



**DISTRICT OF COLUMBIA RETIREMENT BOARD**  
**BOARD MEETING MINUTES**  
**JANUARY 18, 2018**  
**1:00 P.M.**

**MEMBERS PRESENT**

Joseph W. Clark, Chair  
Janice M. Adams  
Lyle M. Blanchard  
Joseph M. Bress  
Mary A. Collins  
Gary W. Hankins  
Darrick O. Ross\*  
Nathan A. Saunders  
Michael J. Warren

\*Arrived after roll call.

**DCRB STAFF PRESENT**

Sheila Morgan-Johnson, Executive Director  
Erie Sampson, General Counsel  
Johnetta Bond  
Peter Dewar  
Anthony Shelborne  
Joan Passerino  
Leslie King  
Adina Dorch  
Daniel Hernandez  
Deborah Reaves  
Katie Schultz  
Johniece Harris  
Wukyanos Gebremeskel

**MEMBERS NOT PRESENT**

Edward C. Smith  
Thomas N. Tippet  
Lenda P. Washington  
Jeffrey Barnette, ex officio

**OTHERS PRESENT**

Matthew Burnham, Accenture Consulting  
Helen Mulkeen, Retired Teacher

**ROLL CALL**

Chairman Clark called the meeting to order at 2:20 p.m. and Ms. Deborah Reaves called the roll.

**APPROVAL OF MINUTES**

Chairman Clark introduced a motion to approve the December 14, 2017 Board Meeting minutes.

**Motion #1:** To approve the December 14, 2017 Board meeting minutes.

The motion was moved by Trustee Hankins and properly seconded by Trustee Bress. The motion was approved (8-0). *(See Tally #1)*

**CHAIRMAN'S COMMENTS**

Chairman Clark referred Trustees to his written report and commented on the following topics:

**Reappointment of Trustee Clark**

I am pleased to advise you that on December 16, 2017, Mayor Muriel Bowser reappointed me to a four-year term on the District of Columbia Retirement Board (the Board), beginning January

28, 2018 and ending January 27, 2022. I look forward to continuing to work with all of you on the important matters that come before this Board.

**Meeting with Mayor's Office**

For your information, I met with the Assistant Mayor of the Mayor's Office in December. Among other things, we discussed increasing our investments in emerging and diverse manager firms.

**Sponsored Activities**

DCRB's Comprehensive Annual Financial Report (CAFR) includes a Schedule of Trustee Sponsored Activities, where trustees must disclose their attendance at any meetings, conferences, or other events where the event sponsor waived registration fees and/or covered the cost of travel and/or meals. Trustees should disclose any such activities for fiscal year 2017.

**Board Officer Elections**

Board Officer elections, which typically take place in February, have been moved to the March Board meeting. The positions are Chair, Vice Chair/Secretary, and Treasurer.

**EXECUTIVE DIRECTOR'S REPORT**

Executive Director, Sheila Morgan-Johnson, referred Trustees to her written report.

**INVESTMENT COMMITTEE REPORT**

Committee Chair Michael Warren provided the following comments from the meeting held earlier in the day:

**Strategic Initiatives for 2018**

My vision for the Board is to be a best-in-class public pension with a best-in-class investment program. Importantly, as we have seen from other best-in-class peers, it is in the best interest of this Board, and the investment program for which we are responsible. In collaboration with our Executive Director, Sheila Morgan-Johnson and Peter Woolley of Meketa Investment Group, we have developed strategic initiatives for 2018. Over the course of the year, I would like for the Board to focus on the following: 1) Analysis of overall portfolio risk; 2) Development of private markets operating guidelines, ensuring best practices; 3) Inclusion and diversity within the portfolio; and 4) Education related to the topics mentioned, in addition to discussing any key current events.

**New York Pension System to Divest \$5 Billion in Fossil Fuels**

New York City plans to divest roughly \$5 billion in fossil fuel related investments over the next five years, while pursuing a multi-billion-dollar lawsuit against BP, Chevron, ConocoPhillips, Exxon Mobil and Royal Dutch Shell.

Clara Vondrich of the DivestInvest campaign said the City joined a movement that started six years ago and that institutional investors managing assets of over \$5.5 trillion have taken their money out of fossil fuel investments. She said other cities and entities selling off fossil fuel interests have included Berlin and Washington, D.C.; insurance companies and educational institutions, such as, the University of Oxford in Great Britain, Stanford University in California and Trinity College in Ireland.

New York City is the first major US city to divest pension funds from fossil fuels.

**Tax Reform: the Rest of the Story**

State and local governmental pension plans won a major victory when the final tax reform legislation was signed into law by President Trump on December 22, 2017, without including the application of the Unrelated Business Income Tax (UBIT) to certain public pension earnings.

