



DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)
DRAFT* OPEN BOARD MEETING MINUTES
THURSDAY, November 17, 2022
1:00 P.M. via WebEx

MEMBERS PRESENT

Joseph M. Bress, Chair
Lyle M. Blanchard (joined at 1:48 pm)
Joseph W. Clark
Mary A. Collins
Christopher Finelli
Geoffrey P. Grambo
Danny C. Gregg
Nathan A. Saunders
Greggory Pemberton
Adam Weers
Carmen Pigler, ex officio

MEMBERS NOT PRESENT

Tracy S. Harris

DCRB STAFF PRESENT

Gianpiero “JP” Balestrieri, Executive Director
Betty Ann Kane
Ram Murthy
Munetsi Musara
Patrick Sahn
Daniel Hernandez
Vernon Valentine
Jaininne Edwards
Leslie King
Lori Morgan
Johniece Harris, Board Liaison

OTHERS PRESENT

Lindsay Saienni, Financial News
Jordan Kaplan, Private Citizen
Baylor Kaplan, Mandate Wire

ROLL CALL

Chair Joseph Bress called the meeting to order at 1:17 p.m. and Ms. Johniece Harris called the roll.

APPROVAL OF MINUTES

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

Motion #1: To approve the October 20, 2022, open session Board meeting minutes.

The motion was moved by Trustee Gregg and properly seconded by Trustee Weers.
The motion was approved (8-0) with 1 abstention. (*See Tally #1*)

Tally #1	Date: November 17, 2022
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Motion #1: To approve the October 20, 2022, open session 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 trustees to his written report and commented on the following topics:

- **In-Person Board Attendance:** The Board will continue to meet virtually until we reassess in person meetings. Those trustees who wish to attend Board meetings in person, please notify staff.
- **Market Updates:**
 - Each month economic news is volatile and probably will continue to be for a while. The Fed raised the interest rate earlier this month, while indicating there may be a cooling in new increases. The inflation rate at the end of October fell to 7.7%. Target indicates its consumer department stores may be offering attractive sales for Christmas, and twitter may be teetering.
 - The Ukraine war will most likely continue to affect the energy market and last week’s potential change in the House leadership may raise their perceived issues with ESG. As always over the last two years, we continue to maintain our course and have protected the Fund throughout these ups and downs.
 - Tech companies (as well as other industries have begun large layoffs). These actions and potential slowdown in consumer buying may lead to a recession, hopefully small as some experts have predicted. With all this activity, I wish everyone on the Board and staff a Happy Thanksgiving and be thankful for family and all we have at this time.
- **Next Board Meeting:** The next meeting will be held on December 15, 2022.
- **Board Motions:** As a reminder, when voting on Board motions and resolutions,

individual voice votes are required.

- **Member Complaints**: Trustees who receive any complaints or concerns from Retirement Plan members should forward those complaints to the Executive Director and the appropriate DCRB department head.

Trustees moved to next item on the agenda.

EXECUTIVE DIRECTOR REPORT

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

1. Staffing Update

a. New Hires Since Last Board Meeting

- Benefits
- Legal
- Communications

b. Current Vacancies to Fill

2. Investment Fees and Expenses Verification Services Update

DCRB has contacted and introduced Colmore to investment managers and obtain third-party general partner reporting portal access. To date, Colmore has collected information from both existing and liquidated investment managers, including:

- a) Financial statements and historical cash flows
- b) Limited partnership agreements, side letters and amendments for review by Colmore’s legal team
- c) Staff and investment manager follow up meetings are being conducted on a weekly basis with Colmore to respond to follow-up questions
- d) 73/76 investment managers have been responsive in the process to date

3. Transaction Cost Analysis/Transition Management Consulting RFP

The investments and procurement departments are working together to issue an RFP for a consultant to help DCRB monitor the transaction and transition costs of public markets investment managers. The need for this service has been necessary for several years, but the board has never issued an award for such services. The plan is to finally complete this procurement by March 31, 2023.

- **The consultant would provide three primary services to the Board:**
 - Benchmark the Board’s public market investment managers’ trading costs (equities, fixed income, foreign exchange) to ensure they are in line with the market
 - Assist the investment team in the evaluation of prospective investment managers’ trading costs to identify potential issues before hiring
 - Assist the team in developing investment manager transition strategies as well as measuring and evaluating transition costs

4. Funston

Funston is completing a final report and presentation to trustees. We have confirmed the presentation by Funston is scheduled for November 29th, 2022, in a special session of the Board of Trustees.

