

## **OPEN BOARD MEETING MINUTES DECEMBER 20, 2007, 1:30 PM**

### **MEMBERS PRESENT**

BRIAN LEE, CHAIRMAN  
BARBARA BLUM  
MARY COLLINS  
GEORGE SUTER  
THOMAS TIPPETT  
SHIREEN DODSON  
JUDITH MARCUS  
LYLE BLANCHARD  
LASANA MACK, EX OFFICIO  
DARRICK ROSS

### **DCRB STAFF PRESENT**

ERIC STANCHFIELD  
SHEILA MORGAN-JOHNSON  
CONSTANCE DONOVAN  
JOAN PASSERINO  
RHONDA O'NEAL  
IMRAN CHAUDHRY  
YOLANDA SMITH  
DEBORAH REAVES  
SEBASTIAN PODESTA

### **MEMBER NOT PRESENT**

MICHAEL WARREN

### **OTHERS PRESENT**

BRENDA MATHIS, OCFO  
GREG STUMP, EFI ACTUARIES  
GRAHAM SCHMIDT, EFI ACTUARIES  
MARK RULOFF, WATSON WYATT  
BRIAN MURPHY, GABRIEL, ROEDER, SMITH  
NORM JONES, GABRIEL, ROEDER, SMITH  
DOUGLAS ROWE, MERCER  
STEVE MCELHANEY, MERCER  
TED GOLDMAN, MERCER

### **ROLL CALL**

Mr. Lee called the meeting to order at 1:32 p.m.

### **APPROVAL OF MINUTES**

Motion #1: Mr. Lee moved to approve the November 15, 2007 Open Board Meeting minutes, with corrections to the motion approving a change to the economic assumptions, specifically an increase of 0.25% to the actuarially assumed rate of return from 7.25% to 7.5%. Mr. Suter seconded the motion. The motion was passed with a voice vote of 9-0.

### **GENERAL COUNSEL REPORT**

There was no report.

### **INVESTMENT COMMITTEE REPORT**

Ms. Blum stated that the Board's lock-out rule, which was provided to the members, will apply to watch listed investment managers.

### **OPERATIONS COMMITTEE REPORT**

Ms. Marcus began by introducing DCRB's Budget Analyst, Sebastian Podesta, who presented the Board's FY 2009 operating budget.

Motion #2: Mr. Lee moved to accept the Operations Committee's recommendation to approve the DCRB fiscal year 2009 operating budget. Mr. Tippet seconded the motion. The motion was passed with a voice vote of 9-0.

### **BENEFITS COMMITTEE REPORT**

Ms. Collins deferred to the General Counsel, Ms. Donovan, to provide the status update on the teacher coding error.

### **LEGISLATIVE COMMITTEE REPORT**

Mr. Blanchard deferred to his written report.

### **OTHER BUSINESS**

Greg Stump and Graham Schmidt of EFI presented the 2009 actuarial valuation, including the calculation of the District's contribution for 2009. A brief question and answer exchanged ensued.

Motion #3: Mr. Lee moved to adopt the certified District contribution and the valuation, and to approve the report with the changes reflecting an actuarial rate of return of 7.5% and an inflation rate of 5% pending review by the General Counsel, the Executive Director and the Chairman of the Board, and to poll the Members of the Board and inform them of the results of the changes. The motion was moved by Ms. Dodson and seconded by Mr. Tippet. The motion was passed with a voice vote of 9-0.

The finalists in the actuarial audit firm search made formal presentations to the Board. Brian Murphy and Norm Jones represented Gabriel, Roeder, Smith & Company (GRS) and Douglass Rowe, Steve McElhaney and Ted Goldman represented Mercer. The presentations focused on the methodology that each company would use in conducting the audit, and their experience within the public pension fund sector. A question and answer period followed each presentation.

Motion #4: Mr. Lee moved approval to authorize an actuarial audit of the most current actuarial valuation and experience study performed by EFI (options 1 & 3 in the RFP), and to retain GRS to conduct the actuarial audit, subject to contract negotiations. The motion was passed with a voice vote of 9-0.

Motion #5: Mr. Tippet moved approval to authorize the Executive Director to write to the U.S. Department of Treasury to ascertain the implementation date for provisions of the law which provide for pre-taxing of health benefit premiums for police officers and firefighters. The motion was seconded by Mr. Lee. The motion was passed with a voice vote of 8-0.

Motion #6: Mr. Lee moved to enter into Executive session (D.C. Code §1-909.05(e), (f)). Mr. Ross seconded the motion. The motion was passed with a voice vote of 8-0.

