



**DISTRICT OF COLUMBIA RETIREMENT BOARD (DCRB)  
OPEN BOARD MEETING MINUTES  
THURSDAY, June 16, 2022  
1:00 P.M.**

**MEMBERS PRESENT**

Joseph M. Bress, Chair  
Joseph W. Clark  
Lyle M. Blanchard (joined at 2:17 p.m.)  
Mary A. Collins (joined at 1:39 p.m.)  
Christopher Finelli  
Geoffrey P. Grambo  
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  
Patrick Sahn  
Daniel Hernandez  
Vernon Valentine  
Darrell Pressley  
Leslie King  
Lori Morgan  
Rashelle Anderson  
Johniece Harris, Board Liaison

**OTHERS PRESENT**

Gar Chung, Financial News  
Joe Ebisa, WithIntelligence

**ROLL CALL**

Chair Joseph Bress called the meeting to order at 1:27 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 May 19, 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: June 16, 2022		
<b>Motion #1:</b> To approve the May 19, 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 for the near future and decide to meet in person or virtually for the September Board meeting. Those who wish to attend in person, please plan with staff to attend on Board days.
- **Investment Updates:** Due to the volatility of the market, we are in uncharted waters with being mostly down between 625 and 700 points as of today, after the 0.75 points increase in the interest rate by the Federal Reserve yesterday. The inflation rate is at 8.62% driven largely by gasoline and food — both a result of supply chain issues as well as the Ukraine war and the initial bailout legislation at the beginning of the Biden administration to protect people from the adverse impact then of Covid. The SEC is looking at rules to address the bona fide use of ESG statements of investment options and the transparency of fee reports of private equity. DCRB is pursuing having an outside entity look at the reports are on fees we get from private equity funds.
- **Local Hatch Act:** The District primary is on June 21, 2022. Monitor your activities in line with the requirements of the Hatch Act and the legal advice we received.
- **New Trustee Orientation:** Trustee orientation will be scheduled in the coming months for new trustees. The orientation is open to all Board members. The next Board meeting will be held on Thursday, July 21, 2022, at 1:00 p.m. following the Investment Committee meeting at 10 a.m.

- **Electronic Participation:** While we participate in Board meetings via WebEx, all necessary resolutions for approval require individual voice votes.
- **Member Complaints:** Trustees that are receiving any complaints or concerns from Plan members should forward those complaints to the appropriate staff for resolution.
- **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 Update:** We have filled 14 positions year to date and have a Deputy Chief Benefits Officer starting on July 5, 2022. We have begun screening candidates to fill the positions for Director of Internal Audit & Compliance; Investment Analyst; Senior Counsel; and Senior Investment Funds & Compliance Counsel.
- **Procurement- Investment Fees Verification RFP Update:** We have received many responses and a timeline for review and recommendations by our panel of tentatively June 20, 2022, to rank the candidates. The final recommendation by the panel will be on July 6, 2022, and then presented to the Board for review and approval at the July Board meeting.
- **Budget and Accounting:** The Finance team is reviewing and verifying the Peoplesoft data and testing report with the District’s Controller Office for the implementation of the new District Integrated Financial System. The financial management systems upgrade project is progressing with a scheduled go live for July 15, 2022, by the software manufacturer KwikTag.
- **Fiduciary Audit:** The Funston kick-off meeting was May 31, 2022, and we have had data requests and functional departments surveys gathered, completed, and reviewed by Funston. The trustees will be receiving the trustee surveys from Funston within the next 10 days.

In response to a status inquiry from Trustee Saunders, Pension Administrator Mr. Hernandez provided a short summary of meetings that occurred with certain stakeholder agencies:

- **DC Human Resources:** Mr. Hernandez had a meeting with certain staff at DC Human Resources (DCHR) regarding post-employment benefits - life and health insurance - and each agency’s respective role and challenges. The next steps include a possible Memorandum of Understanding (MOU), Service Level

Agreement, and reimbursement to DCRB for its role in administering the District's post-employment benefits programs for retirees.

- **DCPS:** DCRB is having weekly meetings with DC Public Schools (DCPS) to ensure that retirees can begin to receive their retirement annuities in a timely manner. Meetings have been scheduled over the next few weeks to help train DCPS staff on the Teachers' Retirement Plan provisions and discuss employer data problems.

Trustee Harris stated she would like more information about DCRB's diverse managers' program and what DCRB is doing to achieve its goal of hiring diverse managers.

Chair Bress also noted that at the last Operations Committee meeting he asked Committee Chair Saunders and Trustee Weers to form a joint committee that would have oversight of Diversity, Equity, and Inclusion (DEI). Mr. Balestrieri added that the Investment Committee Chair Weers and the Chief Investment Officer and his team are actively reviewing a few opportunities with Meketa for upcoming Investment Committee meetings. Trustee Weers commented that DEI training and discussion will take place right before July's Investment Committee meeting.

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:

- **Ethics and Hatch Act Training:** Trustees are reminded of the available virtual ethics and Hatch Act training.
- **Benefits Litigation Update:** In *Sheila Hemphill v. US Treasury and DCRB*, the U.S. Court of Appeals for the District of Columbia denied the plaintiff's appeal.

Trustees moved to next item on the agenda.

