



**DISTRICT OF COLUMBIA RETIREMENT BOARD
MEETING MINUTES
JULY 19, 2012
1:00 PM**

MEMBERS PRESENT

Joseph M. Bress, Secretary
Barbara Davis Blum
Diana K. Bulger
James E. Bunn
Judith C. Marcus
Darrick O. Ross
George R. Suter
Thomas N. Tippett

DCRB STAFF PRESENT

Eric Stanchfield, Executive Director
Erie Sampson, General Counsel
Sheila Morgan-Johnson
Tom Anderson
Joan Passerino
Daniel Hernandez
Leslie King
Corinne Koch
Peter Dewar
Vernon Valentine
Patrick Sahn
Sebastian Podesta
Deborah Reaves
Katie Schultz
Rabinai Carson

MEMBERS NOT PRESENT

Michael J. Warren, Chairman
Lyle M. Blanchard
Deborah Hensley
Edward C. Smith
Jeffrey Barnette, Ex-officio

OTHERS PRESENT

Ms. Brenda Mathis, OCFO

ROLL CALL

In the absence of Chairman Warren, Mr. Bress, the Secretary of the Board, served as Chairman for this meeting. Mr. Bress called the meeting to order at 1:15 p.m. Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

Ms. Blum made the following which was moved and seconded by Mr. Ross.

Motion #1: To approve the June 21, 2012 Board meeting minutes. *A voice vote was called and the motion was approved 8-0. (See Tally #1)*

CHAIRMAN'S COMMENTS

In the absence of the Chairman, Secretary Bress updated the Board on the following items:

- B19-743, Health Benefit Plan District Contribution Emergency Amendment Act of 2012: The submitted Fiscal Year 2013 Budget Support Act of 2012 included this emergency act

which reverts back the employee share of health care premiums to the original 25% of the total premium, which had been increased to 28% last year. DCRB is working with Treasury to reprogram STAR to accommodate post-retirement deductions;

- B19-689, Emergency Medical Services Amendment Act of 2012: This hearing was held on Friday, July 13, 2012. The stated purpose is to clarify the ability of the Mayor to allow civilian, single-role emergency medical service providers to participate in the District of Columbia Police Officers' and Firefighters' Retirements Program and to establish a District of Columbia Paramedic Review Board;
- DCRB Summer 2012 Newsletter: DCRB plans to mail a shorter (two-page) summer newsletter to all members in the month of August;
- Former DCRB Trustee: Former Trustee Joan Parrott-Fonseca was selected as the executive director of the AARP New York office;
- IT Boardroom Update: Microphone buttons at the conference table have been replaced and moved closer to the microphone to prevent any damage;
- New DCRB Staff: Kevin Green will join the agency in the role of Senior Procurement Specialist.

GENERAL COUNSEL'S REPORT

No formal General Counsel Report was provided. Ms. Erie Sampson, General Counsel, requested to speak on a topic that would need to be discussed in Closed Session to protect the attorney-client privilege.

Mr. Suter made the following motion to enter closed session at 1:20p.m., which was seconded by Ms. Bulger:

Motion #2: To move into Closed Session pursuant to D.C. Code §2-575(b)(4)(A) to consult with an attorney to obtain legal advice and to preserve the attorney-client privilege between an attorney and a public body, or to approve settlement agreements provided upon request the public body may decide to waive the privilege. *A voice vote was called, and the motion was approved 8-0. (See Tally #2)*

Mr. Bunn made the following motion, which was seconded by Ms. Bulger:

Motion #3: To exit Closed Session at 1:35p.m. *A voice vote was called, and the motion was approved 8-0. (See Tally #3)*

INVESTMENT COMMITTEE REPORT

Ms. Barbara Davis Blum, Investment Committee Chair, updated the Board on the following topics:

- Presentation by Brian Lawlor and Jeff Gardner from Bridgewater: Ms. Blum indicated that DCRB must be prepared to deal with the fact almost the entire global economy is in a depression. A discussion by Trustees and staff followed about lowering the actuarial assumed investment rate of return below 7%.