5. Private Markets Investment Commitments Closed

- Pain Schwartz Food Chain Fund VI (Natural Resources) (\$100MM on 10/20/22)
- Silver Rock Tactical Allocation Fund – Vintage 2022 (Private Credit) (\$100MM on 11/1/22)
- BlackRock Global Infrastructure Fund IV (Infrastructure) (\$150MM on 11/11/22)

6. Outreach to Mayor’s Office and Agencies

As mentioned in the October 2022 Board meeting, we would be reaching out to the Mayor’s office and the employer agencies to collaborate on resolving the accuracy and timely delivery of efficient data from the employer agencies. This is an absolute requirement prior to DCRB expending significant amounts of capital on a viable integrated Benefits Administration Pension System (BAPS). In late October, we commenced engagement with the mayor’s office and her team to task and address “data quality and the holistic active to retirement process” as an important time sensitive issue with the responsible agencies including (DCHR, DCPS, OPRS, OCTO, MPD and FEMS).

Trustees moved to next item on the agenda.

LEGAL DEPARTMENT REPORT

Leslie King, Senior Counsel, there was no written report this month.

Trustees moved to next item on the agenda.

INVESTMENT COMMITTEE REPORT

Committee Chair Weers reported that the Investment Committee did meet today and proposed the motion presented below for Board approval

Motion #2: To approve a re-commitment of up to \$75 million to Fund E*, pending legal review and final due diligence. *The Fund name is redacted per D.C. Code § 1-909.05(e) pending completion of the transaction.

The motion was moved by Committee Chair Weers and properly seconded by Trustee Gregg. The motion was approved (10-0). (See Tally #2)

Tally #2			Date: November 17, 2022		
Motion #2: To approve a re-commitment of up to \$75 million to Fund E*, pending legal review and final due diligence. *The Fund name is redacted per D.C. Code § 1-909.05(e) pending completion of the transaction.					
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 #3: To approve a commitment of up to \$75 million to Fund F*, pending legal review and final due diligence. *The Fund name is redacted per D.C. Code § 1-909.05(e) pending completion of the transaction.

The motion was moved by Committee Chair Weers and properly seconded by Trustee Gregg.
The motion was approved (10-0). (See Tally #3)

Tally #3			Date: November 17, 2022		
Motion #3: To approve a commitment of up to \$75 million to Fund F*, pending legal review and final due diligence. *The Fund name is redacted per D.C. Code § 1-909.05(e) pending completion of the transaction					
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 search for a **passive U.S. Large Cap Equity Investment Manager.**

The motion was moved by Committee Chair Weers and properly seconded by Trustee Bress. The motion was approved (10-0). (See Tally #4)

Tally #4			Date: November 17, 2022		
Motion #4: To approve a search for a passive U.S. Large Cap Equity Investment Manager.					
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	√				

OPERATIONS COMMITTEE REPORT

Operations Committee Chair Saunders reported that the Operations Committee met November 14th and the meeting agenda included two, main topics of discussion, including a proposed action item.

The committee first heard a presentation on the agency’s proposed FY24 operating budget. The presentation was delivered by Mr. Munetsi Musara, DCRB’s Chief Finance Officer, and Ms. Lori Morgan, Director of Finance. A copy of that presentation is included in your Board package.

- The budget presentation included an overview of proposed budget allocations by DCRB programs and departments, as well as by FTE headcount. The presentation also included a detailed comparison of budget and FTE allocations and expenditures, for FY22, FY23, and FY24—as well as other information, including costs of personal and non-personal services; projected new positions; and a detailed comparison of FY22-FY24 budget line items.
- The Operations Committee asked questions throughout the presentation to ensure understanding of the information being provided. The Committee also made several suggestions for improving presentation content (such as adding reference notations in certain places).

- Following the presentation and associated discussion, the following motion was made, voted on, and approved by the Operations Committee for recommendation to the full board:

TO APPROVE THE PROPOSED FY24 OPERATING BUDGET OF \$39,690,511 AND 94 FTES.

