

54

1

OPEN BOARD MEETING MINUTES JANUARY 15, 2009

MEMBERS PRESENT

BRIAN K. LEE, CHAIRMAN
BARBARA DAVIS BLUM
LYLE M. BLANCHARD
JOSEPH M. BRESS
DIANA K. BULGER
JOSEPH W. CLARK
MARY A. COLLINS
JUDITH C. MARCUS
DARRICK O. ROSS *
GEORGE R. SUTER
THOMAS N. TIPPETT *
LASANA K. MACK, EX-OFFICIO

DCRB STAFF PRESENT

ERIC STANCHFIELD, EXECUTIVE DIRECTOR
ERIE SAMPSON
THOMAS ANDERSON
SHEILA MORGAN-JOHNSON
JOAN PASSERINO
DALE WALKER
DEBORAH REAVES
YOLANDA SMITH
DENICE MCSEARS

MEMBERS NOT PRESENT

MICHAEL J. WARREN

OTHERS PRESENT

BRENDA MATHIS, OCFO
GREG STUMP, EFI

* NOT PRESENT AT ROLL CALL.

ROLL CALL

Chairman Lee called the meeting to order at 9:55 a.m. Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

Motion #1: Chairman Lee made a motion to approve the December 18, 2008, Open Board Meeting minutes as revised. The motion was approved by a voice vote of 9-1.

OPERATIONS COMMITTEE REPORT

Ms. Marcus, Committee Chair, commented favorably on the trustee election process.

Mr. Greg Stump of EFI Actuaries, the Board's enrolled actuary, presented a slide presentation on various contribution strategies. He stated that the inflation rate has averaged around 3% per year. An inflation rate target of 3.5% to 4.0% is conservative. Chairman Lee recommended that DCRB move from a 3-year to a 5-year smoothing period; however, Mr. Stump recommended a 5-year or 7-year smoothing period.

A discussion followed regarding the District's contribution, return assumption and inflation rate scenarios using different smoothing periods. For the record, Chairman Lee noted that the District

contributions have been as follows: FY 2004, \$96.7 million; FY 2005, \$121.3 million; FY 2006, \$133 million; FY 2007, \$154.7 million; FY 2008, \$143 million; FY 2009, \$106 million.

Motion #2: To reconsider the approval to change the actuarial assumed rate of return to 7% and an inflation rate of 5%. The motion was approved by a voice vote of 11-0.

Motion #3: To change the actuarial assumed rate of return to 7%, with an inflation rate of 4.5%, and to use a 7-year smoothing period. The motion was defeated by a voice vote of 2-9.

Mr. Stump concluded his report on the actuarial valuation with recommended assumption changes of 7.0% rate of return and 4.0% inflation rate. Chairman Lee opened up the meeting for discussion.

Motion #4: To change the actuarial assumed rate of return to 7%, with an inflation rate of 4.25%, and to use a 7-year smoothing period. The motion was approved by a voice vote of 9-2.

Motion #5: To appoint Secretary Judith Marcus as the Acting Board Chair upon the expiration of the current Chair's term on January 27, 2009, until the next regularly scheduled Board meeting on February 19, 2009, when Board Officer Elections are held. The motion was approved by a voice vote of 11-0.

Motion #6: To appoint Sergeant-at-Arms George Suter as Acting Board Treasurer upon the expiration of the current Treasurer's term on January 27, 2009, until the next regularly scheduled Board meeting on February 19, 2009, when Board Officer Elections are held. The motion was approved by a voice vote of 11-0.

INVESTMENT COMMITTEE REPORT

Ms. Blum, Committee Chair, reported on due diligence visits to prospective managers. A Committee Report was provided on topics that included investment performance, current economic conditions, and an update on the Board's real estate and infrastructure portfolios.

No action items were recommended by the Committee.

BENEFITS COMMITTEE REPORT

Ms. Collins, Committee Chair, highlighted the following projects: EMS/Fire Consolidation, Lateral Law Enforcement Legislation, the Teachers' Plan Correction, Teachers' Plan Voluntary Contribution Information, and the FERS recommendation. She stated that 97% of the scanning project has been completed.

No action items were recommended by the Committee.

LEGISLATIVE COMMITTEE REPORT

A Committee Report was provided.

OTHER BUSINESS

Mr. Stanchfield presented plaques to Ms. Mary Collins and Mr. Brian Lee in recognition of their service to the Board during their tenures as Trustees.

