to the IC following completion.

The motion was moved by Chair Weers and properly seconded by Trustee Bress.

The motion was approved unanimous vote (9-0). (See Tally #2)

| | | | | | |
|--|-----|-------------|---------------------|--------------------|--------|
| Tally #2 | | | Date: May 15, 2025 | | |
| Motion #: To approve a full redemption from “Fund AE”* and the transfer of proceeds to the “Fund AF”*. The Investment Team should report on the results of the transition to the IC following completion. | | | | | |
| Members | Aye | Nay/ Oppose | No Vote/ Abstain | No Vote/ Recuse | Absent |
| Gregg, Danny C., Chair | √ | | | | |
| Blanchard, Lyle M. | √ | | | | |
| Bress, Joseph M. | √ | | | | |
| Clark, Joseph W. | | | | | √ |
| Collins, Mary A. | √ | | | | |
| Finelli, Christopher | √ | | | | |
| Grambo, Geoffrey P. | √ | | | | |
| Harris, Tracy S. | √ | | | | |
| Pemberton, Gregory J. | √ | | | | |
| Saunders, Nathan A. | | | | | √ |
| Weers, Adam | √ | | | | |

Motion #3: To approve a commitment of up to \$100 million to “Fund AG”*, a private infrastructure fund, pending legal review and final due diligence. The commitment is in line with DCRB’s various investment policy statements, asset allocation and annual commitment budget.

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

The motion was approved unanimous vote (9-0). (See Tally #3)

| | | | | | |
|--|-----|-------------|---------------------|--------------------|--------|
| Tally #3 | | | Date: May 15, 2025 | | |
| Motion #3: To approve a commitment of up to \$100 million to “Fund AG”*, a private infrastructure fund, pending legal review and final due diligence. The commitment is in line with DCRB’s various investment policy statements, asset allocation and annual commitment budget. | | | | | |
| Members | Aye | Nay/ Oppose | No Vote/ Abstain | No Vote/ Recuse | Absent |
| Gregg, Danny C., Chair | √ | | | | |
| Blanchard, Lyle M. | √ | | | | |
| Bress, Joseph M | √ | | | | |
| Clark, Joseph W. | | | | | √ |
| Collins, Mary A. | √ | | | | |
| Finelli, Christopher | √ | | | | |

| | | | | | |
|-----------------------|---|--|--|--|---|
| Grambo, Geoffrey P. | √ | | | | |
| Harris, Tracy S. | √ | | | | |
| Pemberton, Gregory J. | √ | | | | |
| Saunders, Nathan A. | | | | | √ |
| Weers, Adam | √ | | | | |

In addition, DCRB completed the following new investments since the last Investment Committee meeting:

1. A \$75 million commitment to **Hull Street Energy Partners III**, a private infrastructure fund, closed on March 27, 2025.
2. A \$100 million (~C\$145mn) commitment to **Birch Hill Equity Partners VII**, a private equity fund, closed on April 3, 2025.
3. A \$100 million commitment to **SVP Special Situations Fund VI**, a private credit fund, closed on April 30, 2025.

Trustees moved to the next item on the agenda.

OPERATIONS COMMITTEE REPORT

Committee Chair Finelli reported to the Board that the Operations Committee did not meet in April. The next Operations Committee meeting is scheduled to be held on Tuesday, June 17, 2025, at 1pm.

This concludes my report.

Trustees moved to the next item on the agenda.

AUDIT COMMITTEE REPORT

Committee Chair Harris reported that the Audit Committee met on February 18, 2025, and the following items were presented:

- The Budget vs Actual report as of March 31, 2025:
 - o 70% of the original FY 25 budget was available for spending.
- Internal Auditor Report:
 - o The Internal Audit Director provided an update on the audits that were recently completed:
 - Procurement Audit- Mr. Gormley described the procedure for conducting the procurement audit, which included examining the department's policies and procedures and the relevant DC Code for procurement. He also analyzed the monthly budget and open purchase order reports to select a sample of transactions for testing. The testing process involved tracing transactions from initiation to completion, covering the creation of the requisition to the final payment phase. There were no internal audit findings or instances of non-compliance identified as a result of this testing.
 - Budget Formulation Audit- Alongside the procurement audit, Mr. Gormley also conducted an audit of the Budget Formulation process. His review included examining the department's policy and procedures manual, and the monthly budget reports. He observed that the

department manages its workload using the Procurement Office Workload Spreadsheet. Additionally, the team has developed Process and Risk flow charts that outline the internal controls that are embedded in the process. Similar to the Procurement Audit, there were no internal audit findings or instances of non-compliance identified.

- Dashboard- Mr. Gormley concluded his presentation by stating that the Dashboard will be utilized to track all internal audits that have been completed to date. He emphasized that the Dashboard will be updated as necessary, as he continues to monitor compliance in previously audited areas.

The next Audit Committee meeting is scheduled for June 17, 2025, at 10 am.

Trustees moved to the next item on the agenda.

BENEFITS COMMITTEE REPORT

Committee Chair Grambo reported that the scheduled for April 19, 2025, was cancelled. The next Benefits Committee meeting is set for Wednesday, June 18, 2025, at 10 a.m.

2025 Annuitant Verification Project - The Benefits Department mailed letters to 500 randomly selected annuitants on April 25, 2025, requesting a notarized verification of annuity form by May 30, 2025. Periodically, DCRB mails verification letters to a sampling of annuitants requesting they confirm receipt of their monthly benefit payments, verify their address, and if applicable, update their personal information as appropriate. DCRB is responsible for verifying that retirees and survivors are receiving their benefit payments, an effort which aids in eliminating fraud, waste, and abuse by preventing improper payments.