#### **INVESTMENT COMMITTEE REPORT**

Committee Chair Weers reported that the Investment Committee did not meet on Thursday, June 16, 2022, but noted the following updates:

- **Performance Updates:**
  1. Meketa 1Q22 Total Fund performance report;
  2. Meketa 4Q21 Private Markets performance report; and
  3. Background reading for the July 21<sup>st</sup> Education Workshop on DEI, which will be held from 9 to 10 a.m., just prior to the next Investment Committee meeting.

Trustees moved to next item on the agenda.

### **AUDIT COMMITTEE REPORT**

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

- **FY22 Year-End Forecast (Financial Review Process) as of Apr. 30, 2022:** The forecast projects a year-end surplus of \$8.7M comprised of \$3.5M in Personal Services and \$5.2M in Non-Personal Services. The primary drivers are vacancy savings in PS and in NPS due to the \$4.4M allocated to the delayed PIMS project.
- **Budget vs Actual Report as of May 31, 2022:** DCRB's expenditures are within budget and 51% of the original budget is available.

The next Audit Committee meeting is scheduled for July 20, 2022.

Trustees moved to next item on the agenda.

### **OPERATIONS COMMITTEE REPORT**

Committee Chair Saunders reported that the Operations Committee met on June 14, 2022, and the following items were presented:

- **Proposed Revisions to the Procurement Manual:** As part of the Forensic Auditing and Accounting contract being awarded, the procurement procedures manual is being revised, and is on target to be delivered by September 30, 2022.
- **Financial Management System (FMS) Upgrade:** The User Acceptance Test is progressing well. The KwikTag vendor is scheduled to release a software update by June 30th. The cutover to production (phase 1) is now scheduled for July 15th weekend.
- **Proposed Extension for Legal Services:** A presentation was made to the Committee by DCRB's Senior Counsel with a proposed motion to approve additional funding of \$350,000 for the legal services contract with Morgan Lewis & Bockius for the remainder of the 2022 contract year ending November 12.

Mr. Balestrieri noted that the annual contract term is for a not-to-exceed cost of \$380,000 and staff is asking to amend the contract to authorize an additional \$350,000, for a total not-to-exceed cost of \$730,000 for the remaining contract year, which expires November 12. He compared the FY2021 and FY2022 performance metrics and reported that for FY2021 there were 11 investment deals closed with legal fees totaling \$754,286, and in FY2022 as of June 15, 2022, nine investment deals have closed totaling \$375,000 in legal fees. The cost difference and savings are due to DCRB's change in its investment review process with having legal counsel work with the investment team to identify red flags prior to recommendation to the Investment Committee. With in-house investment counsel, we will be able to rely more on in-house counsel for the commitment activity moving forward. Trustee Harris stated she is in full support of the

motion and added that DCRB must understand that having specialized attorneys is very costly and the more investment commitments approved by the Board, the more the external legal fees will be.

Committee Chair Saunders moved the following motion, which was properly seconded by Trustee Gregg:

**Motion #2:** To approve additional funding of \$350,000 and amend the not-to-exceed cost to \$730,000 in the legal services contract with Morgan Lewis & Bockius for investment counsel through the remainder of the 2022 contract year.

The motion was approved (11-0). *(See Tally #2)*

Tally #2		Date: June 16, 2022			
<b>Motion #2:</b> To approve additional funding of \$350,000 and amend the not-to-exceed cost to \$730,000 in the legal services contract with Morgan Lewis & Bockius for investment counsel through the remainder of the 2022 contract 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	√				

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

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 written report.

Committee Chair Collins asked about charter schools teacher participation in the Teachers’ Retirement Plan. Mr. Hernandez responded that service information for those teachers is incomplete. Chair Collins also commented that the DCRB website should be enhanced with video tutorials for the Plan members.

Trustee Finelli asked for an update on calculation tables, to which Mr. Hernandez responded that Bolton, DCRB’s actuarial firm, is programming for the DCRB IT department to be able to update the calculators for certain purchases of service. Mr. Hernandez added that the goal is to have one calculator for all the different purchases of service.

Trustees moved to next item on the agenda.

**LEGISLATIVE COMMITTEE REPORT**

Committee Chair Lyle Blanchard referred the Trustees to the written report and noted the following items:

- **PR24-0754, “Chief Financial Officer of the District of Columbia Glen M. Lee Confirmation Resolution of 2022”**: This resolution nominates Mr. Glen M. Lee for appointment as the Chief Financial Officer of the District of Columbia, replacing Dr. Fitzroy Lee.
- **Ceremonial Resolution 24-180, “Teacher Appreciation Week Recognition Resolution of 2022”**: This resolution recognizes and honors District of Columbia teachers§.

Committee Chair Blanchard stated the next Legislative Committee meeting will be scheduled for September.

Trustees moved to the next item on the agenda.

Chair Bress made the following motion to close the public session of the meeting at 2:40 p.m.

**Motion #3**: 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 properly seconded by Trustee Weers And approved (10-0). *(See Tally #3)*

Tally #3		Date: June 16, 2022			
<b><u>Motion #3</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 2:40 p.m. to 4:11 p.m.*

**Motion #4:** To return to open session at 4:11 p.m.

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

Tally #4		Date: June 16, 2022			
<b>Motion #4</b> To return to open session at 4:11 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 #5:** To adjourn the meeting at 4:12 p.m.

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

Tally #5		Date: June 16, 2022			
<b>Motion #5</b> To adjourn the meeting at 4:12 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	√				