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EXECUTIVE DIRECTOR REPORT
February 18, 2016

Activities	Updates
Performance and Budget Testimony	DCRB was advised that our performance testimony before the DC Council’s Committee of the Whole is scheduled for Tuesday, March 8, 2016 at 10 a.m. Responses to the first round of preliminary questions have been submitted to Chairman Mendelson. A first draft of the performance testimony is being finalized now. DCRB’s budget testimony is scheduled for April 14, 2016.
DCRB Newsletter - Police/Fire Edition	A special DCRB newsletter for police officers and firefighters has been printed and is in the process of being mailed to members. The newsletter announces Trustee Tippet’s reelection to the Board, and contains articles about how the Plan’s COLAs are calculated, the treatment of unused sick leave at retirement, QDROs, tax-deductible health care premiums, Medicare eligibility, and Social Security benefits. A copy of the newsletter is attached.
Congressional Staff Inquiry	On January 29, 2016, in response to a request from a Staffer from the House Committee on Governmental Oversight and Reform’s Subcommittee on Government Operations, Sheila Morgan-Johnson, Johnetta Bond, Joan Passerino and Deborah Reaves attended a conference call related to Max80/COLA Lookback issues. The Staffer asked questions about the different treatment of overpayments by DCRB and Treasury, the governing statutes of each, and the reasoning behind the differing interpretations.
Delegation of Authority	Attached for your information is a copy of the January 26, 2016 Delegation of Authority for Benefits Administration Matters to the Chief Benefits Officer.
Staffing	New Hires and Terminations: None Currently, DCRB is actively recruiting for qualified candidates to fill the following vacancies: Quality, Compliance and Projects Analyst (Benefits) and Staff Attorney (Legal).
Recent Retirement-Related Articles (attached)	“Robust 2014 Investment Returns Provide Pause in Growth of Adjusted Net Pension Liabilities,” <u>Moody’s Investors Service</u> , January 15, 2016. “ <i>Vanguard CEO: Expect a Lot Less From Stocks For a Decade</i> ,” <u>CNBC</u> , Eric Rosenbaum, January 25, 2016. “ <i>Are California Teachers Better Off With a Pension or a 401(k)?</i> ,” <u>UC Berkeley Center for Labor Research and Education</u> , Nari Rhee and William B. Fornia, February 2016. (Includes the Executive Summary only. The full 52-page study is available upon request.)



DCRB Report

Police Officers and
Firefighters' Edition

WINTER 2016

CHAIRMAN'S CORNER

Inside

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- 2 Medicare Eligibility
- 3 What Happens to Your Pension if You Divorce?
- 3 Questions You Asked
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The District of Columbia Retirement Board's mission is to prudently invest the assets of the Police Officers, Firefighters, and Teachers of the District of Columbia, while providing those employees with total retirement services.

From the Chairman of the Board

DCRB is pleased to provide you with this first edition of the annual newsletter for District police officers and firefighters who are active or retired members of the District of Columbia Police Officers and Firefighters' Retirement Plan (the Plan). Over the past year, we explored additional ways of reaching out to you, and we hope that you will find this information useful.



Joseph M. Bress

Going forward, this newsletter will provide you with general information about your Plan and DCRB's administration of it. We will also include articles that are of specific interest to you as public safety officers or are reflective of the Board's activities that are applicable only to your Plan.



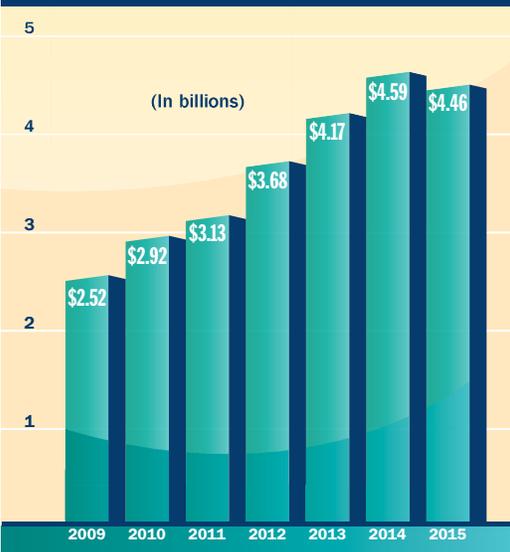
Thomas N. Tippett

One example is the recent election for the Retired Firefighter Trustee to serve on the Board. The election results, which were presented to the Board at our meeting on November 19, 2015, certified retired firefighter Thomas N. Tippett for a four-year term that began on January 28, 2016. Trustee Tippett initially represented active firefighters on the Board from 1996 to 2000, when he retired as Acting Fire Chief. He was subsequently elected as the Retired Firefighter Trustee. This will be his fifth term on the Board.

Other current Board Trustees who were elected by police officers and firefighters are: Gary W. Hankins, Retired Police Officers; Darrick O. Ross, Active Police Officers; and Edward C. Smith, Active Firefighters.

DCRB looks forward to keeping you informed in future newsletters. We are proud to serve you and welcome your feedback!

Market Value of Police Officers and Firefighters' Plan Assets (As of September 30, 2015)



Cost-of-Living Adjustments and Your Plan

Your Plan allows for cost-of-living adjustments (COLAs) to your retirement benefit. Any COLA is effective on March 1 and paid on April 1 of each year. The Plan's COLA reflects the movement in the Consumer Price Index for All Urban Consumers—CPI-U (1967 base) during the prior calendar year. This is different from the COLAs for Social Security benefits, which reflect the inflation rate for the 12-month period ending the prior September 30 (the end of the federal fiscal year). The Social Security COLA is based on the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers (the CPI-W). Because your Plan's COLA and Social Security's COLA use different indexes and are calculated over different time frames, they are usually not the same percentage.

Tax-Deductible Health Insurance Premiums

Internal Revenue Code Section 402(l) allows eligible retired public safety officers to exclude from their gross taxable income on their federal tax return up to \$3,000 in health insurance premiums. Those premiums must be deducted from your monthly retirement benefit payment and paid directly to the health insurance carrier by an “eligible governmental retirement plan,” such as the District of Columbia Police Officers and Firefighters’ Retirement Plan. Eligible retirees may report the exclusion on line 7 or line 16(b) on their Form 1040. An explanation of the exclusion is found under “Insurance Premiums for Retired Public Safety Officers” on page 26 of the 2015 Form 1040 Instruction Booklet available on the IRS website at www.irs.gov/pub/irs-pdf/i1040gi.pdf.

To qualify for the exclusion:

- You must have retired from a public agency (MPD or FEMS) while serving in an official capacity as a law enforcement officer, a firefighter, a chaplain of a police or fire department, or as a member of a rescue squad or ambulance crew after reaching normal retirement age (Optional Retirement) or under Disability Retirement.
- You must have all or part of your retirement benefit from the Plan subject to federal tax withholding (refer to Box 2 of your Form 1099-R). If you do not receive a Form 1099-R, then your retirement benefit is not taxable, and you cannot claim the exclusion.
- Your health insurance premiums must be deducted directly

from your retirement benefit payment. The deducted premiums may include coverage for you, your spouse, or other dependents. Your tax-deductible health insurance premiums will not be reported on your Form 1099-R, but they should be reflected in your year-end earnings statement.

As indicated previously, you may only exclude up to the amount of your taxable retirement income, not exceeding \$3,000. For example, if your health insurance premiums are \$3,700 and your taxable retirement benefit in Box 2a of your 1099-R is \$12,000, you may only exclude up to \$3,000 from your income.

To determine eligibility for this exclusion, retirees should consult with their tax advisors, the IRS Form 1040 Instruction Booklet, or call the IRS directly at 1(800) 829-1040 or the IRS’s taxpayer advocate service at 1(877) 777-4778.

Medicare Eligibility

District police officers and firefighters hired or rehired on or after April 1, 1986, pay Medicare taxes and, therefore, are eligible for Medicare benefits. You are first eligible for Medicare at age 65, but you may defer enrolling if you work beyond that age. In either case, there are specific time frames to keep in mind. For instance, if you plan to retire at age 65, you may enroll in Medicare during the seven-month period beginning three months before your 65th birthday, the month of your birthday, and the three months following that birthday. If you retire and you do not enroll during that seven-month period, your premiums for Medicare Parts B (doctors and other medical services) and D (prescriptions) will be increased. If no premium is required for Medicare Part A (hospital services), you may want to enroll in that coverage, even if you continue to work after age 65.

