



**DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)  
OPEN BOARD MEETING MINUTES  
THURSDAY, April 21, 2022  
1:00 P.M.**

**MEMBERS PRESENT**

Joseph M. Bress, Chair  
Joseph W. Clark (joined at 2:06 p.m.)  
Lyle M. Blanchard (joined at 1:08 p.m.)  
Mary A. Collins  
Christopher Finelli  
Geoffrey P. Grambo  
Danny C. Gregg  
Tracy S. Harris  
Greggory Pemberton (joined at 1:09 p.m.)  
Adam Weers  
Carmen Pigler, Ex officio

**MEMBER NOT PRESENT**

Nathan A. Saunders

**DCRB STAFF PRESENT**

Gianpiero "JP" Balestrieri, Executive Director  
Betty Ann Kane  
Ram Murthy  
Munetsi Musara  
Daniel Hernandez  
Vernon Valentine  
Darrell Pressley  
Leslie King  
Lori Morgan  
Rashelle Anderson  
Johniece Harris, Board Liaison

**OTHERS PRESENT**

Unidentified Public Attendee  
Frank Albanses, Financial News  
Joe Ebisa, with Intelligence Journalist  
Michael Gold, Funston Advisory Group  
Steven Case, Funston Advisory Group

**ROLL CALL**

Chair Joseph Bress called the meeting to order at 1:04 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 March 17, 2022, open session Board meeting minutes.

The motion was moved by Chair Bress and properly seconded by Trustee Mary Collins.  
The motion was approved by unanimous vote (7-0). (*See Tally #1*)

Tally #1			Date: April 21, 2022		
<b>Motion #1:</b> To approve the March 17, 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:** As the BA.2 COVID strain has become more prevalent now, particularly in the District of Columbia, our May meetings should continue virtually. Those who wish to attend in person must notify Johniece Harris so the office may be prepared for that attendance.
- **Investment Updates:** DCRB will continue to monitor how the economy and the war in Ukraine continue to affect our economy. The Executive Director is in the process of developing a new dashboard for the Board and staff to monitor the Board's progress in several areas, including the performance of our investments.
- **Annual Financial Disclosure and Trustee Acknowledgment Statements:** The internal return deadline for Trustees' personal Financial Disclosure Statement (FDS) is April 25, 2022, in order for staff to meet the May 2, 2022, filing date with the Offices of the D.C. Council and the Mayor. Please remember to sign and return the Trustee Acknowledgement Form, which is not part of the FDS, but is retained internally by DCRB for Board governance purposes.
- **Fiduciary Liability Insurance Waiver of Recourse:** The waiver of recourse insurance payment of \$50.00 for the Trustees, Executive Director, Chief Investment Officer, and Chief Financial Officer is due by May 2, 2022. The fee increase is due to the additional fiduciary liability insurance coverage that was added to the primary coverage last June. The checks (made payable to RCM&D) should be mailed to the Finance Department, C/O Rhonda O'Neal. If you have any questions, please contact Rhonda O'Neal at [Rhonda.ONeal@dc.gov](mailto:Rhonda.ONeal@dc.gov).

- **Local Hatch Act:**  
The political season is upon us, and Trustees and staff are restricted by the Hatch Act from engaging in political activity while: on duty; in any room or building occupied in discharge of official duties of the district government; wearing a uniform or official insignia identifying the office or position of the employee; or using a vehicle owned or leased by the district. As private citizens without attribution to our public positions, we are permitted to contribute and support candidates. More information is provided in the Local Hatch Act summary.
- **Committees:**  
Several Board members have indicated their preference for committee assignments. For those who have not, Chair Bress asked for Trustee committee selections. Chair Bress indicated that if Trustees did not submit committee selections before the end of April, he will appoint Trustees to committees where there are still openings.
- **Fiduciary Training:**  
The trustee fiduciary training has been rescheduled for June 16, 2022.
- **Trustee Conference Listing:**  
Please refer to Diligent for a listing of upcoming conferences.

The next Board meeting will be on Thursday, May 19, 2022, and will continue as a virtual meeting.

Chair Bress announced that Trustee Tracy Harris has been appointed to the Council for Institutional Investors Advisory Council and U.S. Asset Owners.

Trustees moved to next item on the agenda.

### **EXECUTIVE DIRECTOR'S REPORT**

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

- **Human Resources Update:** Year-to-date 2022, DCRB has filled over 10 positions. The new hires include: a Member Services Supervisor; Senior Investment Strategist; and an IT System Specialist in Network Services. The start date for the new hires is April 25, 2022.
  - There are currently 6 vacancies to fill:
    - 3 positions in Benefits (Retirement Analyst, Benefit Assistant, and Deputy Chief Benefits Officer)
    - 2 positions in Legal (Senior Counsel and Senior Investment Funds & Compliance Counsel)
    - ()
    - The Director of Internal Audit vacancy announcement will be posted next week.

