



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

MEMBERS PRESENT

Joseph M. Bress, Chair
Joseph W. Clark
Lyle M. Blanchard
Mary A. Collins
Christopher Finelli
Geoffrey P. Grambo
Danny C. Gregg
Tracy S. Harris
Nathan A. Saunders
Greggory Pemberton (joined at 1:25 p.m.)
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
Darrell Pressley
Leslie King
Lori Morgan
Rashelle Anderson
Johniece Harris, Board Liaison

OTHERS PRESENT

Gar Chung, Financial News
Joe Ebisa, WithIntelligence
Michael Gold, Funston Advisory Group

ROLL CALL

Chair Joseph Bress called the meeting to order at 1:03 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 June 16, 2022, open session Board meeting minutes.

The motion was moved by Trustee Finelli and properly seconded by Trustee Gregg.
The motion was approved (10-0). *(See Tally #1)*

Tally #1			Date: July 21, 2022		
Motion #1: To approve the June 16, 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:** We will continue to meet virtually in September. We then can reassess whether we should meet in person. Those who wish to attend in person, please plan with staff to attend on Board days.
- **Investment Updates:** We continue to travel in uncharted financial waters. The Federal Reserve Bank appears to be ready to raise the interest rate 75 basis points. Some experts have argued that one percent (1%) would be necessary now. The Bank of Canada just raised its interest rate 1%. The price of gas per gallon has decreased below \$5.00 and should provide some relief for consumers, but there is a September threatened surge.
- **Committee Charter Policy Review:** All Board committees should review their charters to assure they are up to date and cover issues such as transparency.
- **Diversity, Equity, and Inclusion:** Trustees Tracy Harris and Adam Weers are leading the Diversity, Equity, and Inclusion (DEI) committee and developing a committee charter for Board review by the Trustees' and suggestions are welcomed.
- **New Trustee Orientation:** We are in the process of scheduling the New Trustee Orientation. The subjects covered include, DCRB's mission and vision, departmental structure, Board governance, fiduciary principles and ethics, communications and outreach, administrative procedures, finance and technology, benefits, and investments.

- **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.
- **Trustee Conference Listing:** Please refer to Diligent for a listing of upcoming conferences; all requests must be approved by the Board Chair.

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**
 - a) **Positions filled 2022 year-to-date (YTD) and New Hires**
 - We have filled 15 vacancies YTD and most recently we hired a Retirement Analyst who started June 6, 2022 and a Deputy Chief Benefits Officer who started July 5, 2022.
 - It is my pleasure to introduce you to Jaininne Edwards, our new Deputy Chief Benefits Officer/Pension Administrator who comes to us with a plethora of experience in the benefits and pension administration space. We are very lucky to have her aboard.
 - b) **Pending New Hires and Current Vacancies**
 - Pending New Hires (2)**
 - Benefits Department: A Member Services Representative offer is pending with a tentative start date of August 1, 2022.
Member Services Representative, offer accepted; tentative start date August 1, 2022
 - Investments Department: An Investment Analyst candidate was selected, and an offer will be extended next week.
 - Current Vacancies Remaining (11) ****
We are screening and interviewing candidates for the 11 remaining open vacancies in the following departments:
 - **Benefits Department (7):** Benefits Administration Compliance Manager; Member Services Representative (2).
Benefits Assistant; and
Retirement Specialist.
 - **Executive Department (2):** Director of Internal Audit & Compliance and
Receptionist/Administrative Clerk.
 - **Legal Department (2):** Senior Counsel and Senior Investment Funds

& Compliance Counsel.