You should be aware that the District’s health care coverage (DCEHB) assumes that you (or your covered spouse or domestic partner) will sign up for Medicare as soon as eligible to do so, which is the window of time around your (or their) 65th birthday. So, for example, if you retire earlier at age 60, your District health care coverage will automatically become the secondary payor (20%) of your medical bills when you reach age 65. If you do not sign up for Medicare at age 65, then your only coverage will be your secondary District coverage. To assure that you have adequate health care coverage in retirement, you should remember to include this step in your retirement planning process. **Retirees who have federal health insurance (FEHB) should know that FEHB coverage remains their primary coverage after retirement, so Medicare would be secondary.**

Useful

Contacts



DCRB Member Services

(202) 343-3272

Toll Free (866) 456-3272

dcrb.benefits@dc.gov

DC Department of Human

Resources **(202) 442-9700**

Metropolitan Police Department

Human Resources Office

(202) 727-4261

Department of Fire and Emergency

Medical Services Human

Resources Office **(202) 673-6443**

Police and Fire Retirement and

Relief Board **(202) 442-9622**

Office of Personnel Management

(OPM) **Toll Free (724) 794-2005**

Social Security Administration

(800) 772-1213

<http://www.ssa.gov>

What Happens to Your Pension if You Divorce?

The District of Columbia Police Officers and Firefighters' Retirement Plan is subject to the DC Spouse Equity Act (the Act) of 1988. This means that in the event you divorce, your retirement benefit from the Plan may be divided between you and your ex-spouse as marital property in a court order. DCRB cannot pay a portion of your retirement benefit or a survivor annuity to your ex-spouse (the Alternate Payee) without an appropriate "qualifying court order," which is usually a qualified domestic relations order (QDRO). For purposes of the Act, a court order is one that has been issued or approved by any state or the District of Columbia court in connection with a divorce, annulment, or legal separation.

DCRB is responsible for reviewing and determining if your court order is a QDRO under the Act and if it is acceptable to the Plan. The QDRO cannot award greater benefits to your ex-spouse than the Plan allows, nor in a form that does not comply with Plan provisions (e.g., the Plan does not pay lump-sums). Although a court may approve an order as a QDRO, DCRB, as the

Plan Administrator and custodian of the retirement fund, makes the final determination and will reject court orders that are deficient. DCRB will be pleased to review any draft QDRO before it is submitted to a court.

For a court order to be acceptable to the Plan under the Act as a QDRO, among other things, it must:

- state the name of the Plan that the QDRO applies to;
- state the name of the Act as the authority to enforce the QDRO;
- clearly award the Alternate Payee all or a portion of your retirement benefit as a fixed dollar amount, fraction, or percentage; and state if cost-of-living adjustments (COLAs) apply; and
- state if the Alternate Payee is entitled to a portion or all of any surviving spouse annuity, and if COLAs apply.

For your former spouse to be eligible for a survivor annuity, your former spouse:

- must have been married to you for at least nine months while you were an active member or retired; and

- you must have at least 18 months of creditable service under the Plan.

Your former spouse may lose eligibility for a survivor annuity if he/she remarries prior to age 55.

After a QDRO is accepted, and if you are already retired, DCRB will calculate and process the Alternate Payee's portion of your retirement benefit. Payments to Alternate Payees are not retroactive. It is important for you or your former spouse to make sure we have your QDRO and current contact information to ensure timely processing. No payments are made to an Alternate Payee until you retire. Further, you should be aware that DCRB does not accept or process QDROs after the death of a Plan member.

The Act also allows your eligible former spouse to continue health insurance coverage at his/her own expense under certain conditions.

Information about the Act, including a DC Spouse Equity Act Information Statement and model QDROs, is available from DCRB by calling the DCRB Member Services Center at (202) 343-3272 or toll free at (866) 456-3272.

Questions You Asked

Treatment of Unused Sick Leave upon Retirement

Recently, we have received questions from a number of you regarding the treatment of unused sick leave upon retirement. For those of you who did not call but have the same question, the information below may be helpful.

For members who retire under Optional Retirement, unused sick leave is added to your total creditable service and is used in calculating your retirement benefit. You should be aware that your unused sick leave is *not* used to determine your eligibility to retire. You must still reach the required amount of service years (e.g., 25 years for Tiers 2 and 3) for retirement eligibility. Once you have the required 25 years of service, your unused sick leave is added to your benefit calculation *only*. Generally, you receive additional service credit for each full month (22 days) of unused sick leave you have accumulated at the time of your retirement. Partial months are not counted. Please note, however, that unused sick leave is not included in the calculation of retirement benefits for either Disability or Deferred Retirement.



DC Retirement Board

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**Inside this DCRB Report
 Information Specific to
 Members of the District of
 Columbia Police Officers and
 Firefighters' Retirement Plan**

Social Security Benefits

Although police officers and firefighters who are members of the District of Columbia Police Officers and Firefighters' Retirement Plan do not pay Social Security taxes, many members who call DCRB are interested in knowing more about Social Security benefits. Below is a sampling of the information callers have requested.

Eligibility

To be eligible for Social Security benefits, a person must work and pay a minimum in Social Security taxes for at least 40 quarters (ten years) during their working lives. One quarter is earned for each three-month period in which someone earns at least \$1,260 (as of 2016), and the quarters earned need not be consecutive. A person can also qualify by being an eligible survivor (e.g., widow, widower,

minor child, or former spouse) of an eligible family member who has died.

When Benefits are Payable and in What Percentages

Full Social Security benefits are payable at 66 years of age, and increase incrementally up to age 67, based on an individual's year of birth. See the chart below.

Year of Birth	Full Retirement Age
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

If the person elects to receive the



benefit early, there is a reduction in the full benefit, and if he/she elects to take it later, there is an increase. For example, if a full benefit is paid at age 66, receiving the benefit at the earliest date (age 62) would result in the benefit being reduced by 25%. If the person elects to wait until the latest date (age 70), the benefit would be increased by 32%. In this case, a full benefit of \$1,000 per month would be reduced to \$750 at age 62 or increased to \$1,320 at age 70.

If you are eligible for Social Security, you can estimate your benefit by using the calculator on the Social Security website at www.socialsecurity.gov. See page two for other contact information.

TRUSTEES				D.C. Retirement Board
Lyle M. Blanchard <i>Treasurer Council Appointee</i>	Mary A. Collins <i>Elected Retired Teacher</i>	Nathan A. Saunders <i>Elected Active Teacher</i>	Michael J. Warren <i>Council Appointee</i>	900 7th Street, NW, 2nd Floor Washington, DC 20001 Voice (202) 343-3200 Fax (202) 566-5000 www.dcrb.dc.gov Eric O. Stanchfield <i>Executive Director</i> Joan M. Passerino <i>Editor</i>
Barbara Davis Blum <i>Mayoral Appointee</i>	Gary W. Hankins <i>Sergeant-at-Arms Elected Retired Police Officer</i>	Edward C. Smith <i>Elected Active Firefighter</i>	Lenda P. Washington <i>Mayoral Appointee</i>	
Joseph M. Bress <i>Chairman Council Appointee</i>	Darrick O. Ross <i>Elected Active Police Officer</i>	Thomas N. Tippet <i>Parliamentarian Elected Retired Firefighter</i>	Jeffrey Barnette <i>Ex Officio, Non-Voting</i>	
Joseph W. Clark <i>Secretary Mayoral Appointee</i>				



**CERTIFICATE OF EXECUTIVE DIRECTOR
DISTRICT OF COLUMBIA RETIREMENT BOARD**

**DELEGATION OF AUTHORITY TO THE
CHIEF BENEFITS OFFICER
(FOR BENEFITS ADMINISTRATION MATTERS)**

The undersigned hereby states that:

1. I am the duly appointed and incumbent Executive Director of the District of Columbia Retirement Board.
2. As Executive Director, I keep a record of all Board and Benefits Committee meetings.
3. I hereby delegate my authority with respect to benefits administration responsibilities of the Board to the Chief Benefits Officer (CBO), including the authority and requirement to:
 - a) Administer benefits in accordance with the terms of the District of Columbia Police Officers and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan that were established under the Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998 (collectively referred to as the "Plans");
 - b) Manage and operate the Plans in accordance with all governing laws, rules, regulations, and other governing authorities including any Board policies, regulations and guidelines. Any issues or questions regarding the interpretation of, or compliance with, or effect of the terms of the Plans or their governing authorities shall be directed to the Board's Office of General Counsel (OGC) and/or to me;
 - c) Administer retiree health and life insurance benefits for retired members and their survivors as allowed under Federal and District laws.
 - d) Act as liaison between the Board, the Board staff, Plan members, member organizations, employers, employer organizations, departments and agencies of the District of Columbia, the Council of the District of Columbia, and the U.S. Treasury Department's Office of D.C. Pensions (ODCP);
 - e) Bring to my attention, either directly or jointly with the Board's OGC, all matters which are sensitive in nature or have a significant, novel, policy or fiscal impact on the Plans or Board;

CERTIFICATE OF EXECUTIVE DIRECTOR
DELEGATION OF AUTHORITY TO THE CBO

- f) After consultation and review by the Board's OGC, present to me recommendations, policies, proposed rules and regulations for the purpose of carrying out the provisions of the laws and other governing authorities applicable to the Plans;
 - g) Appear before and address legislative committees and other groups to inform them of the Plan provisions, the operations and programs of the Benefits Department, and positions taken by the Board on proposed laws and other issues impacting the Plans and benefits administration;
 - h) Determine the amount, and make timely payment of benefits and refunds to Plan members, their survivors and beneficiaries in accordance with governing laws and authorities; this includes the adjustment of any benefit payments for any benefit overpayments or underpayments in accordance with DCRB's Policy Guidelines for Correcting Benefit Overpayment/Underpayment Errors, as amended, and other governing authorities. However, benefit overpayment cases involving significant or systemic issues or impacting several members shall be presented to me after seeking counsel from the Board's OGC;
 - i) Carry out DCRB's third-party benefits administration responsibilities to ODCP in accordance with the terms of the Sept. 26, 2015 Memorandum of Understanding Concerning Interim Benefit Administration of Retirement Programs and the Frozen Plans;
 - j) Oversee benefits administration to ensure operational and governmental tax-qualification plan compliance;
 - k) Keep abreast of the latest developments in the public pension field and further the interests of the Board; and
 - l) With my approval, perform such other duties as may be required for benefits administration.
4. This Delegation was duly made by me, remains unmodified and in full force and effect and applies to and vests in the CBO the authority to carry out the responsibilities delegated herein.
5. The CBO may delegate any and all of the matters in Section 3 above to the Benefits Staff.
6. Johnetta Bond is the duly appointed and incumbent Chief Benefits Officer of the District of Columbia Retirement Board.

CERTIFICATE OF EXECUTIVE DIRECTOR
DELEGATION OF AUTHORITY TO THE CBO

January 26, 2016

Eric O. Stanchfield

Eric O. Stanchfield,
Executive Director

On 26 day of January, 2016 before, personally appeared Eric O. Stanchfield, who is personally known to me as the Executive Director of the District of Columbia Retirement Board.

Deborah Vines Reaves

Signature of Notary





DISTRICT OF COLUMBIA RETIREMENT BOARD
BOARD GOVERNANCE MANUAL

DRAFT -12-08-15

Mission Statement

The mission of DCRB is to prudently invest the assets of the District of Columbia Police Officers and Fire Fighters' Retirement Fund and the District of Columbia Teachers' Retirement Fund (the "Funds") for the exclusive benefit of the members of the District of Columbia Police Officers and Firefighters' Retirement Plan and the District of Columbia Teachers' Retirement Plan (the "Plans") and to provide Plan members with total retirement services.

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III APPENDICES Error! Bookmark not defined.

HISTORY OF ADOPTIONS AND REVISIONS OF MANUAL, POLICIES & CHARTERS

INDEX

Board Governance Manual	Adopted:
Investment Committee Charter	Adopted: July 17, 2014
Audit Committee Charter	Adopted: June 19, 2014
Benefits Committee Charter	Adopted: July 17, 2014
Legislative Committee Charter	Adopted: September 17, 2014
Operations Committee Charter	Adopted: July 17, 2014
Trustee Education and Related Travel Policy	Adopted: December 18, 2014
Investment Policy Statement	Adopted: November 19, 2015
Asset Allocation Investment Policy	Adopted: July 18, 2013
Conflict of Interest Guidelines	Adopted: September 11, 1987 Revised: October 2001, March 2006
Derivative Policy and Procedure Addendum	Adopted: May 15, 2013
ESG Policy Statement	Adopted: November 21, 2013
Funding Policy	Adopted: November 15, 2012
Governance Policy for Alternative Investments	Adopted: May 17, 2012 Revised: January 22, 2015
Investment Policy for Absolute Return Investments	Adopted: September 20, 2012
Investment Policy Statement for Private Equity Investments	Adopted: July 19, 2012
Investment Policy Statement for Real Assets	Adopted: January 22, 2015
Rebalancing Investment Policy	Adopted: October 21, 2010
Securities Litigation Policy	Revised: May 18, 2006
Investment Watch List Policy	Adopted: November 18, 2010
Delegation of Authority to the Executive Director on Investment Matters	Adopted: November 19, 2015
Delegation of Authority to the Executive Director on Benefits Administration Matters	Adopted: January ___, 2016

I INTRODUCTION

A. PURPOSE

This Board Governance Manual is intended to:

- Set forth the principles, policies and guidelines that govern the District of Columbia Retirement Board (the “Board”) consistent with its fiduciary responsibilities.
- Guide the Board in managing the effectiveness and integrity of the Board’s processes, including oversight, accountability, transparency, and decision making.
- Guide the manner in which the Board and its committees carry out their responsibilities as effectively and efficiently as possible, in accordance with applicable laws and other governing authorities.

This Manual shall be effective upon adoption. Any provision of this Manual may be revised by a majority vote of the Board except for requirements provided by law.

B. BACKGROUND & GOVERNING AUTHORITY

The Board is an independent agency of the District of Columbia created by Congress in 1979 under the Retirement Reform Act (“Reform Act,” Pub. L. 96-122, *codified at* D.C. Code §§ 1-701 *et seq.*).¹ The Board was given exclusive authority and discretion to manage and control the following retirement funds (collectively, the “Funds”):

- The Police Officers and Fire Fighters’ Retirement Fund (D.C. Code § 1-712)
- The Teachers’ Retirement Fund (D.C. Code § 1-713)

The Reform Act was modified in 1997 with the National Capital Revitalization and Self-Government Improvement Act (“Revitalization Act,” Title XI of Pub. L. 105-33, as amended). Under the Revitalization Act, the District of Columbia assumed financial responsibility for retirement benefits for teachers, police officers, and fire fighters based on service accrued after June 30, 1997 (“District Benefit Payments”) and the U.S. Department of the Treasury assumed financial responsibility for retirement benefits accrued on or before June 30, 1997 (“Federal Benefit Payments;” *see* Title XI, Subtitle A, the “District of Columbia Retirement Protection Act of 1997,” *codified at* D.C. Code §§ 1-801.01 *et seq.*). The District subsequently established “Replacement Plans” for the District Benefit Payments in the 1998 Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act (“Replacement Plan Act,” D.C. Law 12-152, as amended, *codified at* D.C. Code §§ 1-901.01 *et seq.*).² The Replacement Plan Act modified certain Board responsibilities established in the Reform Act.³

The Reform Act was further modified in 2004 when the Board assumed certain benefits administration responsibilities for the Retirement Plans from the District of Columbia in 2005

¹ The Reform Act was modeled after the Employee Retirement Income Security Act of 1974 (“ERISA,” Pub. L. 93-406).

² The Teachers’ and Police Officers and Fire Fighters’ Replacement Retirement Plans (collectively, the “Retirement Plans”) can be found at D.C. Code §§ 38-2021.01 *et seq* and D.C. Code §§ 5-701 *et seq.* The Replacement Plans continued the terms of the Retirement Plans as they existed on June 30, 1997. The Replacement Plans are governmental tax-qualified defined benefit plans.