- **Investment Fee Validation RFP:** Due to the lack of comprehensive and standardized fee and expense reporting requirements and guidance, there has been a significant inconsistency in the fee and expense reporting from investment managers. Given the importance of fee transparency to the Board, and to ensure there is appropriate and enhanced reporting and tracking, there is a need to recalculate and report fees and expenses charged in prior periods, and to closely monitor the same going forward. This will ensure that all fees and expenses have been charged pursuant to the terms and conditions in each of investment management or limited partnership agreements, and that such fees can be fully reported to internal and external stakeholders. Through a Request for Proposal (RFP), the Board will retain a qualified contractor with experience in investment manager fee validation, reporting and monitoring services to recalculate and analyze those fees.
  - **Key Scope Objectives:** The retroactive part of the scope of the RFP is the recalculation analysis of fees that will be performed for Fiscal Years (FY) 2020 to 2022. A recalculation of all fees will be performed for FY 2023, as well as options for a recalculation verification review for FYs 2024 and 2025. The selected contractor will create and implement a verification and reporting tracking system with a dashboard to monitor and report the fees for FYs 2023 through 2025. The fees will be tracked and itemized on a quarterly basis for each public and private investment manager and general partners.
  - **Expected Award Date:** The RFP is expected to be awarded by July or August of 2022 and approved on or before the September Board meeting.

Trustee Mary Collins asked why the retroactive scope is not going back further than FY 2020, to which Mr. Balestrieri responded that it is very costly and time consuming to go back further, and that the Board's benchmarking firm CEM has already reviewed the fees for FYs 2019 and 2020. When the recalculations are done, if any inconsistencies are identified, then, with the guidance of our legal counsel, the Board will reach out to the investment managers to discuss the calculations and if an audit into prior years may be necessary.

Trustee Collins commented that the CEM benchmarking is not absolute because CEM relies on the information provided by DCRB. Mr. Balestrieri replied that: CEM does not conduct fee validation, but the information provided to and received from CEM is up to date. With information that is a year in arrears, the data will be overlapping with the 2019 and 2020 reports to verify how close that is with our consultant vs CEM.

Trustees moved to next item on the agenda.

### **LEGAL DEPARTMENT REPORT**

Leslie King, Senior Counsel, referred the Trustees to the written report and noted the following items:

- **Annual Financial Disclosure:**

Trustees are reminded to submit their completed Financial Disclosure Statements and Trustee Acknowledgement forms by April 25, 2022. Designated DCRB employees were informed of their obligation to file their Financial Disclosure Statements by May 16, 2022, with the District's Board of Ethics and Government Accountability (BEGA) or Legal, depending on their designation.

Trustees moved to next item on the agenda.

**OPERATIONS COMMITTEE REPORT**

Chair Bress commented that Committee Chair Nathan Saunders is absent due to a prior commitment, and the Operations Committee report is in Diligent for review and to please communicate any questions to Committee Chair Saunders and copy Chair Bress.

The next Operations Committee meeting has not been scheduled.

Trustees moved to next item on the agenda.

**AUDIT COMMITTEE REPORT**

Committee Chair Tracy Harris stated that the Audit Committee met April 20, 2022, and the following items were presented:

- **Insurance Coverage and Premium Approval:** For liability insurance coverage during 2022 to 2023, the Audit Committee recommends adding the additional coverage to the Board's comprehensive insurance program:
  - Liability coverage in the form of an Asset Management Protector policy that includes coverage for DCRB Directors & Officers (D&O) and coverage for Employment Practices Liability (EPL); and
  - Fiduciary liability coverage for the DCRB Supplemental (401a) Retirement Plan.

With the additional insurance policies, the total premium for the insurance coverage period April 1, 2022, through March 31, 2023, is no more than \$395,000.

Committee Chair Harris made the following recommendation to the Board:

**Motion #2:** To approve the recommended comprehensive insurance program for the 2022-2023 premium year which runs from April 1, 2022, to March 31, 2023, and authorize the Executive Director to expend no more than \$395,000 for insurance premiums for the 2022-2023 premium year.

The motion was moved by Committee Chair Harris and properly seconded by Trustee Collins. The motion was approved by unanimous vote (11-0). (*See Tally #2*)

Tally #2			Date: April 21, 2022		
<b>Motion #2:</b> To approve the recommended comprehensive insurance program for the 2022-2023 premium year which runs from April 1, 2022, to March 31, 2023, and authorize the Executive Director to expend no more than \$395,000 for insurance premiums for the 2022-2023 premium year.					
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 Bress commented that the details of the insurance program will be discussed in a future closed meeting.

- **The Budget vs Actual Report as of March 31, 2022:** DCRB's expenditures are within budget and 67% of the original budget is available.

