



**DISTRICT OF COLUMBIA RETIREMENT BOARD**  
**BOARD MEETING MINUTES**  
**JULY 17, 2014**  
**1:00 PM**

**MEMBERS PRESENT**

Joseph M. Bress  
Barbara Davis Blum  
Joseph W. Clark  
Mary A. Collins  
Darrick O. Ross  
Nathan A. Saunders  
Edward C. Smith  
Thomas N. Tippett  
Michael J. Warren (via telephone)  
Lenda P. Washington

**DCRB STAFF PRESENT**

Eric Stanchfield, Executive Director  
Sheila Morgan-Johnson  
Erie Sampson  
Tom Anderson  
Johnetta Bond  
Daniel Hernandez  
Anthony Shelborne  
Peter Dewar  
Leslie King  
Steven Van Reese  
Michael Xanthopoulos  
Camille Castro  
Deborah Reaves  
Wukyanos Gebremeskel  
Johniece Harris  
Denise McSears  
Nina Bridgers

**MEMBERS NOT PRESENT**

Mary A. Collins  
Edward C. Smith  
Jeffrey Barnette, Ex-Officio

**OTHERS PRESENT**

Hazel Bradford, Pension and Investment  
Sylvia Williams, Mobomo

**ROLL CALL**

Chairman Bress called the meeting to order at 1:10 pm. Ms. Deborah Reaves called the roll.

**APPROVAL OF MINUTES**

Chairman Bress introduced the motion to approve the June 19, 2014, Board meeting minutes. The motion was moved by Mr. Hankins and seconded by Mr. Clark.

**Motion #1:** To approve the June 19, 2014, Board meeting minutes.

The motion was approved 7-0, with two abstentions. (*See Tally #1*)

**CHAIRMAN'S COMMENTS**

**Election of Board Officer: Parliamentarian** – Ms. Blum nominated Ms. Washington for the position of Parliamentarian and Mr. Clark seconded the motion. Ms. Washington declined the

nomination and instead nominated Mr. Clark. This action was seconded by Mr. Blum and the nomination was accepted by Mr. Clark. Mr. Saunders moved the following motion:

**Motion #2:** To close the nomination process for position of Parliamentarian.

Mr. Hankins seconded the motion and the motion was approved unanimously 9-0 (See Tally #2).

The secret ballots were distributed and the results were 9-0 in favor of Mr. Clark as the Board's Parliamentarian.

Mr. Bress informed the Board that DCRB has responded to Chairman Phil Mendelson's office request for information regarding Board Member compensation, dating back to the last three years. Mr. Bress reminded the Board to submit their timesheets monthly so that accurate reporting can occur.

Mr. Bress reminded the Board that both the Investment and the Board meetings for September 18, 2014, will be rescheduled for Wednesday, September 17, 2014.

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

Mr. Stanchfield presented the following information to the Board:

- Joseph G. O'Rourke vs. DCRB (CA No. 2014 003772B): Retired member with eight years of service under the Police Officers and Firefighters' Retirement Plan sued DCRB on June 25, 2014 requesting longevity pay be used in his retirement calculation.
- DCRB has initiated the process of securing a vendor to assist with our office signage needs including the installation of privacy film for glass offices, elevator and entrance branding, and employee nameplates.
- **New Staff: Anjanette Fautleroy** - Ms. Fautleroy joined DCRB on June 16<sup>th</sup> as a Retirement Specialist in the Benefits Department. Ms. Fautleroy previously worked for the DC Office of Pay and Retirement Services, Accenture, and Washington Gas.

### **INVESTMENT COMMITTEE REPORT**

The Investment Committee Chair, Ms. Blum, presented the Board with nine motions:

**Motion #3:** To approve the Investment Committee Charter.

Mr. Tippet seconded the motion and the motion was approved unanimously 9-0 (See Tally #3).

**Motion #4:** To select an International Developed Market Equity Manager as presented to the Investment Committee.

Mr. Tippet seconded the motion and the motion was approved unanimously 9-0 (See Tally #4).

**Motion #5:** To approve the additions to the Real Assets & Private Equity Forward Calendar

Mr. Tippet seconded the motion and the motion was approved unanimously 9-0 (See Tally #5).

**Motion #6:** To committee \$25 million to Kelso Investment Associates IX, LP, private equity, subject to contract negotiations.

Mr. Tippet seconded the motion and the motion was approved unanimously 9-0 (See Tally #6).

**Motion #7:** To increase the Board's previously approved capital commitment to CVC Capital Partners VI from €15 million to €20 million, subject to contract negotiations.

Mr. Tippet seconded the motion and the motion was approved unanimously 9-0 (See Tally #7).

**Motion #8:** To extend Cliffwater's Real Asset Consulting Agreement to April 8, 2015, under the same terms and conditions as the existing Agreement.

Mr. Tippet seconded the motion and the motion was approved unanimously 9-0 (See Tally #8).

**Motion #9:** To authorize staff to release an RFP for alternative investment consulting services.

Mr. Tippet seconded the motion and the motion was approved unanimously 9-0 (See Tally #9).

**Motion #10:** To select a new bank loan manager as presented to the Investment Committee.

Mr. Tippet seconded the motion and the motion was approved unanimously 9-0 (See Tally #10).

**Motion #11:** To ratify the Board motion of March 20, 2014, to terminate investment in the PIMCO StockPlus portfolio.

Mr. Tippet seconded the motion and the motion was approved unanimously 9-0 (See Tally #11).

