



District of Columbia Retirement Board

Budget Oversight Hearing

Statement of

Michael J. Warren, Trustee

District of Columbia Retirement Board

Before the

Council of the District of Columbia

Committee of the Whole

April 14, 2016

Good afternoon, Chairman Mendelson and members of the Council of the District of Columbia Committee of the Whole. I am Michael J. Warren, representing the Trustees of the District of Columbia Retirement Board (DCRB).

I am pleased to be here today to provide a brief overview of DCRB's Fiscal Year 2017 Budget and to introduce DCRB's Acting Executive Director, Sheila Morgan-Johnson. Ms. Morgan-Johnson will highlight our current and upcoming initiatives aimed at achieving our strategic goals during FY 2016, as well as give more information regarding our FY 2017 budget. Ed Koebel, of Cavanaugh Macdonald, our independent actuary, is also here to answer any questions you may have on the Fiscal Year 2017 Certified District Contribution to the District of Columbia Teachers' Retirement Fund and the District of Columbia Police Officers and Fire Fighters' Retirement Fund (collectively referred to as the "Fund").

DCRB's budget is fully supported by the Fund, which includes the investment earnings, the employer and employee contributions, and reimbursements received from the U.S. Department of the Treasury (for DCRB's administration of the frozen federal plans).

DCRB's FY 2017 Budget is \$39.1 million and 69.6 full-time employees (FTEs), an increase of about \$6 million and 7.0 FTEs from the FY 2016 level. As Ms. Morgan-Johnson will discuss in greater detail, these changes are primarily the result of the Board's Retirement Modernization Program.

I'm pleased to report that as of October 1, 2015, the beginning of Fiscal Year 2016, DCRB is a fully funded retirement system. In addition, we continue to make progress in our efforts to create a comprehensive retirement system that serves the needs of our members.

I would also like to mention two awards DCRB continues to receive each year. During Fiscal Year 2015, DCRB was among a select number of public systems to receive the Government Finance Officers Association's (GFOA) Certificate of Achievement Award for Excellence in Financial Reporting for FY 2014. We have received this award for seven consecutive years. In addition, DCRB received the Public Pension Coordinating Council's Recognition Award for Plan Funding. These awards reflect the Board's commitment to its fiduciary obligations and pension administration best practices.

As a Council-appointed member of DCRB's Board of Trustees, I want to thank you, Chairman Mendelson, and this Committee, for your continued support. We look forward to working with this Committee and the Council as DCRB works to fulfill its fiduciary and administrative responsibilities.

Sheila Morgan-Johnson, DCRB's Acting Executive Director and Chief Investment Officer, will now provide you with information about the initiatives that support DCRB's mission, our goals, and our FY 2017 Budget.