The next Audit Committee meeting will be held on May 18, 2022.

Trustees moved to next item on the agenda.

#### **BENEFITS COMMITTEE REPORT**

Committee Chair Mary Collins stated that the Benefits Committee did not meet this month, however, there is a written report, which Mr. Daniel Hernandez, the Pension Administrator, will highlight. Mr. Hernandez noted:

- **Annuitant Self Service:** On April 4, 2022, DCRB launched the Self-Service program to the first group of Fire and Emergency Medical Services (FEMS) annuitants (approximately 2,000). Communications included the U.S. Department of the Treasury's Office of DC Pensions including a statement about self-service in the annuitants' mailed April 1 earnings statement, notification to the retiree association, and a new page published on DCRB's website <https://dcrb.dc.gov/page/dcrb-self-service>. Also, staff is working on preparing the annual estimated benefit statements for active members.
- **Lobby Services:** The lobby services for members have reopened as well as virtual appointments, which can be scheduled online. Plan members can also submit forms and request changes online.

The Benefits Committee is planning to meet in May, but a date has not been set. Committee Chair Collins stated the District of Columbia Public Schools (DCPS) has had a large turnover of key staff in their retirement services department. According to Mr. Hernandez, DCPS has asked DCRB to provide supplemental staff to assist DCPS with some of their retirement processes a few days each week.

Committee Chair Collins asked that any calls to trustees pertaining to service complaints be documented and include contact information.

Trustees moved to next item on the agenda.

### **LEGISLATIVE COMMITTEE REPORT**

Committee Chair Lyle Blanchard stated although there was no written report, he noted the following items:

- **Elections:** Echoing Chair Bress, with the elections coming up, he asked trustees to please adhere to the Hatch Act and do not use DCRB email or tablets to do any volunteering or campaigning. He noted that information for all upcoming elections can be found on the DC Board of Elections website. The Legislative Committee is planning to meet on July 19, 2022, to provide the final outcomes of all the elections in the District of Columbia.

Chair Bress asked Betty Ann Kane, DCRB Advisor, Operations and Special Projects, if there was any information about the approval of DCRB's budget.

Ms. Kane stated a draft report has not been submitted to the mayor yet, however, DCRB will receive the draft as soon as it becomes available. Also, notification of the RFP for the Investment Fee Validation Consultant went out on April 5, 2022.

Mr. Balestrieri added that there have been no follow-up questions after the Budget Hearing from the DC Council to DCRB.

Trustee Collins asked for an update on the proposed Pension Exclusion bill that would increase the amount of the annuity exclusion from personal income tax reporting for District residents. A public hearing took place on March 14, 2022. Committee Chair Blanchard responded that there is no update, but that he would inquire if the fiscal impact report were available, and if so, he will distribute it to the trustees.

Trustees moved to the next item on the agenda.

Chair Bress made the following motion to close the public session of the meeting at 1:45 p.m.

**Motion #3:** To enter into closed session to discuss personnel matters pursuant to DC Code §§ 1-909.05(e) and 2-575(b)(10).

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

The motion was approved by unanimous vote (10-0). (See Tally #3)

Tally #3			Date: April 21, 2022		
<b>Motion #3:</b> <i>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)).</i>					
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 1:45 p.m. to 3:31 p.m.*

**Motion #4:** To return to open session at 3:31 p.m.

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

Tally #4			Date: April 21, 2022		
<b>Motion #4:</b> To return to open session at 3:31 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	√				



Trustee Collins requested that an ad hoc committee be set up and an in-depth discussion be conducted on diversity and inclusion and be separate from DCRB's Environmental, Social, and Governance (ESG) Policy. Trustee Collins added the Board need to have a clear understanding of its monitoring oversight role of its investment policies to ensure the policies are being followed.

Chair Bress responded that each month Trustees receive a report on the status of the Board's pending approved investment commitments. He also recommends that the Operations Committee determine if a sub-committee should be formed on diversity and inclusion and be brought before the Board for discussion. Trustee Harris suggested the ESG be included in the discussion as well.

Chair Bress stated that the City Council's Committee of the Whole draft budget report (April 21, 2022) notes 3 policy recommendations for DCRB: 1) that the Board fill all leadership positions quickly and that other vacancies be filled timely to ensure ongoing agency operations; 2) the Board be more aggressive in remediation of all outstanding prior audit findings; and 3) that the Board be fully transparent in supporting documentation and financial reports so that Plan annuitants and the public can clearly see what fees are being charged.

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

**Motion #5:** To adjourn the meeting at 3:43 p.m.

The motion was moved by Chair Bress and properly seconded by Trustee Gregg.  
The motion was unanimously approved (10-0). *(See Tally #5)*

Tally #5:			Date: April 21, 2022		
<b><u>Motion #10:</u></b> To adjourn the meeting at 3:43 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	√				