## **OPERATIONS COMMITTEE REPORT**

The Operations Committee met in July and the Committee Chair, Mr. Ross presented the following report:

**Retirement Modernization Program** - The Director of Information Technology has identified a need to initiate new projects in addition to continuing several projects which requires funding beyond September 30, 2014 when current Program funds expire. The projects that are allocated under the requested Program extension into FY 2015 include the Master Data Management project, the completion of the Data Reclamation project, the Pension Consulting and Oversight acquisition and the issuance of a Request for Proposal (RFP) for the Pension Information Management System.

Pursuant to the Board's Procurement Rules ("Rules"), staff will issue competitive RFPs for projects that are part of the Retirement Modernization Program ("Program"). In compliance with the Rules as of October 2012, contracts up to \$250,000 for goods and services procured

using the Federal and District of Columbia Supply Schedules and contracts not using these sources up to \$100,000 can be approved by the Executive Director. However, for projects that are part of the Program, the Executive Director is authorized to approve all contracts awarded regardless of the amount provided that in sum, they do not exceed \$3,400,000.

Mr. Ross moved the following motion:

**Motion #12:** To authorize the Executive Director to expend up to \$3,400,000 on Phase IV (FY15) of the DCRB Retirement Modernization Program with quarterly reporting to the Board.

Mr. Clark seconded the motion and the motion was approved unanimously 9-0 (See Tally #12).

Mr. Ross moved the following motion:

**Motion #13:** To approve Operations Committee Charter

Mr. Tippet seconded the motion and the motion was approved unanimously 9-0 (See Tally #13).

### **BENEFITS COMMITTEE REPORT**

Benefits Committee met in July and the Benefits Committee Vice-Chair, Mr. Saunders, presented the Board with the following report

- **DCPS School Year Teacher Retirements** - DCRB Benefits has received a list of approximately 65 DCPS employees who have been approved for retirement under the Teachers' Retirement Plan. Approximately 45 (70%) of those listed have a retirement date of 6/30/2014. DCRB Benefits in conjunction with DCPS HR, DCPS Payroll, and the OCFO/OPRS, are working together to have these annuitants on the STAR payroll by August 1, but no later than September 1.
- **Equalization Increases for Tier 1 Retired Police & Firefighter Annuitants** - DCRB Benefits Department received Resolution 20-482, which provided the MPD Police Service union pay schedules with a 4% increase, effective April 7, 2013. We have approximately 500 Tier 1 annuitants who will receive both the increase annuity payment and retroactive payments in their August 1, 2014 check. We have approximately 140 MPD annuitants who retired after April 2013 who require recalculations. We have scheduled these increases for September 2014.
- **CSRS/FERS Issue** - Neither the Teachers' Retirement Plan nor the Police Officers and Firefighters' Retirement Plan expressly permit the purchase of Federal Employees Retirement System (FERS) service as "government service". The interpretation and practice under both Plans has been to only allow the purchase of Civil Service Retirement System (CSRS) service, which is supported by the legislative history of the Plans.

Mr. Saunders moved the following motion:

**Motion #14:** To authorize staff to review the issue of amending the Plans to allow for the purchase of FERS service at full actuarial cost.

Ms. Blum seconded the motion and the motion was approved unanimously 9-0 (See Tally #14).

Mr. Saunders moved the following motion:

**Motion #15:** To authorize DCRB staff to review Plan design issues regarding the Plans' annual earned income review provisions and suggest amendments to those provisions to bring them up to date and aligned with best practices.

Mr. Hankins seconded the motion and the motion was approved unanimously 9-0 (See Tally #15).

Mr. Saunders moved the following motion:

**Motion #16:** To approve the Benefits Committee Charter.

Mr. Hankins seconded the motion and the motion was approved unanimously 9-0 (See Tally #16).

### **LEGISLATIVE COMMITTEE REPORT**

There was no written report this month, but Mr. Blanchard provided the following information:

The next DC Council legislative meeting is scheduled for September 23<sup>rd</sup>. The Board of Ethics and Governmental Accountability (BEGA) is researching the topic of whether any Board member should be registered as a lobbyist. Mr. Stanchfield said BEGA will be onsite in September for Board member ethics training.

Discussion between members explored the future activities of the Legislative Committee. Mr. Saunders mentioned that the Legislative Committee could assist in addressing future challenges related to any reduction of pension benefits proposals that are introduced. Mr. Bress agreed and indicated that states are looking closely at pension and health benefits financial impacts because of GASB reporting requirements. Mr. Anderson reported that GASB 68 and OPEB reporting will impact the future financial reports and other states will be impacted since large liabilities will now be shown on the organization's balance sheet.

### **AUDIT COMMITTEE REPORT**

Mr. Hankins informed the Board that there is no Audit Committee Report this month.

### **OTHER BUSINESS**

**Contract Log** – Ms. Washington inquired about the number of contractors on the list. Mr. Bress indicated that many contracts are under the Director's authority. Mr. Stanchfield mentioned no IT infrastructure was here at DCRB a few years ago and many contractors are being used to build IT capacity (e.g., Retirement Modernization Program and shifting of Treasury duties). These projects were approved some time ago.

**Conference Listing** – Ms. Blum inquired about how the list is compiled and if it is comprehensive. Ms. Reaves and other staff indicated that they receive information from a variety of sources. Staff will review whether more information should be added to the list. Mr. Saunders

and Mr. Bress clarified that members are not restricted to events on the list. Mr. Stanchfield reminded members the CAPPP (Certificate of Achievement in Public Pension Policy) training will occur in September and October at DCRB.

### **ADJOURNMENT**

**Motion #17**: Chairman Bress introduced the motion to adjourn the meeting at 1:46 p.m.

The motion was moved by Mr. Tippet and seconded by Ms. Collins. A vote was called and the motion was approved 9-0. (*See Tally #17*)

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