Executive Order “Modernizing Payments To and From America’s Bank Account” - On March 25, 2025, Executive Order “Modernizing Payments To and From America’s Bank Account” was signed into law by the President. This order mandates the transition from paper-based payments to electronic payments for all Federal disbursements and receipts by September 30, 2025. DCRB must make adjustments to comply with the new order because our payments to annuitants in the District of Columbia Police Officers and Firefighters’ Retirement Plan and in the District of Columbia Teachers’ Retirement Plan are issued by the Office of DC Pensions for the U.S. Department of the Treasury. DCRB notified 130 members of the direct deposit requirement; that there will be only limited exceptions and accommodations granted where electronic payment methods are not feasible; and the limited number of annuitants who mail physical checks to the Bureau of Fiscal Services to pay for health care premiums each month will need to sign up at Pay.gov to submit those payments.

Trustee Collins asked if the issues with health and life insurance for some annuitants being under OPM and DC government been resolved? Mr. Daniel Hernandez, Pension Administrator, responded that the corrections are ongoing and meeting. There is a planned open enrollment this fall with more information to come at the June Benefits committee meeting. Trustee Collins asked if DCRB is receiving any road-blocks and is the District government in cooperation with resolving the issue. Mr. Hernandez responded that there is a timeline with Treasury and the modification of the STAR system, which will finish up in late June and early July. DCRB is also working with DCHR to ensure correct information is received. JP Balestrieri, Executive Director, mentioned that DCRB has received schedules from OPEB and DCHR showing replenishment costs and remedies in writing and stated they are obligated to make those payments. Mr. Hernandez also stated that DCRB will not be responsible for making any missing or underpayments. Trustee Collins replied that the trustees were not aware and DCRB needs to continue to provide information with full transparency.

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 March 20, 2025, Board Meeting:

Council of the District of Columbia

Legislation:

- **Marion S. Barry Summer Youth Employment Program Creditable Service Benefit Amendment Act of 2025 (B26-43).** The Council is considering a bill to provide that participation in the Marion Barry Youth Employment Program constitutes creditable service under the District retirement programs if the individual is employed as a District employee after completing the program. The Council held a hearing on the proposed legislation on May 9, 2025. The legislation is not expected to impact service crediting under the District of Columbia Police Officers and Firefighters or Teachers' Retirement Plans.
- **Proposed Resolution – Emergency Action (PR26-189, B26-239, B26-240).** The Council approved temporary and emergency legislation during its legislative session on May 5, 2025. The proposed resolution delays the applicability of BEGA's new financial reporting requirements for DC boards and commissions until January 1, 2026. The proposed resolution will not become law until the Mayor either signs it or allows it to become law after the end of her 10 business day review period. In the proposed resolution, the Council notes that several boards and commissions have raised concerns about BEGA's new reporting requirement and explains that the Council needs time to consider whether BEGA is justified in expanding its list of public filers.
- **Retired Firefighter and Police Officer Redeployment Amendment Act of 2024 (DC Law 25-275).** The Council published a notice stating that the 30-day Congressional review period has ended and the Retired Firefighter and Police Officer Redeployment Amendment Act of 2024 was enacted into law as of March 7, 2025.

The legislation amends the Retired Police Officer Redeployment Amendment Act of 1992 to make retired firefighters and police officers eligible for rehire at the discretion of the Director of the Office of Unified Communications (OUC) as temporary full-time or part-time 911 call takers or dispatchers without requiring that their salaries be offset by any retirement annuity they are already receiving. Under the District's current salary offset laws, the salaries of rehired annuitants, in their rehired position, may be reduced by the amount of their retirement annuities. This bill allows the redeployed annuitants to receive both their annuities and their full District salaries in their rehired positions.

Other

- **Certification of the Winner of the Election to Serve as the Retired Police Officer Member of the Board.** DCRB published the notice of certification of Chair Danny Gregg's election to serve as the retired police officer member of the Board on April 4, 2025.

Chair Gregg wanted to thank everyone for all the efforts for the resolution of the BEGA filings. Trustee Collins asked if the date provided for the Mayor's review period is uploaded in the legislative report currently in Diligent Board books? Trustee Blanchard responded no, he was just made aware of that date a day before, however, will amend his report to reflect that day in Diligent Board books

Trustees moved to the next item on the agenda.

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

Motion #4: To adjourn the meeting at 2:20 pm.

The motion was moved by Chair Gregg and properly seconded by Trustee Grambo.
The motion was approved by unanimous vote (9-0). (See Tally #4)

| | | | | | |
|--|-----|----------------|------------------------|-----------------------|--------|
| Tally #4 | | | Date: May 15, 2025 | | |
| <u>Motion #4</u> To adjourn the meeting at 2:20 pm. | | | | | |
| Members | Aye | Nay/ Oppose | No Vote/ Abstain | No Vote/ Recuse | Absent |
| Gregg, Danny C., Chair | √ | | | | |
| Blanchard, Lyle M. | √ | | | | |
| Bress, Joseph M. | √ | | | | |
| Clark, Joseph W. | | | | | √ |
| Collins, Mary A. | √ | | | | |
| Finelli, Christopher | √ | | | | |
| Grambo, Geoffrey P. | √ | | | | |
| Harris, Tracy S. | √ | | | | |
| Pemberton, Gregory J. | √ | | | | |
| Saunders, Nathan A. | | | | | √ |
| Weers, Adam | √ | | | | |