ADJOURNMENT

Motion #7: Chairman Lee moved to adjourn the meeting at 12:35 p.m. The motion was seconded and approved by a voice vote of 10-0.

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

MOTION #1		DATE: JANUARY 15, 2009			
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN K.	✓				
BLANCHARD, LYLE M. *					✓
BLUM, BARBARA DAVIS	✓				
BRESS, JOSEPH M.			✓		
BULGER, DIANA K.	✓				
CLARK, JOSEPH W.	✓				
COLLINS, MARY A.	✓				
MARCUS, JUDITH C.	✓				
ROSS, DARRICK O.	✓				
SUTER, GEORGE R.	✓				
TIPPETT, THOMAS N.	✓				
WARREN, MICHAEL J.					✓
* MR. BLANCHARD ARRIVED AT 10:30AM.					

MOTION #2		DATE: JANUARY 15, 2009			
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN K.	✓				
BLANCHARD, LYLE M.	✓				
BLUM, BARBARA DAVIS	✓				
BRESS, JOSEPH M.	✓				
BULGER, DIANA K.	✓				
CLARK, JOSEPH W.	✓				
COLLINS, MARY A.	✓				
MARCUS, JUDITH C.	✓				
ROSS, DARRICK O.	✓				
SUTER, GEORGE R.	✓				
TIPPETT, THOMAS N.	✓				
WARREN, MICHAEL J.					✓

MOTION #3			DATE: JANUARY 15, 2009		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN K.	✓				
BLANCHARD, LYLE M.	✓				
BLUM, BARBARA DAVIS		✓			
BRESS, JOSEPH M.		✓			
BULGER, DIANA K.		✓			
CLARK, JOSEPH W.		✓			
COLLINS, MARY A.		✓			
MARCUS, JUDITH C.		✓			
ROSS, DARRICK O.		✓			
SUTER, GEORGE R.		✓			
TIPPETT, THOMAS N.		✓			
WARREN, MICHAEL J.					✓

MOTION #4			DATE: JANUARY 15, 2009		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN K.	✓				
BLANCHARD, LYLE M.		✓			
BLUM, BARBARA DAVIS	✓				
BRESS, JOSEPH M.	✓				
BULGER, DIANA K.	✓				
CLARK, JOSEPH W.	✓				
COLLINS, MARY A.	✓				
MARCUS, JUDITH C.	✓				
ROSS, DARRICK O.	✓				
SUTER, GEORGE R.	✓				
TIPPETT, THOMAS N.		✓			
WARREN, MICHAEL J.					✓

MOTION #5			DATE: JANUARY 15, 2009		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN K.	✓				
BLANCHARD, LYLE M.	✓				
BLUM, BARBARA DAVIS	✓				
BRESS, JOSEPH M.	✓				
BULGER, DIANA K.	✓				
CLARK, JOSEPH W.	✓				
COLLINS, MARY A.	✓				
MARCUS, JUDITH C.	✓				
ROSS, DARRICK O.	✓				
SUTER, GEORGE R.	✓				
TIPPETT, THOMAS N.	✓				
WARREN, MICHAEL J.					✓

MOTION #6			DATE: JANUARY 15, 2009		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN K.	✓				
BLANCHARD, LYLE M.	✓				
BLUM, BARBARA DAVIS	✓				
BRESS, JOSEPH M.	✓				
BULGER, DIANA K.	✓				
CLARK, JOSEPH W.	✓				
COLLINS, MARY A.	✓				
MARCUS, JUDITH C.	✓				
ROSS, DARRICK O.	✓				
SUTER, GEORGE R.	✓				
TIPPETT, THOMAS N.	✓				
WARREN, MICHAEL J.					✓

MOTION #7			DATE: JANUARY 15, 2009		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN K.	✓				
BLANCHARD, LYLE M.	✓				
BLUM, BARBARA DAVIS	✓				
BRESS, JOSEPH M.	✓				
BULGER, DIANA K.					✓
CLARK, JOSEPH W.	✓				
COLLINS, MARY A.	✓				
MARCUS, JUDITH C.	✓				
ROSS, DARRICK O.	✓				
SUTER, GEORGE R.	✓				
TIPPETT, THOMAS N.	✓				
WARREN, MICHAEL J.					✓