



**DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)  
DRAFT\* OPEN BOARD MEETING MINUTES  
THURSDAY, September 15, 2022  
1:00 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**

Joseph M. Bress, Chair  
Joseph W. Clark  
Mary A. Collins  
Christopher Finelli  
Geoffrey P. Grambo (joined at 2:03 p.m.)  
Danny C. Gregg  
Tracy S. Harris  
Nathan A. Saunders  
Greggory Pemberton  
Adam Weers  
Carmen Pigler, Ex officio

**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  
Rashelle Anderson  
Johniece Harris, Board Liaison

**MEMBER NOT PRESENT**

Lyle M. Blanchard

**OTHERS PRESENT**

Gar Chung, Financial News  
Steve Ross, Funston Advisory Services  
Michael Gold, Funston Advisory Services

**ROLL CALL**

Chair Joseph Bress called the meeting to order at 1:51 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 July 21, 2022, open session Board meeting minutes.

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

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

Tally #1			Date: September 15, 2022		
<b>Motion #1:</b> To approve the July 21, 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 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.
- **Investment Updates:**
  - This was a disturbing week for the financial markets. The markets tanked at the news of inflation, which was higher than anticipated based upon the decrease in gasoline and food prices. In addition, the Federal Reserve is predicted to increase the interest rate next week by 0.75 and even 100 basis points. We need to continue to monitor the markets’ activity and our investments to determine what we need to do to contain the health of the fund.
  - There have been articles loaded in the trustees’ portal in Diligent concerning ESG debates. Certain political leaders are using legislation to oppose ESG investing and pushing for the elimination of investing in fossil fuels and similar kinds of investments. The Board should be more concerned with political interference in our fiduciary responsibilities to assure that we have a viable fund going into the future. Even Dilbert is now humorously addressing this ESG issue, which means it’s going to take on more of a public notice.
  - The freight railroad averted a potential strike, which accounts for thirty percent (30%) of the shipment of goods throughout the country and would have had an adverse impact on the economy. This explains why President Biden and several of his secretaries were involved. The labor agreement has to be ratified by 2 major unions that were involved in the potential strike.

- **Trustees Elections Timetable:** Elections for the Active Police representative on the Board of Trustees have commenced. The four-year term will begin January 28, 2023 and end January 27, 2027. Notice of Elections and Request for Nominations, including Statement of Candidacy Forms were sent to eligible members on September 9, 2022.
- **Next Board Meeting:** The next meeting will be held on October 20, 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 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:

- **Human Resources Updates:** Mr. Balestrieri congratulated the HR team in leading the effort in collaboration with different department heads in bringing in 22 new hires calendar year 2022 to date, and six (6) new hires since the last Board meeting.
  - a) **Positions filled CY 2022 to date**
    - 3 Member Services Representatives, 1 Benefits Assistant, 1 Retirement Analyst, and 1 Investment Analyst.
    - 1 pending offer for a Retirement Specialist position.
  - b) **Current Vacancies**
    - Panel interviews for 2 candidates for the Director of Internal Audit & Compliance position have been completed.
    - Over 10 applications for the General Counsel position have been received; 3 candidates for the Senior Investment Funds & Compliance Counsel have been reviewed; and there are 2 to 3 candidates for the Senior Counsel position.
- **Investment Fees and Expense Verification Services Awarded:** The contract was awarded to Colmore, and the agreement was signed as of September 1, 2022. The kick-off meeting is scheduled for Friday, September 16, 2022.

### **Accounting and Audit for Fiscal Year 2022:**

- DCRB’s Finance Department has completed the hard close through Q3 of 2022 in preparation for interim testing for the FY22 audit and the team is in the process of providing DCRB’s auditors with the first set of the “prepared by client” document request.