Ms. Blum made the following motion, which was seconded by Mr. Suter:

Motion #4: To approve the additions to the Real Assets Forward Calendar pursuant to the Alternative Investment Manager Policy. *A voice vote was called and the motion was approved 8-0. (See Tally #5)*

Mr. Tippet made the following motion, which was seconded by Mr. Suter:

Motion #5: To approve the Investment Policy Statement for Private Equity Investment as of July 2012. *A voice vote was called and the motion approved 7-0. (See Tally #5)*

Mr. Bunn made the following motion, which was seconded by Mr. Tippet:

Motion #6: To remove Cliffwater's investment consulting services from the Watch List effective August 1, 2012 and restore the consulting fee to the full contract amount. *A voice vote was called and the motion approved 7-0. (See Tally #6)*

OPERATIONS COMMITTEE REPORT

On behalf of the Operations Committee, Mr. Bress updated the Board on the following committee items:

- Actuarial Education Session: Cavanaugh Macdonald, DCRB's actuary, presented options regarding DCRB's funding policy. Staff requested that the actuaries return in September to discuss this topic;
- Legal Services Request for Proposals (RFP): The staff had released the legal services RFP on July 6, 2012. The RFP was posted on the DCRB website and sent to 24 firms. Of those, 14 firms responded with a letter of interest to submit proposals. The proposals are due on August 6, 2012, by which they will be evaluated by a panel and a recommendation will be made for contract award. The outcome of the evaluation panel results will be presented in a full report to the Board;
- Information Technology Support Services Request for Proposals (RFP) & Data Reclamation Memorandum of Understanding (MOU): A full report and motion were presented to the Board.

Mr. Bress made the following motion, which was seconded by Ms. Blum:

Motion #7: To authorize the Executive Director to procure \$400,000 in Phase I funding for the Data Reclamation Project, to secure the required resources to plan, scope, and create a governance structure of the project in collaboration with the Office of the Chief Technology Officer (OCTO), the District of Columbia Human Resources (DCHR), and the Office of Pay and Retirement services (OPRS). *A voice vote was called and the motion was passed 7-0. (See Tally #7)*

Mr. Bress made the following motion, which was seconded by Mr. Bunn:

Motion #8: To authorize the Executive Director to release a request for proposal for Information Technology services to support the mission goals of the agency. *A voice vote called and the motion was passed 8-0 (See Tally #8)*

Mr. Bress made the following motion, which was seconded by Mr. Bunn:

Motion #9: That the Board approves the \$46,303.50 overage for the Sapphire-Randstad temporary employment service agreement for technical writing services rendered to DCRB during the period of 5/14/11 to 5/26/2012. *A voice vote was called and the motion was passed 8-0 (See Tally #9).*

A discussion about motion #9 followed. Mr. Bunn asked to go on the record stating that he feels that any similar overages should not occur again. Ms. Blum inquired if the Board could receive an update on all active contracts, including the cost, on a quarterly basis.

- Short- and Long-term Disability Program: A full report was given to the Board by DCRB staff. A discussion about cost, coverage, and benefits of the program ensued.

Mr. Bress made the following motion, which was seconded by Mr. Tippett:

Motion #10: That the Board approve the adoption of an employer paid short-term (12 weeks) and long-term disability program for all DCRB staff, subject to rulemaking and contract negotiations. *A voice vote was called, and the motion was approved 8-0. (See Tally #10)*

BENEFITS COMMITTEE REPORT

Mr. Suter noted that the Benefits Committee did not meet this month, and he updated the Board on the following committee items:

- Business Process Reengineering: On July 3, 2012, DCRB and Linea Solutions, Inc. signed a contract related to the Business Process Reengineering Project and a draft project charter and project plan have been developed during initial meetings with Linea on July 11, 2012. Project kick-off meetings are being scheduled for July 18 and 20. During those meetings, Linea and the DCRB project team will work on the strategic plan and the deliverables associated with it;
- Data Reclamation: Since the initial phase of the Data Reclamation Project more heavily involves the information technology aspects of the project, updates on this project will be reported to the Board through the Operations Committee;
- Summary Plan Description: Both the Police Officers' and Firefighters' and the Teachers' Plan SPDs have been reviewed by outside Counsel, DCRB's Benefits and Legal staff, and a few stakeholders. Since the District Council has deferred considering any of the recommended plan amendments until after they reconvene following their summer break, DCRB will continue the process of updating the SPDs and will arrange for the printing and the distribution of the booklets after legislation has been passed in the fall;
- Annuitant Verification: As of July 10, 2012, verification forms were received from all but one annuitant. DCRB benefits staff will continue to attempt to contact the remaining retiree and will expend every effort to accommodate her situation in obtaining her verification form. A discussion about the one outstanding annuitant followed.