- **Investment Fees Verification To be Awarded ahead of Time:** At the DC Council performance hearing in February 2022, we promised Chairman Mendelson that we would issue an RFP award by our September 2022 board meeting to remediate the remaining condition from the FY 2021 audit, **Finding #2021-01**, related to the recalculation of fees to ensure compliance with the respective investment management agreements. I am pleased to announce, that we will be seeking board review and approval today, ahead of schedule, with the intention to commence the contract services on or before September 2022.
- **Funston Fiduciary Audit:**
 - a) Trustee and Staff surveys have been completed.
 - b) In-person meetings with DCRB staff and Funston are scheduled on July 26th-27th. Areas to be discussed include:
 - i. Board Governance
 - ii. Benefits Administration
 - iii. Information technology
 - iv. Financial management
 - v. Procurement and contracting
 - vi. Human resources
 - vii. Legal and Compliance
 - c) Follow Up Interviews with Staff and Trustees to occur after meetings.
- **Financial Policies and Procedures:** DCRB engaged Crowe, LLP to work with the Finance Department in reviewing the department’s policies and procedures.
 - A kickoff meeting was held, which included DCRB’s Information Technology Department and the Finance & Procurement Department.
 - All requested documentation has been provided.
 - A gap analysis is currently being performed and the project remains on target for the transmission of deliverables by the end of September 2022.
- **Investment Activity:**
 - DCRB closed on 11 private fund investments and one public fund investment this fiscal year to date.
 - Since the Board’s June meeting, DCRB closed on 3 investment commitments:
 - i. TCX XII: \$75mm commitment approved by the Board in March.
 - ii. Fortress Lending Fund III: \$100mm commitment approved by the Board in May; and
 - iii. Carlyle Property Partners: \$100mm commitment approved by the Board in May.
- **Diversity, Equity, and Inclusion (DEI):**
 - 1. As the investment/asset management industry faces an increasingly competitive and (current) volatile environment, organizations like

DCRB, must focus on their “people model” as part of their operating and investment strategies.

2. As an organization with a workforce that comprises 63% female and 82% minority representation, we are in a firm position to take a leadership role in the asset management industry.
 3. DCRB firmly believes that the successful organizations of the future will be defined by an inclusive culture, that leverages diverse views, impactfully and effectively. We believe that the successful investment firm managers of the future will be differentiated by its diverse culture and its ability to attract the best talent.
 4. We all need to continue to have candid, open, and courageous discussions about diversity and inclusion. Diversity, Equity, and Inclusion (DEI) is not just a business case, but a strategic imperative, which should drive engagement, innovation, and positive impact on the bottom line of any organization
- Recently (in a collaborative effort between HR and investments), the **District of Columbia Retirement Board** became a signatory to the **Institutional Limited Partner Association’s (ILPA) Diversity in Action Initiative**
 - What is **the objective** of the initiative?
 - To advance diversity and inclusion in the investment industry.
 - **What does this mean for the Board?**
 - The Board commits to taking specific actions that advance diversity and inclusion, **as an Institutional LP**, as well as across the industry more broadly.
 - The Board will join a group of more than 240 LP and GP signatories globally, including a few U.S. public pension plans, such as the states of Connecticut, Maryland, and Texas (Teachers).
 - Vernon (HR) and Patrick (Investments) collaborated on the Board’s application with ILPA over the last several months, which involved the development of an initial DEI statement, among other actions.

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 adopt the revised Investment Committee Charter including the two edits discussed during the Investment Committee meeting. (The revised charter is attached.)

The motion was moved by Committee Chair Weers and properly seconded by Trustee Harris.
The motion was approved (10-1). (See Tally #2)

Tally #2		Date: July 21, 2022			
Motion #2: To adopt the revised Investment Committee Charter including the two edits discussed during the Investment Committee 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	√				

Motion #3: To approve a commitment of up to \$150 million to BlackRock Global Infrastructure Fund IV, subject to legal review and further due diligence.

The motion was moved by Committee Chair Weers and properly seconded by Trustee Gregg.
The motion was approved (10-1). (See Tally #3)

Tally #3		Date: July 21, 2022			
Motion #3: To approve a commitment of up to \$150 million to BlackRock Global Infrastructure Fund IV , subject to legal review and further 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	√				

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 July 20, 2022, and the following item was presented:

Motion #4: To authorize the Executive Director to negotiate and execute a contract for investment fees and expense verification and reporting services with [name of vendor redacted pending negotiation; D.C. Code § 2-575(b)(2)] for a base period of 3-years and two option years for a total of \$1,150,000.