³ The Reform Act and the Replacement Plan Act are referred to as the Board’s enabling statutes. See Appendix A for a historical timeline of the Board.

pursuant to the District of Columbia Retirement Protection Improvement Act of 2004 (Pub. L. 108-489) and the Fiscal Year 2005 Budget Support Act of 2004 (Title I, Subtitle B, “Office of Financial Operations and Systems Reorganization Act of 2004,” D.C. Law 15-205).⁴

The twelve (12) person Board is charged with maintaining the Funds to pay District Benefit Payments, prudently investing the assets of the Plans, and managing them on an actuarially sound basis in accordance with its fiduciary duties. Consistent with its fiduciary role as Trustee of the Funds, the Board’s principal role is to establish policies and procedures to ensure that the Funds are appropriately governed and managed.

C. BOARD COMPOSITION

D.C. Code § 1-711(b)(1)(A)(i)-(ix) provides the Board consists of 12 members (“members” or “trustees”):

- Three (3) elected by the active Police Officers, Firefighters, and Teachers;
 - Three (3) elected by retired Police Officers, Firefighters, and Teachers;
 - Three (3) appointed by the Mayor of the District of Columbia; and
 - Three (3) appointed by the Council of the District of Columbia.
1. Once elected or appointed, each Board member serves a four-year term. Newly elected or appointed Board members shall attend a trustee orientation session presented by Board staff.
 2. There is no limit on the number of terms a member may serve. However, no member may hold or be a candidate for an elective office in the District of Columbia.
 3. Any Board member shall be removed for good cause by a vote of two-thirds (2/3) of the Board members, after notice to the member. Any Board member may be removed for a breach of his or her fiduciary responsibility or violation of D.C. Code § 1-744 by a two-thirds (2/3) vote of Board members. D.C. Code § 1-711(b)(3)(B), (9).
 4. The District’s Chief Financial Officer, or designee, serves as an *ex officio* member and shall not be elected Chairperson or counted for purposes of a quorum.

D. FIDUCIARY DUTIES

In recognition that Board members are fiduciaries, Board members shall attend fiduciary training annually. Board members also shall be expected to attend various conferences as part of educational development and awareness to assure they carry out their fiduciary duties in accordance with the Board’s Education and Related Travel Policy in Appendix B and D.C. Code § 1-711(c)(4).⁵

⁴ Subsequent technical amendments were made to the D.C. Code in the Technical Amendments Act of 2005 (D.C. Law 15-354). The Board, the District government, and U.S. Treasury’s Office of D.C. Pensions (“ODCP”) also entered into a Memorandum of Understanding Concerning Interim Benefit Administration of Retirement Programs (Sept. 26, 2005) to specify the transfer of the benefits administration responsibilities for Federal Benefit Payments from the District to the Board.

⁵ Certain activities attended by Board members may be subject to annual reporting under D.C. Code § 1-909.01 (*see also* D.C. Code § 1-732).

The Board's fiduciary duties are enumerated in D.C. Code § 1-741, and include the following:

1. *Duty of Loyalty*: The Board is committed to act for the exclusive benefit of all Plan members, their survivors and beneficiaries. The Board shall put the interest of all Plan members, their survivors and beneficiaries above their own interests and/or the interests of any third parties.
2. *Duty of Care*: The Board shall administer the Funds efficiently and properly, including consideration and monitoring of the financial sustainability of the Plans' design and funding practices.
3. *Duty of Prudence*: The Board shall act according to the prudent person rule in exercising power or discretion over the interests that are the subject of the fiduciary relationship. The prudent person rule considers the actions that a reasonable or prudent person would take if put in a similar situation or in the conduct of his or her own affairs.
 - a. In making investment management decisions, the Board shall act as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the Funds. In doing so, the Board shall exercise reasonable care, skill, and caution.
 - b. The Board's decisions respecting individual assets and courses of action must not be evaluated in isolation but in the context of the Funds' portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the Funds.
 - c. To the extent relevant, the Board shall consider:
 - i. General economic conditions;
 - ii. Possible effect of inflation or deflation;
 - iii. Any expected tax consequences of investment decisions or strategies;
 - iv. The role that each investment or course of action plays within the overall portfolio of the Funds;
 - v. The expected total return from income and appreciation of capital;
 - vi. Needs for liquidity, regularity of income, and preservation or appreciation of capital;
 - vii. An asset's special relationship or special value, if any, to the purposes of the Funds or its beneficiaries;
 - viii. The size of the portfolio, nature and estimated duration of the fiduciary relationship and distribution requirements under the governing enabling statutes and Plan documents.

- d. The trustees shall make reasonable efforts to ascertain facts relevant to the investment and management of the Funds' assets, investigate other options and, if needed, obtain expert advice.
- e. The Board may invest in any kind of property or type of investment or engage in any course of action or investment strategy consistent with District of Columbia law, their fiduciary duties, and the Board's investment policy.⁶

E. AVOIDANCE OF CONFLICTS OF INTEREST

The Board's Conflict of Interest Guidelines in Appendix C shall apply to all trustees. D.C. Code § 1-909.01 also subjects Board members to annual personal financial disclosure reporting.

1. Board members shall never act where there may be a conflict of interest or appearance of a conflict of interest. D.C. Code § 1-711(b)(7). A conflict of interest is understood to be a situation where a relationship exists that could reasonably be expected to diminish independence of judgment in the performance of official responsibilities as a Board member. Specifically, Board members cannot participate in decisions which might result in significant personal economic advantage.
2. Trustees are bound by their fiduciary duties and applicable Federal and District ethics laws regarding conflict of interest. These laws include restrictions for former trustees and subsequent interactions with the Board.

F. DELEGATION OF AUTHORITY TO THE EXECUTIVE DIRECTOR

The Board has appointed an Executive Director to manage the daily operations of the Board. The Executive Director has been delegated the responsibility for the administration and management of the Retirement Program.⁷ The Executive Director implements policy and direction set by the Board, and as such, clear delineation of authority and a strong relationship between the Board and Executive Director is critical to the accomplishments of the Board's mission.

The Executive Director's duties are defined by the Board and set forth in the Delegations of Authority to the Executive Director in Appendices E and F.

II BOARD PROCEDURE

A. EXECUTIVE BOARD OFFICERS

1. The Board shall annually elect from its membership a Chairperson, Vice-Chairperson/Secretary, and Treasurer.⁸ The election shall take place at the first regular Board meeting in February. Each

⁶ These prudent steps are modeled after the Uniform Prudent Investor Act (UPIA) from the American Law Institute's Third Restatement of the Law of Trusts ("Restatement of Trust 3d"). The Board's Investment Policy Statement is in Appendix D.

⁷ The Retirement Program means the Replacement Retirement Plans and Funds.

⁸ Effective beginning with the February 18, 2016 election, Executive Board Officers were amended. At the May 21, 2015 Board meeting, motions were passed abolishing the positions of Parliamentarian and Sergeant-At-Arms and

officer shall serve for a term of one (1) year and until their successors are elected, unless their membership on the Board expires sooner. An Executive Board Officer may be reelected to serve in the same position for no more than two (2) consecutive terms, unless the Board affirmatively waives this requirement in a Board motion.

2. The elections shall take place in the order of Chairperson, Vice-Chairperson/Secretary, and Treasurer, with calls for nominations followed by a secret ballot vote. Any trustee may make nomination(s) for Executive Board Officer positions, including him or herself. When one candidate secures a majority vote for the position up for election, the current Chairperson shall declare that the position is filled until the newly elected officer is replaced or reelected at the next election. This process shall be repeated until all positions are elected.
3. An Executive Board Officer may be removed from his or her elected position by a vote of two-thirds (2/3) of the members of the Board. Such removal proceedings shall be accompanied by a detailed order issued by the Board stating the reasons for removal. D.C. Code § 1-711(b)(10).
4. A vacancy of a position occurs upon expiration of a member's term, resignation, death, removal, or any reason which, in the opinion of the holder of the position, prevents the holder of the position from carrying out his or her duties. Whenever a vacancy occurs, the Chairperson (or Acting Chairperson) shall convene the Board to reelect the vacant position as follows:
 - a. *Chairperson*: Board convenes within fourteen (14) business days after notice of the vacancy. At that time, the Board shall elect one (1) of its members as Chairperson for the remainder of the outstanding term.
 - b. *Vice-Chairperson/Secretary and/or Treasurer*: At the first Board meeting following the occurrence of the vacancy, the Board shall elect one (1) of its members to fill the vacant position for the remainder of the outstanding term.
5. The Chairperson shall be the chief presiding officer of the Board whose principal role shall be to lead the Board in the conduct of Board business.
6. The Vice-Chairperson/Secretary shall assist the Chairperson as requested.
 - a. In the case of a vacancy in the office of Chairperson, the Vice Chairperson/Secretary shall serve as Acting Chairperson until the Board elects a new Chairperson in accordance with the above procedures.
7. The Treasurer shall provide audit oversight of the Funds and shall also serve as the Chair of the Audit Committee.
 - a. In the case of a vacancy in the offices of Chairperson and Vice-Chairperson/Secretary, the Treasurer shall serve as Acting Chairperson until the Board elects a new Chairperson or in the case of a vacancy in the office of Vice-Chairperson/Secretary, the Treasurer shall service as Acting Vice-Chairperson/Secretary until the Board elects a new Vice-Chairperson/Secretary in accordance with the above procedures.

consolidating the positions of Vice-Chairperson and Secretary. The Treasurer's responsibilities were also expanded to include Audit Committee Chair.