- All corrective action plan steps for the carried forward finding from the FY21 financial audit have been completed (the awarding of the Investment Fees and Expense Verification Services contract was the last item).
- The audit package was submitted for review through the District’s oversight process and reviewed by the District’s Office of the Chief Financial Officer’s (OCFO) Office of Financial Operations and Systems and Office of Integrity and Oversight and was expressly noted and acknowledged as complete and fully implemented.
- The steps and related support have been submitted to DCRB’s independent auditor, Watson Rice, for their review and assessment for implementation and correction.
- **Funston:**
  - a.) Trustee and Staff surveys completed**
    - A lot of integrated work has happened with staff and Funston and was completed back in July.
  - b.) In-person meetings with DCRB staff and Funston completed**
    - Ongoing findings and recommendations that focused on key areas: benefits administration, financial management, procurement, and legal compliance and how they integrate together. Some other key findings were Board governance and the committee meetings to include implementation of defined policies at both staff and trustee levels to include conflicts of interest disclosure methods guidelines that define stakeholders and their responsibilities as well as procedures and steps to be taken under various circumstances. Also, document retention and record keeping processes are essential part of integrating departments moving forward.
  - c.) Follow-up interviews with trustees**
    - The findings and recommendations will be completed for presentation at the November 2022 Board meeting.
- **Investment Consulting Agreement:** Since our last Board meeting, we executed the awarded investment consultant agreement with Meketa. Meketa has provided excellent support to the Board over the last 12 years, and we are excited to continue the relationship.
- **Pension as a Service (PaaS):**
  - a. Traditional Administration vs. Modern Service Provider**

Traditionally, most pension programs focused only on administration of fund assets rather than providing critical quality services to members of the programs, timely and efficiently. DCRB’s priority is to work with the Plan Sponsor to move forward into the long term with a true service provider operating model. At the heart of this service operating model, is the need to establish an integrated Benefits Administration Pension System Platform.
  - b. Benefits Administration Pension System (BAPS) Implementation**
    - In recent years, DCRB has strived to improve benefits administration

services for the members of the District of Columbia Police Officers and Firefighters' and Teachers' Retirement Plans with fewer resources. The District's benefits administration processes are semi-automated, and the lack of an overarching automated pension system is impacting DCRB's mission to provide quality benefits administration services to the members. To continue providing the expected services to Plan members serviced by DCRB, we need to transform our internal benefits administration systems sooner rather than later through automation.

- The objective is to review and determine whether it is feasible to automate the current pension administration business functions, remove the current manual and semi-automated applications, improve member services and operations while reducing operating costs. The target is to manage the lifecycle of a benefit payment that Plan members and their survivors and beneficiaries are entitled to receive by: enrolling members, servicing members, accepting payments, processing changes, educating members, integrating employer agencies, delivering, and terminating benefits. Moreover, it will also seek to integrate solutions for document retention, recording of information and maintaining transparency at all levels of the organization.

Trustees moved to next item on the agenda.

#### **LEGAL DEPARTMENT REPORT**

Leslie King, Senior Counsel, stated there is no written report.

Trustees moved to next item on the agenda.

#### **INVESTMENT COMMITTEE REPORT**

Committee Chair Weers reported that the Investment Committee met earlier today and proposes the motions below.

**Motion #2:** To commit up to \$100 million to **Fund A\***, pending legal review and final due diligence.

*\* The Fund name is redacted per D.C. Code § 1-909.05(e).*

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

Tally #2			Date: September 15, 2022		
<b>Motion #2:</b> To commit up to \$100 million to Fund A, 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 #3:** To commit up to \$100 million to **Fund B\***, pending legal review and final due diligence.

\* The Fund name is redacted per D.C. Code § 1-909.05(e).

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: September 15, 2022		
<b>Motion #3:</b> To commit up to \$100 million to <b>Fund B</b> , 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 terminate the Board’s investment in **Fund C**.\*

\* The Fund name is redacted per D.C. Code § 1-909.05(e).

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: September 15, 2022			
<b>Motion #4:</b> To terminate the Board’s investment in Fund C.					
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 provide the Trustees with a recommendation on where to invest the proceeds from the liquidation of **Fund C** at the October 2022 Board meeting.

The motion was moved by Trustee Clark properly seconded by Trustee Bress.