The committee next heard a presentation on proposed changes to DCRB’s Supplemental 401(a) retirement plan. This presentation was delivered by Ms. Leslie King, DCRB’s Senior Legal Counsel, and a copy of that presentation also is included in your Board package.

- The DCRB Supplemental retirement plan presentation included a review of the legal background and context around the agency’s plan, which was introduced in 2010. Ms. King provided an overview of current contribution features and reviewed the recommended changes to the plan document to reflect the current contribution practices.
- The Operations Committee asked questions throughout the presentation to ensure understanding of the recommended motions. The Committee also requested a side-by-side comparison of the agency’s plan with the District’s 401(a) and 457(b) retirement plans; information on the number of DCRB employees covered under DCRB’s Supplemental retirement plan; and revised motions to present to the Board.
- The Committee indicated that it was in favor of recommending to the Board at its November 17, 2022 meeting that the DCRB Supplemental retirement plan document be amended to reflect contribution changes, pending receipt of additional information and revised motions.

There was a brief discussion on the initial motion, why it needed edits and to be amended.

Motion #5: Amend the DCRB Supplemental 401(a) Defined Contribution Retirement Plan (DCRB 401(a) Plan) document to (i) retain the variable employer matching contribution; (ii) change the employer contribution for the Executive Director to discretionary; and (iii) remove voluntary employee contributions.

The motion was moved by Committee Chair Saunders and properly seconded by Trustee Weers. The motion was approved (9-1). (See Tally #5)

Tally #5			Date: November 17, 2022		
Motion #5: Amend the DCRB Supplemental 401(a) Defined Contribution Retirement Plan (DCRB 401(a) Plan) document to (i) retain the variable employer matching contribution; (ii) change the employer contribution for the Executive Director to discretionary; and (iii) remove voluntary employee contributions.					
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	√				

The trustees decided to vote on the FY24 Proposed Budget at a Special Board meeting later this month.

The next Operations Committee Meeting will be determined at a later date.

Trustees moved to next item on the agenda.

AUDIT COMMITTEE REPORT

Board Chair Bress reported that the Audit Committee did not meet this month and there is no written report:

Trustees moved to next item on the agenda

BENEFITS COMMITTEE REPORT

Committee Chair Collins reported that the Benefits Committee did meet this month and presented the following item:

- **Healthcare Open Enrollment** - • Healthcare Open Enrollment Season is underway (November 14 to December 12, 2022). Open Enrollment materials were mailed to current health plan enrollees the first week of November. In addition, we are leveraging the DCRB website to provide participants with additional information about open enrollment. Materials are now available at <https://dcrb.dc.gov>. The following is a list of open enrollments posted communications materials that will help to increase the participants’ awareness as well as address the routine questions associated with the open enrollment process:
 - PDF fillable health benefits enrollment forms are available online.
 - Pre-printed enrollment forms that include the open enrollment event codes, effective dates, and payroll office information.
 - Pre-recorded video instructions on the open enrolment process.
 - Hyperlinks to the DC Government and Office of Personnel Management websites; and

- A frequently asked questions section for both the DC and Federal health plans.
- **Member Services** –DCRB will have In-person Open Enrollment appointments this year to assist members with election changes. There will be additional Member Services staff (3 contractors) along with a dedicated Lobby Services Member Representative to provide guidance regarding health carrier plans. The team will be available during the entire period of Open Enrollment from 8:30am – 5:00pm, Monday through Friday.

To make an appointment for Open Enrollment assistance, members must contact the Member Services Center for same day and future appointments. Note: Appointments are made to ensure the safety of the members and staff.