**[Executive Session 4:47 p.m. – 4:53 p.m.]**

Motion #7: Mr. Lee moved to return to open session. The motion was passed with a voice vote of 8-0.

Motion #8: Mr. Lee moved approval to grant the Executive Director, Eric Stanchfield, universal

leave (pro-rated for 2007) in accordance with Chapter 10, §1008 of the District of Columbia's personnel regulations. The motion was seconded by Ms. Dodson. The motion was passed with a voice vote of 8-0.

**ADJOURNMENT**

**Motion #9:** Mr. Lee moved to adjourn the meeting. Mr. Suter seconded the motion. The motion was passed with a voice vote of 8-0. Mr. Lee adjourned the meeting at 4:57 p.m.

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

MOTION #1			DATE: 12/20/07		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN	✓				
BLANCHARD, LYLE	✓				
BLUM, BARBARA	✓				
COLLINS, MARY	✓				
DODSON, SHIREEN	✓				
MARCUS, JUDITH	✓				
ROSS, DARRICK	✓				
SUTER, GEORGE	✓				
TIPPETT, THOMAS	✓				
WARREN, MICHAEL					✓

MOTION #2			DATE: 12/20/07		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN	✓				
BLANCHARD, LYLE	✓				
BLUM, BARBARA	✓				
COLLINS, MARY	✓				
DODSON, SHIREEN	✓				
MARCUS, JUDITH	✓				
ROSS, DARRICK	✓				
SUTER, GEORGE	✓				
TIPPETT, THOMAS	✓				
WARREN, MICHAEL					✓

MOTION #3			DATE: 12/20/07		

MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN	✓				
BLANCHARD, LYLE	✓				
BLUM, BARBARA	✓				
COLLINS, MARY	✓				
DODSON, SHIREEN	✓				
MARCUS, JUDITH	✓				
ROSS, DARRICK	✓				
SUTER, GEORGE	✓				
TIPPETT, THOMAS	✓				
WARREN, MICHAEL					✓

MOTION #4			DATE: 12/20/07		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN	✓				
BLANCHARD, LYLE	✓				
BLUM, BARBARA	✓				
COLLINS, MARY	✓				
DODSON, SHIREEN	✓				
MARCUS, JUDITH	✓				
ROSS, DARRICK	✓				
SUTER, GEORGE	✓				
TIPPETT, THOMAS	✓				
WARREN, MICHAEL					✓

MOTION #5			DATE: 12/20/07		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN	✓				
BLANCHARD, LYLE	✓				
BLUM, BARBARA	✓				
COLLINS, MARY					✓
DODSON, SHIREEN	✓				
MARCUS, JUDITH	✓				
ROSS, DARRICK	✓				
SUTER, GEORGE	✓				
TIPPETT, THOMAS	✓				
WARREN, MICHAEL					✓

Ms. Collins left at 3:00pm

MOTION #6			DATE: 12/20/07		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN	✓				
BLANCHARD, LYLE	✓				
BLUM, BARBARA	✓				
COLLINS, MARY					✓
DODSON, SHIREEN	✓				
MARCUS, JUDITH	✓				
ROSS, DARRICK	✓				
SUTER, GEORGE	✓				
TIPPETT, THOMAS	✓				
WARREN, MICHAEL					✓

**Ms. Collins left at 3:00pm.**

MOTION #7			DATE: 12/20/07		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN	✓				
BLANCHARD, LYLE	✓				
BLUM, BARBARA	✓				
COLLINS, MARY					✓
DODSON, SHIREEN	✓				
MARCUS, JUDITH	✓				
ROSS, DARRICK	✓				
SUTER, GEORGE	✓				
TIPPETT, THOMAS	✓				
WARREN, MICHAEL					✓

**Ms. Collins left at 3:00pm.**

MOTION #8			DATE: 12/20/07		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN	✓				
BLANCHARD, LYLE	✓				

BLUM, BARBARA	✓				
COLLINS, MARY					✓
DODSON, SHIREEN	✓				
MARCUS, JUDITH	✓				
ROSS, DARRICK	✓				
SUTER, GEORGE	✓				
TIPPETT, THOMAS	✓				
WARREN, MICHAEL					✓

**Ms. Collins left at 3:00pm.**

MOTION #9			DATE: 12/20/07		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
LEE, BRIAN	✓				
BLANCHARD, LYLE	✓				
BLUM, BARBARA	✓				
COLLINS, MARY					✓
DODSON, SHIREEN	✓				
MARCUS, JUDITH	✓				
ROSS, DARRICK	✓				
SUTER, GEORGE	✓				
TIPPETT, THOMAS	✓				
WARREN, MICHAEL					✓

**Ms. Collins left at 3:00pm.**