The motion was approved (8-2). (See Tally #5)

Tally #5		Date: September 15, 2022			
<b>Motion #5:</b> To provide the Trustees with a recommendation on where to invest the proceeds from the liquidation of Fund C at the October 2022 Board meeting.					
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	√				

Trustees moved to next item on the agenda.

**OPERATIONS COMMITTEE REPORT**

Committee Chair Saunders reported that the Operations Committee did not meet this month; the next Operations Committee meeting has not yet been scheduled.

Trustees moved to next item on the agenda.

**AUDIT COMMITTEE REPORT**

Committee Chair Harris reported that the Audit Committee met on September 13, 2022, and the following items were presented:

- Watson Rice provided an overview and the objectives of the FY22 financial audit, shared the approach, timing and deadlines for the interim and final testing, and announced the District issued due date of December 15, 2022 for the audit report.
- The budget to actual report as of August 31, 2022 was presented and DCRB’s expenditures are within budget and 29% of the original budget is available.
- The Trustees requested, for the upcoming meeting, details to be provided related to the available budget in Personal Services, along with positional information regarding vacancies vs attrition and the staffing plan for FY23.

The next Audit Committee meeting is scheduled for November 16, 2022.

Trustees moved to next item on the agenda.

**BENEFITS COMMITTEE REPORT**

Committee Chair Collins reported that the Benefits Committee met on September 13, 2022, and the following item was presented:

- **Retirement Case Processing:** DCRB has been constantly meeting with DCPS, MPD and FEMS on how to cut down the time for retirement processing and DCRB assessed that it can process a retirement benefit payment once a completed retirement package is received by DCRB from the active HR agency.
- **Purchase of Service Calculator:** DCRB is continuing to work with our actuary, Bolton Inc., to create a purchase of service calculator which is slated to be available to the Plan membership online in late fall or early winter 2022. Similar to the online retirement calculator, members will have the ability to input their specific data to produce estimated costs for the purchase of military service, lateral service, tier changes, and the redeposit of contributions. We plan to launch the online version in phases and are currently testing tier changes. Since the calculator for tier changes is in the testing phase right now, when appropriate, DCRB will conduct beta-testing of the tool with interested active members.



- **Call Center Lobby:** Members needing DCRB in-person lobby services are now scheduling those services by appointment only. Members can either schedule an in-person visit or a virtual meeting.

Trustee Saunders stated that he sees some work being done and wanted to record to reflect he has sent communications to the Executive Director, who has responded. Chair Collins stated that the Trustees should pay close attention to all the charts included in the Benefits committee report and they are true value put together by staff and the process needs to be fine-tuned to show accurate data on what’s actually going on. The average 1<sup>st</sup> payment for retirees is 85 days that is way too long and the work records for Teachers is very different from Police and Fire.

Chair Collins stated there have been numerous calls received from members stating they have waited hours on the phone. Trustee Grambo stated he has gotten a couple of calls related to health insurance in retirement and not as many complaints about the timing of a check. Mr. Hernandez stated that pre-retirement counseling is done by both MPD and FEMS but that more pre-retirement counseling needs to be completed at DCPS.

Trustees moved to next item on the agenda.

**LEGISLATIVE COMMITTEE REPORT**

Chair Bress stated there is no written report.

Trustees moved to the next item on the agenda.

Chair Bress made the following motion to close the public session of the meeting at 3:30 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 Trustee Clark properly seconded by Trustee Grambo  
The motion was approved (10-0). (See Tally #6)

Tally #6			Date: September 15, 2022		
<b><u>Motion #6:</u></b> 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 3:30 p.m. to 5:16 p.m.*

**Motion #7:** To return to open session at 5:17 p.m.

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

The motion was approved (8-0). *(See Tally #7)*

Tally #7			Date: September 15, 2022		
<b>Motion #7</b> To return to open session at 5:17 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 5:17 p.m.

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

The motion was approved by (8-0). *(See Tally #7)*

Tally #8			Date: September 15, 2022		
<b>Motion #8</b> To adjourn the meeting at 5:17 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					√