Chairman Warren then made the following motions:

**Motion #2:** To approve the Board's Private Markets 2018 Annual Capital Commitment Budget:

- (1) Private Equity - \$275 million target; \$220 million to \$300 million range.
- (2) Private Real Estate - \$125 million target; \$100 million to \$150 million range.
- (3) Private Infrastructure/Opportunistic - \$50 million target; \$25 million to \$75 million range.
- (4) Private Energy - \$75 million target; \$50 million to \$100 million range.

The motion was moved by Trustee Warren and properly seconded by Trustee Collins. The motion was approved (9-0). *(See Tally #2)*

**Motion #3:** To authorize a manager search for a discretionary Separate Account Manager focused on building and managing a stable of private markets Emerging and Diverse Managers.

The motion was moved by Trustee Warren and properly seconded by Trustee Bress. The motion was approved (9-0). *(See Tally #3)*

**AUDIT COMMITTEE REPORT**

Committee Chair Hankins indicated that the Committee met on January 16, 2018, and provided the following motion:

**Motion #4:** To approve the FY 2017 Audit and Preliminary Audited Annual Financial Statements.

The motion was moved by Trustee Hankins and properly seconded by Trustee Bress. The motion was approved (9-0). *(See Tally #4)*

**OPERATIONS COMMITTEE REPORT**

Chairman Clark indicated that there is no Operations Committee report, since the Committee did not meet this month.

**BENEFITS COMMITTEE REPORT**

Committee Chair Collins indicated that the Benefits Committee did not meet this month and deferred to the written report.

Joan Passerino, DCRB's Director of Stakeholder Communications and Outreach, reported that the updated Summary Plan Descriptions (SPDs) for both the District of Columbia Police Officers and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan (the

Plans) are in final draft form and will be distributed electronically to Trustees on January 19 for their review and comment. She indicated that the SPDs are scheduled to be distributed to members around the end of February.

A discussion followed about calls being received by Trustees and the Benefits Department on issues related to pre-retirement information and salary increase matters that should be handled by DCPS.

### **LEGISLATIVE COMMITTEE REPORT**

Committee Chair Blanchard indicated that there is no report, since there were no significant legislative changes since the December Board Meeting. He did note that the hearing for technical amendments to the Plans has not yet been scheduled. He also indicated that no schedule has as yet been released for performance and budget hearings.

### **OTHER BUSINESS**

Trustee Collins advised Trustees of two conferences that will soon be held in the District: the National Conference on Public Employee Retirement Systems (NCPERS) Legislative Conference on January 29 and 30, and the Council of Institutional Investors (CII) Spring Conference on March 12-14.

### **ADJOURNMENT**

Chairman Clark introduced a motion to adjourn the meeting.

**Motion #5:** To adjourn the meeting at 2:44 p.m.

The motion was moved by Trustee Bress and properly seconded by Trustee Hankins. The motion was approved (9-0). *(See Tally #5)*

**DISTRICT OF COLUMBIA RETIREMENT BOARD  
RECORD OF OFFICIAL BOARD ACTIONS**

Tally #1:		Date: January 18, 2017			
To approve the December 14, 2017 Board meeting minutes.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.					√
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.					√
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #2:		Date: January 18, 2018			
To approve the Board's Private Markets 2018 Annual Capital Commitment Budget:					
<p>(1) Private Equity - \$275 million target; \$220 million to \$300 million range.  (2) Private Real Estate - \$125 million target; \$100 million to \$150 million range.  (3) Private Infrastructure/Oppportunistic - \$50 million target; \$25 million to \$75 million range.  (4) Private Energy - \$75 million target; \$50 million to \$100 million range</p>					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.					√
Warren, Michael J.	√				
Washington, Lenda P.					√

**DISTRICT OF COLUMBIA RETIREMENT BOARD  
RECORD OF OFFICIAL BOARD ACTIONS**

Tally #3:		Date: January 18, 2018			
To authorize a manager search for a discretionary Separate Account Manager focused on building and managing a stable of private markets Emerging and Diverse Managers.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.					√
Warren, Michael J.	√				
Washington, Lenda P.					√

Tally #4:		Date: January 18, 2018			
To approve the FY 2017 Audit and Preliminary Audited Annual Financial Statements.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.					√
Warren, Michael J.	√				
Washington, Lenda P.					√

**DISTRICT OF COLUMBIA RETIREMENT BOARD  
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Tally #5:		Date: January 18, 2017			
To adjourn the meeting at 2:44 p.m.					
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Clark, Joseph W., Chair	√				
Adams, Janice M.	√				
Blanchard, Lyle	√				
Bress, Joseph M.	√				
Collins, Mary A.	√				
Hankins, Gary W.	√				
Ross, Darrick O.	√				
Saunders, Nathan	√				
Smith, Edward C.					√
Tippett, Thomas N.					√
Warren, Michael J.	√				
Washington, Lenda P.					√