B. COMMITTEES

1. Prior to taking official voting action or transacting other business at a regular Board meeting, the Board shall refer matters for consideration to ordinary (standing) or ad hoc (special) committees. A standing committee shall be a permanent committee and shall exist indefinitely until it is abolished by the Board. An ad hoc committee shall be a temporary special committee established by the Board for a specific task, which automatically ceases to exist upon completion of the assigned task and/or submittal of a final report. Standing and ad hoc committees shall be established by adoption of a charter by a majority vote of the Board without notice.
2. The Board's standing committees shall be:
 - a. Investment Committee⁹
 - b. Audit Committee
 - c. Benefits Committee
 - d. Legislative Committee
 - e. Operations Committee
3. Committee Charters for the standing committees are set forth in Appendix G.
4. The Board Chairperson shall appoint each standing committee chairperson, vice-chairperson, and alternate members after the February election of officers. The Chairperson may also remove or replace committee members. All Board members may serve on any committee they choose. However, membership on standing committees shall be limited to five (5) Board members. In no event shall a member chair more than one (1) standing committee at the same time. The Chairperson shall not chair a committee but shall be an *ex-officio* voting member of every committee and shall be counted for purposes of a quorum.
5. In the event that a committee chairperson is unable to complete his or her term, the committee vice-chairperson shall complete the term.
6. The Board Chairperson, committee chairs, and the Board shall distribute committee responsibilities as evenly as possible among the members.
7. All advisory recommendations and actions taken by committees must be approved by a majority of the Board at a regular Board meeting before it becomes an official Board action or position of the Board. Recommendations and motions shall be reported, as adopted by the Board.
8. Committees shall communicate with the Board in the form of written or electronic Report(s) to the Board, offering recommendations and discussions upon referred matters for the Board's consideration.

⁹ The Investment Committee is a Committee of the Whole and requires a quorum. Thus, this committee meeting is subject to the Open Meetings Act and is closed to the public (D.C. Code §§ 1-909.05(e), (f) and 2-575(b)(1)).

C. REGULAR BOARD MEETINGS

1. The Board is required to meet at least quarterly each calendar year to conduct Board business. D.C. Code § 1-711(d). These meetings, and any additional special or emergency meetings of the Board, are subject to the District of Columbia Open Meetings Act (“OMA,” *codified at* D.C. Code §§ 2-571 through 2-580) and are open to the public. *See also* D.C. Code §§ 1-736(c), 1-909.05(e). Regular Board meetings shall be held on the third Thursday in each month except in August of each year unless cancelled or rescheduled by the Chairperson or three (3) members of the Board. Staff shall publish an annual schedule of Board meetings at the beginning of each calendar year. All meetings shall commence at 10:00 a.m. in the Board’s office unless otherwise scheduled. Timely notice of Board meetings shall be provided by staff to the public in accordance with the OMA.
2. Additional meetings (special or emergency) may be called by the Chairperson by providing a minimum written notice of five (5) calendar days to Board members. The notice shall state the date, hour, place, and agenda of the meeting. No matters shall be considered at any additional meeting except those set forth in the notice. The notice and agenda requirements to members may be waived by a majority of the Board. Public notice may not be waived. At the meeting, the Board Chairperson shall state the reason for the meeting, nature of emergency, and how public notice was provided.
3. Any three (3) members may file in the office of the Executive Director a written request, including an agenda, to the Chairperson for a special meeting. The Executive Director shall immediately notify the Chairperson and other Board members of the filing of a request for a special meeting. If, within twenty-four (24) hours after the filing of the request for a special meeting, the Chairperson does not call the requested special meeting to be held within seventy-two (72) hours after filing the request, members may file in the office of the Executive Director a written notice that a special meeting will be held. The written notice will specify date, hour, place, and agenda of that special meeting. The Board shall meet on that date and time. Whenever a special meeting is called, the Executive Director shall notify each Board member in writing and by phone no less than twenty-four (24) hours prior to the special meeting.
4. The Chairperson may cancel any additional meeting. However, the Chairperson may not cancel any special meeting without the express approval of the members who originally requested the special meeting.

D. COMMITTEE MEETINGS

1. Committee meetings shall be called by the Committee Chairperson. With the exception of the Investment Committee, committee meetings are not subject to the OMA.
2. Staff shall provide written notice to all Board members of the meeting, agendas, prior committee meeting minutes, and supporting materials for the meeting within at least five (5) calendar days prior to the meeting unless circumstances warrant oral notice or shorter advance notice.
3. Any Board member may attend committee meetings and participate in discussions, but only committee members and the *ex-officio* Chairperson may make motions or vote.

E. AGENDA AND MEETING MATERIALS

1. The Executive Director or his or her designee, in cooperation with the Chairperson and respective committee chairs, shall prepare and distribute a written agenda for all regular meetings of the Board and standing and ad hoc committees.
2. The agenda and related materials for Board and committee meetings shall generally be distributed to trustees at least five (5) calendar days prior to the Board or respective committee meeting.

F. QUORUM AND VOTING

1. With respect to Board meetings, a majority of the trustees then serving on the Board shall be a quorum. D.C. Code § 1-711(d)(2). Vacant trustee positions shall not be considered. A trustee who attends a Board meeting electronically shall be counted toward a quorum. Proxies shall not be permitted for obtaining a quorum. A quorum shall be required for:
 - a. The transaction of any business;
 - b. The exercise of any power; or
 - c. The performance of any duty authorized or imposed by law.
2. Although there shall be no quorum requirement for a meeting of a standing or special committee, meetings of the Investment Committee shall not commence until a quorum is present. For committees other than the Investment Committee, final committee action requires ratification by a majority of committee members.
3. Each trustee shall be entitled to one vote on the Board, with the exception of the *ex-officio* member who shall not be permitted to vote. Trustees shall not be permitted to vote by proxy.
4. Voting shall be cast by voice and the Chairperson or committee chair shall state the final result.

G. ATTENDANCE

1. Each trustee shall attend at least eight (8) of the monthly Board meetings each calendar year. Failure to attend regular Board meetings without a reasonable cause may be deemed good cause for removal.
2. An excused absence may be granted by the Chairperson for illness or family emergency, and such absence shall not be considered an absence for purposes of meeting the attendance requirement.
3. If personal physical attendance at the Board's office is impractical, a trustee may attend Board or committee meetings via electronic methods.¹⁰ A trustee who will attend a meeting electronically shall contact the Board or committee liaison at least two (2) calendar days in advance of the meeting to allow electronic participation to be arranged. To facilitate the business of the Board

¹⁰ Electronic means shall mean teleconference, videoconference, or other electronic means as the Board determines appropriate.

and to encourage more comprehensive discussion, no more than three (3) voting Board members or two (2) committee members (3 committee members for Investment Committee meetings) may participate electronically at any given time. The number of members allowed to participate electronically shall be determined on a first-come basis. Further, trustees may not attend more than three (3) Board or committee meetings electronically each calendar year.

4. Trustees attending meetings electronically shall ensure they follow best practices in order to facilitate effective communication. This shall include the following:
 - a. Ensure they can hear the meeting and be heard by the Board or committee;
 - b. Preserve privacy and confidentiality by having no other persons present at the remote site, including members of the public; and
 - c. Advise other trustees if they are leaving the remote attendance location, and when they have returned.
5. Electronic participation shall be permitted for all Board meetings and committee meetings. At the discretion of the Chairperson or committee chair, electronic participation may be disallowed for the presentation and discussion of particular matters. Electronic participation shall not be permitted for the Board's fiduciary or ethics training meetings.