There were no action items to be recommended by the committee.

LEGISLATIVE COMMITTEE REPORT

On behalf of the Legislative Committee, Ms. Bulger, referred the Board to the written Legislative Committee report in the meeting materials.

OTHER BUSINESS

The next Board meeting will be held on September 20, 2012.

ADJOURNMENT

Motion #11: Mr. Bress moved to adjourn the meeting at 2:35 p.m. Mr. Bunn seconded the motion. *A voice vote was called and the motion was approved 8-0. (See Tally #11)*

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

Tally #1		Date: July 19, 2012			
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Blanchard, Lyle M.					√
Blum, Barbara Davis	√				
Bress, Joseph M.	√				
Bulger, Diana K.	√				
Bunn, James E.	√				
Hensley, Deborah					√
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Smith, Edward C.					√
Suter, George R.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Tally #2		Date July 19, 2012			
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Blanchard, Lyle M.					√
Blum, Barbara Davis	√				
Bress, Joseph M.	√				
Bulger, Diana K.	√				
Bunn, James E.	√				
Hensley, Deborah					√
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Smith, Edward C.					√
Suter, George R.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Tally #3		Date: July 19, 2012			
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Blanchard, Lyle M.					√
Blum, Barbara Davis	√				
Bress, Joseph M.	√				
Bulger, Diana K.	√				
Bunn, James E.	√				
Hensley, Deborah					√
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Smith, Edward C.					√
Suter, George R.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Tally #4		Date: July 19, 2012			
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Blanchard, Lyle M.					√
Blum, Barbara Davis	√				
Bress, Joseph M.	√				
Bulger, Diana K.	√				
Bunn, James E.	√				
Hensley, Deborah					√
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Smith, Edward C.					√
Suter, George R.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Tally #5		Date: July 19, 2012			
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Blanchard, Lyle M.					√
Blum, Barbara Davis	√				
Bress, Joseph M.	√				
Bulger, Diana K.	√				
Bunn, James E.	√				
Hensley, Deborah					√
Marcus, Judith C.	√				
Ross, Darrick O.					√
Smith, Edward C.					√
Suter, George R.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Tally #6		Date: July 19, 2012			
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Blanchard, Lyle M.					√
Blum, Barbara Davis	√				
Bress, Joseph M.	√				
Bulger, Diana K.	√				
Bunn, James E.	√				
Hensley, Deborah					√
Marcus, Judith C.	√				
Ross, Darrick O.					√
Smith, Edward C.					√
Suter, George R.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Tally #7		Date: July 19, 2012			
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Blanchard, Lyle M.					√
Blum, Barbara Davis	√				
Bress, Joseph M.	√				
Bulger, Diana K.	√				
Bunn, James E.	√				
Hensley, Deborah					√
Marcus, Judith C.	√				
Ross, Darrick O.					√
Smith, Edward C.					√
Suter, George R.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Tally #8		Date: July 19, 2012			
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Blanchard, Lyle M.					√
Blum, Barbara Davis	√				
Bress, Joseph M.	√				
Bulger, Diana K.	√				
Bunn, James E.	√				
Hensley, Deborah					√
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Smith, Edward C.					√
Suter, George R.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Tally #9		Date: July 19, 2012			
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Blanchard, Lyle M.					√

Blum, Barbara Davis	√				
Bress, Joseph M.	√				
Bulger, Diana K.	√				
Bunn, James E.	√				
Hensley, Deborah					√
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Smith, Edward C.					√
Suter, George R.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Tally #10			Date: July 19, 2012		
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Blanchard, Lyle M.					√
Blum, Barbara Davis	√				
Bress, Joseph M.	√				
Bulger, Diana K.	√				
Bunn, James E.	√				
Hensley, Deborah					√
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Smith, Edward C.					√
Suter, George R.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√

Tally #11			Date: July 19, 2012		
Members	Aye	Nay/ Oppose	No Vote/ Abstain	No Vote/ Recuse	Absent
Blanchard, Lyle M.					√
Blum, Barbara Davis	√				
Bress, Joseph M.	√				
Bulger, Diana K.	√				
Bunn, James E.	√				
Hensley, Deborah					√
Marcus, Judith C.	√				
Ross, Darrick O.	√				
Smith, Edward C.					√
Suter, George R.	√				
Tippett, Thomas N.	√				
Warren, Michael J.					√