- **Purchase of Service Calculator** – We are in the final stages of beta testing an online calculator for purchase of service for Police & Fire retirement tier changes.
- **Actuarial Valuation** - Bolton Inc., will be presenting the final valuation results at the December 2022 Operations and Board meetings. All data are now in their possession to finalize the valuation.
- **Member Outreach** - DCRB has continued its information sharing partnership with DC FEMS Human Resources. On Friday, October 28, 2022, DCRB staff presented a virtual retirement plan overview and other benefit information to new FEMS employees who were physically located at the Fire/EMS Training Academy.
- **DCPS Training and Support** - DCRB has continued its information sharing partnership with DCPS. On Tuesday, November 1, 2022, members of the DCRB quality team and senior staff facilitated an hour-long training session that covered legacy system tools (UPPS and CAPPs), calculating leave without pay dates, and processing corrections to the retirement plans.
- **Purchase of Service Calculator** – In collaboration with Bolton, our DCRB actuary, we have finalized the testing of the internal Excel calculator, and the Quality Unit is currently using the new tool to process all new tier change requests submitted to DCRB. As part of the next steps, our IT department is coding the calculator online by using Java, so we can place it on our website. The first round of online testing resulted in the need to edit the Java script to exactly match the expected output. The expectation is to finalize the coding testing so that we can pilot test with fire and police employees within the next two months, before an official release in early 2023. Additional enhancements will then begin for all other purchase of service calculations.
- **Community of Interest** – The Benefits Department is working on scheduling community of interest meetings with District stakeholders for calendar year 2023 to tackle District retirement issues. We have proposed specific quarterly meetings and are awaiting confirmation from District agencies including DCHR, the Office of Payroll and Retirement Services, Fire and Emergency Medical Services, the Metropolitan Police Department, and the District of Columbia Public Schools. Topics at these meetings will

cover improving the overall transition to retirement process, offboarding, data certification, and employee communications.

- **Fall Newsletter** – The fall newsletter, containing articles about year-end tax information, open enrollment, and a new article called the Executive Director’s Corner, has been drafted and is in final review. It will be distributed as soon as DCRB completes the process of acquiring a contract with a new printer.

Mr. Hernandez, Pension Administrator gave a brief overview of activities happening in the Benefits department.

Trustees moved to next item on the agenda.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Blanchard reported that the Legislative Committee did not meet this month and presented the following item:

COUNCIL OF THE DISTRICT OF COLUMBIA

LEGISLATION

PR24-1036, “Compensation and Working Conditions Agreement between the District of Columbia Government and the Fraternal Order of Police/Metropolitan Police Department Labor Committee (Compensation Unit 3) Approval Resolution of 2022”

Status: Previously introduced as PR24-1020, this new proposed resolution was introduced October 28, 2022 by Chairman Mendelson and referred to the Committee on Labor and Workforce Development on November 1, 2022. A public roundtable is scheduled on Monday, November 21, 2022 at 12:30 via Zoom. The proposed resolution will be deemed approved on November 27, 2022, unless a resolution of approval or disapproval is introduced prior to that date.

The agreement would be retroactive to October 1, 2020 and effective through September 20, 2023. The agreement would provide covered MPD union members with wage increases of 2.5% for fiscal year (FY) 2021, 3.5% for FY22, and 4% for FY23. The agreement would also provide covered MPD union members who were or are in active service on or after the effective date of the agreement who completed or completes five years of service, a base retention differential (BRD) of 5% based on their rate of pay in addition to the current 5% BRD after 20 years of service. These increases will impact current and future retirement annuity amounts. Bolton’s actuarial valuation is required to be updated to include these agreement terms in determining the impact on the District’s annual employer contributions. The agreement also allows for the establishment of an exploratory committee to evaluate the feasibility of a cost neutral Deferred Retirement Option Program (DROP) for covered MPD union members.

PR 24-991, “Compensation and Working Conditions Agreement between the District of Columbia Public Schools and the Council of School Officers, Local #4, American Federation of School Administrators, AFL-CIO Approval Resolution of 2022”.

Status: A public roundtable was held by the Committee on Labor and Workforce Development on November 3, 2022, to consider the collective bargaining agreement between the District and public-school administrators from October 1, 2020, until September 30, 2023. The CBA will be deemed approved on November 11, 2022.

Trustees moved to the next item on the agenda.

Chair Bress made the following motion to close the public session of the meeting at 3:03 p.m.

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

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

Tally #6			Date: November 17, 2022		
Motion #6: To enter closed session to discuss personnel matters pursuant to D.C. Code §§ 1-909.05(e) and 2-575(b)(10).					
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	√				

Closed Session: From 3:03p.m. to 4:32 p.m.

Motion #7: To return to open session at 4:32 p.m.

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

The motion was approved (9-0). (See Tally #7)

Tally #7			Date: November 17, 2022		
Motion #7 To return to open session at 4:32 p.m.					
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					√

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

Motion #8: To adjourn the meeting at 4:37 p.m.

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

Tally #8			Date: November 17, 2022		
Motion #8 To adjourn the meeting at 4:37 p.m.					
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					√