H ORDER OF BUSINESS FOR BOARD MEETINGS

1. The Board shall be called to order and the Chairperson shall ascertain the presence of a quorum before any business is transacted. If no quorum is present, the meeting shall be adjourned.
2. The Board shall take up business, after a quorum is ascertained, in the following order:
 - a. Approval of the minutes of the previous meeting;
 - b. Chairman's Comments;
 - c. Report of the Executive Director;
 - d. Reports of Standing Committees;
 - e. Reports of Special Committees;
 - f. Other business before the Board.
3. The Board may, at the beginning of a meeting, set a different order of business, in which case the order set by the Board shall be followed for that meeting. Additionally, the Chairperson may, without objection or upon the vote of a majority of Board members present, take up any item of business out of order during the Board meeting.
4. Once a quorum has been established, it shall continue to exist until the Chairperson or any other member notices a quorum is absent. The Chairperson shall declare the absence of a quorum before taking any vote and no vote shall be taken until a quorum is present. Any other member shall make a *Point of Order* noting the absence of a quorum. If necessary, the Chairperson shall decide if any transacted business shall be invalid due to loss of a quorum.
5. The Chairperson or committee chairs shall present recommended action items to the Board in the form of a written motion (or resolution) that is read to the Board. Any motion may be

withdrawn, modified or amended by the presenter of the motion at any time before the Board votes on the action. Every motion presented to the Board shall be duly seconded.

6. When a matter is under consideration, the Chairperson shall not entertain any motions except to:
 - a. Adjourn;
 - b. Recess;
 - c. Reconsider;
 - d. Lay on the table;
 - e. Move the previous question;
 - f. Postpone to a later date;
 - g. Recommit to committee;
 - h. Amend or substitute; or
 - i. Postpone indefinitely.
7. A Board member may appeal any decision of the Chairperson by stating the reason for the appeal and the Chairperson may respond. The appeal shall be voted upon immediately and shall require an affirmative vote of a majority of the voting Board members present to override the Chairperson's decision.
8. A Board member wishing to speak shall address the Chairperson who shall recognize the Board member, after which the Board member may address the Board. The Chairperson may recognize non-Board members if the Chairman believes such individual can enhance the Board's understanding of the matter under consideration.
9. Any Board member may limit debate by motion which shall require an affirmative vote of a majority of the voting Board members present. Such limit by motion may include:
 - a. Reduce the number of speeches permitted;
 - b. Reduce the length of time permitted for each speech; and/or
 - c. Require that at a time certain or after a certain length of time, debate shall be closed and the matter shall be put to vote.
10. Any Board member who voted with the prevailing side on a matter may move to reconsider the matter at any time before the meeting is adjourned. A motion to reconsider shall require approval of a majority of the voting Board members present.

I. RULES OF ORDER

Meetings of the Board and all of its committees shall be governed by the Board's rules (7 DCMR §§ 1500 *et seq.*) and this Manual. Any matter not addressed shall be governed by Robert's Rules of Order.

J. EXECUTIVE SESSION

1. The Board may convene any Board meeting or portion of a Board meeting in executive (closed) session, as permitted by District law, upon a majority vote of members present at the meeting. The Chairperson shall state the reason for the closure, including D.C. Code citations, and subjects to be discussed before convening the closed session.
2. An executive session of the Board shall be closed to the public, and all materials received and transcripts of discussion shall not be deemed a “public record” in accordance with the OMA, and shall be given appropriate safeguarding.
3. The Board shall take no official action in executive session. Any such action shall be taken during the portion of the Board meeting that is open to the public.
4. Board trustees shall be prohibited from publicly disclosing the discussions held in executive session.
5. A Board meeting or portion of a Board meeting may be closed for the following reasons:
 - a. A law or court order requires that a particular matter or proceeding not be public (D.C. Code § 2-575(b)(1)):
 - (i) Deliberations, tentative or final decisions on investments or other financial matter that would jeopardize the Board’s ability to implement an investment decision or to achieve investment objectives (DC Code §1-909.05(e) and (f));
 - (ii) Personnel matters (DC Code §§1-736(c) and 1-909.05(e); *see also* DC Code § 2-575(b)(9) and (10) below); and
 - (iii) Individual Plan participant benefit information (DC Code §§1-736(b) and 1-909.05(d));
 - b. To discuss, establish, or instruct the Board’s staff or negotiating agents concerning the position to be taken in negotiating the price and other material terms of a contract, including an employment contract, if an open meeting would adversely affect the Board’s bargaining position or negotiating strategy (D.C. Code § 2-575(b)(2));
 - c. To consult with an attorney to obtain legal advice and preserve the attorney-client privilege, or to approve settlement agreements (mere participation of the Board’s general counsel at a Board meeting does not warrant closure) (D.C. Code § 2-575(b)(4));
 - d. To discuss disciplinary matters (D.C. Code § 2-575(b)(9));
 - e. To discuss the appointment, employment, assignment, promotion, performance evaluation, compensation, discipline, demotion, removal, or resignation of Board members or staff (D.C. Code § 2-575(b)(10));

- f. To discuss trade secrets and commercial or financial information obtained from outside the government to the extent disclosure would result in substantial harm to the outside party's competitive position (D.C. Code § 2-575(b)(11));
- g. To train and develop members of the Board and staff (D.C. Code § 2-575(b)(12));
- h. To discuss investigations of alleged criminal or civil misconduct or violations of law or regulations if disclosure would harm the investigation (D.C. Code § 2-575(b)(14)).

K. MEETING MINUTES AND RECORDS

- 1. All Board meetings (regular, additional, emergency or special) and committee meetings (standing and ad hoc) shall be recorded by electronic means as determined by the Board.
- 2. Minutes shall be kept for all Board and committee meetings
- 3. Copies of the minutes and materials of regular Board meetings at which official action is taken shall be made available to the public on the Board's website in accordance with the OMA.
- 4. All Board members or committee members shall have the opportunity to review the minutes (included in Board package or committee package) of the previous meeting(s) before the Board Chairperson or committee chair seeks approval by the Board or committee.
- 5. Staff shall prepare the written minutes for review, in paper or electronic format, before approval, and the historical record of approved minutes and related materials necessary to establish a due diligence record of the Board's activities shall be maintained electronically with all appropriate considerations for security and accessibility as required by law and retained indefinitely.

L. SUSPENSION

- 1. These Board Procedures or any part thereof may be suspended during consideration of a specified matter upon motion to suspend procedures approved by a majority of the voting Board members present, provided, however, that requirements by law, and quorum requirements shall not be suspended.

III APPENDICES

Appendix A	DCRB Historical Timeline
Appendix B	Education and Related Travel Policy
Appendix C	Conflict of Interest Guidelines
Appendix D	Investment Policy Statement
Appendix E	Delegation of Authority to Executive Director – Benefits Administration
Appendix F	Delegation of Authority to Executive Director – Investments
Appendix G	Committee Charters

CHAPTER 15-DISTRICT OF COLUMBIA RETIREMENT BOARD

(Revised 12-8-15)

1500 ESTABLISHMENT AND ORGANIZATION OF THE BOARD

- 1500.1 The District of Columbia Retirement Board (the “Board”) was established as an independent agency of the government of the District of Columbia pursuant to § 1-121(a) of the District of Columbia Retirement Reform Act of 1979, as amended (93 Stat. 866, Public Law 96-122; D.C. Official Code § 1-711(a)).
- 1500.2 The Board shall have exclusive authority to manage and control the District of Columbia Police Officers and Fire Fighters’ Retirement Fund and the District of Columbia Teachers’ Retirement Fund (collectively, the “Funds”) established by of the District of Columbia Retirement Reform Act (D.C. Official Code §1-711(a)), and to administer the retirement benefits under the Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998, as amended (D.C. Law 12-152; D.C. Official Code §§ 1-901.01 *et seq.*).