The motion was moved by Committee Chair Harris and properly seconded by Trustee Clark. The motion was approved (11-0). (See Tally #4)

Tally #4		Date: July 21, 2022			
Motion #4: To authorize the executive director to negotiate and execute a contract for investment fees and expense verification and reporting services with Colmore for a base period of 3-years and two option years for a total of \$1,150,000.					
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 Bress asked Committee Chair Harris to explain what the contract is for. Committee Chair Harris stated that DCRB put out an RFP to help with the investment fee, expense verification, and reporting services. The solicitation for investment fees and expenses will go back 3 years and forward 4 years. We have received 4 responses and the panel evaluated all of the proposals and selected one.

Trustee Saunders stated that in the future DCRB should have the ability to do this work in-house, instead of contracting the services to be performed outside. Committee Chair Harris responded that DCRB does not currently have the capabilities in-house to perform those duties and we wanted an independent third party due to the concerns around fees and performance fees and expenses.

The next Audit Committee meeting is scheduled for September 14, 2022.

Trustees moved to next item on the agenda.

BENEFITS COMMITTEE REPORT

Committee Chair Collins stated that the Benefits Committee did not meet this month and referred the trustees to the updates in the written report.

Mr. Hernandez, DCRB Pension Administrator, stated that in anticipation of the retirement of 100 DC Public School (DCPS) teachers, DCRB is working with DCPS and the Office of Pay and Retirement Services (OPRS) to get as much information ahead of time to process the retirements efficiently. Also, a pending Metropolitan Police Department (MPD) collective bargaining agreement (CBA) may require recalculation of retirement annuities to include retroactive pay. Ms. Edwards added that DCRB is currently working with DCPS to help and guide their staff through some of the more problematic retirement cases and that DCRB met with OPRS to map out a timeline and strategy for the annuity calculation adjustments due to the pending MPD CBA. Ms. Edwards also noted that DCRB will meet with DC Human Resources (DCHR) to discuss post-employment health insurance coverage and develop a streamline process to prevent loss of coverage when a Plan member transitions from active to retirement status.

Trustee Saunders commented that DCRB should work with DC Public Schools on the pending teacher retirements to ensure the process flows properly. Committee Chair Collins responded that DCRB should not be spending retirement plan assets to do the work of other agencies. Trustee Bress suggested that Chair Collins, Ms. Edwards, trustee Saunders, and Mr. Balestrieri schedule a meeting to discuss and identify the roadblocks and come up with a resolution and update the Board at the September Board meeting.

Trustees moved to next item on the agenda.

LEGISLATIVE COMMITTEE REPORT

Committee Chair Lyle Blanchard stated there is no written report but noted the following items:

- The City Council is on recess from July 15th through September 15th and each council period is 2 years long.
- The next Legislative Committee meeting will be scheduled for November 15, 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 2:16 p.m.

Motion #5: 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 Weers
The motion was approved (11-0). (See Tally #5)

Tally #5			Date: July 21, 2022		
Motion #5: 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, Greggory J.	√				
Saunders, Nathan A.	√				
Weers, Adam	√				

Closed Session: From 2:16 p.m. to 4:40 p.m.

Motion #6: To return to open session at 4:41 p.m.

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

The motion was approved (6-0). (See Tally #6)

Tally #6			Date: July 21, 2022		
Motion #6 To return to open session at 4:41 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 #7: To adjourn the meeting at 4:43 p.m.

The motion was moved by Chair Bress and properly seconded by Trustee Gregg.
The motion was approved by (6-0). (See Tally #7)

Tally #7			Date: July 21, 2022		
Motion #7 To adjourn the meeting at 4:43 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					√