1501 BOARD MEMBERS

- 1501.1 The Board shall consist of twelve (12) members, whose terms of office, qualifications, and compensation are mandated by statute (D.C. Official Code §1-711(b), (c)). The members are fiduciaries to the Funds.
- 1501.2 The Board shall conduct elections for elected members (D.C. Official Code § 1-711(b)(2)).
- 1501.3 In case of notification of a vacancy on the Board of an elected member, action shall be initiated to fill the vacancy no more than thirty (30) business days after the Board’s receipt of the written vacancy notification.
- 1501.4 Individual Board members sued in their capacity as Board members shall be represented by independent counsel, if appropriate, at the Board's expense.
- 1501.5 The Chief Financial Officer of the District of Columbia, or his or her designee, shall be a non-voting *ex officio* member (D.C. Official Code § 1-711(b)(11)).
- 1501.6 The Board shall elect one (1) member to be Chairperson who shall serve for a term of one (1) year unless removed by the Board (D.C. Official Code § 1-711(b)(10)). The Board may elect other officer positions at its discretion.

1502 STAFF

- 1502.1 Assignments to, removal from, and the remuneration of the staff of the Board shall be determined by the Board’s appointed Executive Director, consistent with applicable provisions of the Retirement Reform Act and the Comprehensive Merit Personnel Act. (D.C. Official Code § 1-711(g)(2), (k); §§ 1-601.01 *et seq.*).

1503 **COMMITTEES**

1503.1 The Board shall establish standing or special committees at its discretion.

1504 **REGULAR MEETINGS**

1504.1 The Board shall conduct statutorily mandated quarterly meetings each calendar year to consider, conduct and transact official Board business (“regular meeting”). The transaction of official Board business requires a majority of current voting members. The Board holds regularly scheduled meetings the third Thursday of each month, except August, beginning at 10 a.m. unless otherwise scheduled by the Board.

1504.2 The Board may schedule special or emergency meetings at its discretion.

1504.3 All meetings of the Board shall be held in the office of the Board unless otherwise designated by the Board.

1505 **NOTICE OF MEETINGS**

1505.1 Public notice shall be given in advance of a Board meeting or closed session in accordance with the District of Columbia Open Meetings Act (“OMA,” D.C. Law 18-350; D.C. Official Code § 2-576.).

1506 **OPEN MEETINGS**

1506.1 All meetings of the Board, whether regular, special, or emergency, at which official action is taken shall be open to the public as required by the Retirement Reform and Replacement Plan Acts (D.C. Official Code §§ 1-736(c), 1-909.05(e)) and OMA . No Board rule, regulation, resolution, or other official Board action shall be effective unless taken in an Open Meeting.

1506.2 Members of the public wishing to attend an Open Meeting should contact the Board’s office at least one (1) business day prior to the scheduled meeting to confirm the meeting is still scheduled.

1506.3 Members of the public wishing to address the Board at an Open Meeting must submit their comments to the Board at least one (1) day prior to the scheduled meeting. Comments must be related to the published agenda. The Board reserves the right to deny anyone from the public from speaking at an Open Meeting.

1507 **EXECUTIVE SESSION**

1507.1 Any Board meeting, or portion of a meeting, may be closed to the public as permitted by the Retirement Reform and Replacement Plan Acts and the OMA upon a majority vote of the Board.

- 1507.2** The Board may close a meeting, or any portion of a meeting, for the following reasons:
- a. A law or court order requires that a particular matter or proceeding not be public (D.C. Code § 2-575(b)(1)):
 - (i) Deliberations, tentative or final decisions on investments or other financial matter that would jeopardize the Board’s ability to implement an investment decision or to achieve investment objectives (DC Code §1-909.05(e) and (f));
 - (ii) Personnel matters (DC Code §§1-736(c) and 1-909.05(e); *see also* DC Code § 2-575(b)(9) and (10) below); and
 - (iii) Individual Plan participant benefit information (DC Code §§1-736(b) and 1-909.05(d));
 - b. To discuss, establish, or instruct the Board’s staff or negotiating agents concerning the position to be taken in negotiating the price and other material terms of a contract, including an employment contract, if an open meeting would adversely affect the Board’s bargaining position or negotiating strategy (D.C. Code § 2-575(b)(2));
 - c. To consult with an attorney to obtain legal advice and preserve the attorney-client privilege, or to approve settlement agreements (mere participation of the Board’s general counsel at a Board meeting does not warrant closure) (D.C. Code § 2-575(b)(4));
 - d. To discuss disciplinary matters (D.C. Code § 2-575(b)(9));
 - e. To discuss the appointment, employment, assignment, promotion, performance evaluation, compensation, discipline, demotion, removal, or resignation of Board members or staff (D.C. Code § 2-575(b)(10));
 - f. To discuss trade secrets and commercial or financial information obtained from outside the government to the extent disclosure would result in substantial harm to the outside party’s competitive position (D.C. Code § 2-575(b)(11));
 - g. To train and develop members of the Board and staff (D.C. Code § 2-575(b)(12)); To discuss investigations of alleged criminal or civil misconduct or violations of law or regulations if disclosure would harm the investigation (D.C. Code § 2-575(b)(14)).

1507.3 All materials and records of a closed meeting or executive session shall not be subject to disclosure under the OMA.

1508 **RECORD OF MEETINGS**

1508.1 All Board and committee meetings shall be recorded by electronic means if possible. The Board shall maintain written minutes of each meeting.

1508.2 Unapproved draft minutes of the regular Board meetings shall be made available to the public via the Board’s website at dcrb.dc.gov no later than three (3) business days after the meeting. Approved final minutes of the Board meetings and related materials shall be made available within seven (7) business days after approval.

1508.3 Records of closed meetings or executive sessions shall not be disclosed to the public.

1509

FILING AND PUBLICATION OF ADOPTED MEASURE

1509.1

Rules and regulations adopted by the Board that affect legal rights, duties, or privileges of specific parties other than Board members and its staff shall be filed in the District of Columbia Office of Documents, and non-emergency rules and regulations shall not become effective until after they are published in the District of Columbia Register, unless otherwise provide by law.

900 7th Street, NW, 2nd Floor
Washington, DC 20001
www.dcrb.dc.gov



Telephone (202) 343-3200
Facsimile (202) 566-5001
E-mail: dcrb@dc.gov

TO: BOARD OF TRUSTEES

FROM: EDWARD SMITH, CHAIRMAN

DATE: FEBRUARY 18, 2016

SUBJECT: BENEFITS COMMITTEE REPORT

The Benefits Committee did not meet in January or February 2016. The following report reflects Benefits Department activities and projects that occurred since the January Board meeting.

Health Benefits Open Enrollment

DCRB's Benefits Department staff successfully processed a total of approximately 1,200 Open Enrollment changes for the Federal Employees' Health Benefit (FEHB) Program and the District Employees' Health Benefit (DCEHB) Program by the scheduled due date. This significant increase in changes (normally, there are fewer than 200) was a result of the new federal benefit type (Self Plus One). Although the addition of the new benefit type presented some challenges, most members we heard from offered positive comments with our meeting the deadlines.

Tax Form 1099-R

On January 19, 2016, 2015 1099-R Forms were mailed to 15,173 annuitants at their current address of record. Since the US Postal Service will not forward a document labeled "tax document" that has been sent to the prior address of someone who has moved, the Postal Service returned approximately 380 envelopes to DCRB with forwarding labels. To assure that our records are up-to-date, DCRB's Member Services Center is sending a change of address form to each of these members requesting that an official change to their current address.

2016 Cost-of-Living Adjustments

In accordance with the changes in the Consumer Price Index (CPI) during calendar year 2015, the following Cost-of-Living Adjustments (COLAs) will be applied to annuitant and survivor benefits effective March 1, 2016 and payable on April 1, 2016:

Teachers - Teachers who retired prior to March 1, 2015 will receive a COLA of .4%. Individuals who retired after March 1, 2015 and before March 1, 2016 will receive a pro-rated COLA amount.

Police/Fire - Police officers and firefighters who retired on or after February 15, 1980 and prior to March 1, 2015 will receive .7%. Individuals who retired after March 1, 2015 and before March 1, 2016 will receive a pro-rated COLA amount.

Member Satisfaction Survey

In mid-January, Benefits staff mailed out 125 surveys to members to measure their satisfaction with our customer service and to identify if any improvements are needed. Members were asked

to return the surveys or to complete an online version found on the DCRB website. As of February 11, 2016, 19 had surveys had been returned. We will provide the survey results when we have additional responses in hand.

Benefits Department Monthly Statistics

Processing volume by month:

Activity	January	December	November
Retirement Claims Received	224	189	277
Processed Retirements	137	118	138
Telephone Calls	2072	2287	2639
Walk-in Customers	97	233	184
Scanned Documents	12,695	19,726	12,816 pages
QDROs Approved	2 final, 1 draft	2 drafts	1 draft
Purchase of Service	14 (\$16,200.02)	19 (\$17,459.21)	6 (\$7,376)

You will find more details of the Benefits Department statistics in the attached reports.

Board Meeting - Legislative Committee Report

900 7th Street, NW, 2nd Floor
Washington, DC 20001
www.dcrb.dc.gov



Telephone (202) 343-3200
Facsimile (202) 566-5001
E-mail: dcrb@dc.gov

TO: BOARD OF TRUSTEES
FROM: LYLE BLANCHARD, CHAIRMAN
DATE: FEBRUARY 18, 2016
SUBJECT: LEGISLATIVE COMMITTEE REPORT

The following report reflects activities of interest since the January Board Meeting.

HEARINGS

DCRB's annual agency performance oversight hearing is scheduled for March 8, 2015 at 10:30 am before Councilmember Phil Mendelson, Chair of the Committee of the Whole, 1350 Pennsylvania Ave., NW, Room 412, Washington, D.C.

DCRB's annual agency budget oversight hearing is scheduled for April 14, 2015 at 10:00 am before Councilmember Phil Mendelson, Chair of the Committee of the Whole, 1350 Pennsylvania Ave., NW, Room 120, Washington, D.C.



DISTRICT OF COLUMBIA RETIREMENT BOARD
BOARD MEETING – ELECTION OF OFFICERS
FEBRUARY 18, 2016

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- ❖ Pursuant to Section 1502.14 of the Board Rules, the election of officers is conducted by secret ballot.
 - ❖ Each election is decided by majority vote.
 - ❖ If no candidate in a particular election receives a majority vote, the balloting will continue until one candidate obtains a majority vote.

Procedure for Election of Officers

- (1) A blank ballot is handed out by the election teller.
- (2) Nominations are received for each office in the following order:
 - (a) Chairman
 - (b) Vice-Chair/Secretary
 - (c) Treasurer

After each nomination is confirmed, the name of the nominee(s) is placed on the ballot sheet.

- (3) After nominations for each office are closed:
 - a) Trustees write the name of the candidate of choice on their ballot,
 - b) Ballots are collected and counted by Teller.
 - c) The Chairman announces the election results

Current DCRB Board Officers

Position	Officer	Term
Chairman	Joseph Bress	2013, 2014, 2015
Vice-Chair/Secretary	Joseph Clark	2015
Treasurer	Lyle Blanchard	2013, 2014, 2015



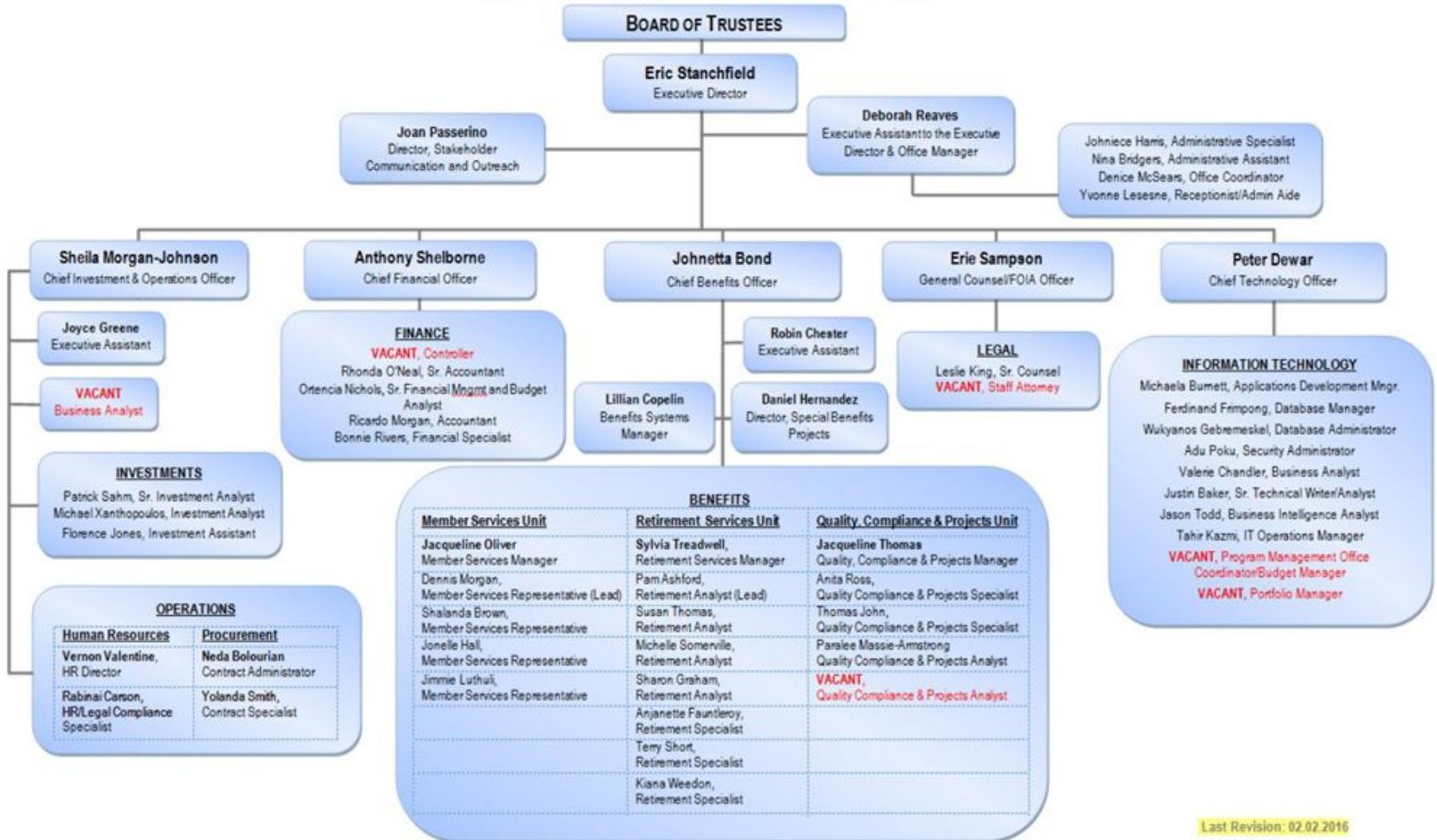
DISTRICT OF COLUMBIA RETIREMENT BOARD
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Role of Elected Officers

Position	Term	Responsibilities
Chair	One Year	The Chair shall be the presiding and chief executive officer of the Board. The Chairman serves as an ex-officio voting member on all committees and is counted for purposes of a quorum.
Vice-Chair/Secretary	One Year	<p>The Secretary shall have the following responsibilities:</p> <ul style="list-style-type: none"> ➤ Overseeing the preparation of the minutes of all regular and special meetings of the Board (in sufficient detail to indicate the votes and positions taken by the members); ➤ Assisting the Chairperson and Executive Director in developing meeting agenda; ➤ Coordinating all Board correspondence, documents and minutes; ➤ Overseeing correspondence with all Fund participants; and ➤ Conducting all regular and special meetings of the Board in the absence of the Chairperson. <p>*In case of a vacancy in the office of Chairman, the Vice-Chair/Secretary shall serve as Acting Chairman until the Board elects a new Chairman.</p>
*Treasurer	One Year	<p>The Treasurer has the following responsibilities:</p> <ul style="list-style-type: none"> ➤ First Ensuring official copies of all financial records, reports, and filings are maintained by staff; ➤ Assisting the Chairperson and Executive Director in developing meeting agenda; ➤ Coordinating all Board correspondence, documents and minutes; ➤ Overseeing correspondence with all Fund participants; and ➤ Conducting all regular and special meetings of the Board in the absence of the Chairperson.

*At the February 21, 2013 Board Meeting the following motion was passed. “To waive Board Rule 1502.12, to allow the Treasurer to serve in the same elected office for more than two consecutive terms.”

THE DISTRICT OF COLUMBIA RETIREMENT BOARD



Last Revision: 02.02.2016