

BOARD MEETING MINUTES

SEPTEMBER 16, 2010

CORRECTED OCTOBER 25, 2010

MEMBERS PRESENT

DARRICK O. ROSS, CHAIRMAN
LYLE M. BLANCHARD
BARBARA DAVIS BLUM
JOSEPH M. BRESS
JOSEPH W. CLARK
DEBORAH HENSLEY
JUDITH C. MARCUS
EDWARD C. SMITH
GEORGE E. SUTER
THOMAS N. TIPPETT
MICHAEL J. WARREN
LASANA MACK, EX-OFFICIO

DCRB STAFF PRESENT

ERIC STANCHFIELD, EXECUTIVE DIRECTOR
ERIE SAMPSON, GENERAL COUNSEL
SHEILA MORGAN-JOHNSON
JOAN PASSERINO
THOMAS ANDERSON
DANIEL HERNANDEZ
LESLIE KING
JASON OSTROSKI*
SUE SCRAPPER
PETER DEWAR
DONNIE BRYANT
SUSAN WASHINGTON
DEBORAH REAVES
SHARON JEFFRIES
YOLANDA SMITH
DENICE McSEARS

MEMBERS NOT PRESENT

DIANA K. BULGER

OTHERS PRESENT

BRENDA MATHIS, OCFO

*NOT PRESENT AT ROLL CALL

ROLL CALL

Chairman Ross called the meeting to order at 1:22 p.m. Ms. Deborah Reaves called the roll.

APPROVAL OF MINUTES

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

Motion #1: To approve the July 22, 2010 Board meeting minutes, with the amendment that Mr. Clark was in attendance. A voice vote was called and the motion was approved 10-1. (See Motion #1)

Without objection, the meeting was conducted out of order.

OPERATIONS COMMITTEE REPORT

The Operations Committee Chair, Mr. Clark, updated the Board on the following activities:

- The Board's fiduciary liability insurance policy is due to be renewed.

The following motion was made by Mr. Clark and seconded by Mr. Bress:

Motion #2: To recommend a renewal of the Board's fiduciary liability insurance policy for \$10 million of coverage for a retention fee of \$110,000. A voice vote was called and the motion was approved 11-0. (See Motion #2)

The following motion was made by Mr. Clark and seconded by Ms. Marcus:

Motion #3: To permit qualified voters to cast their ballots electronically in the 2010 Active Police Officers Election. A voice vote was called and the motion was approved 11-0. (See Motion #3)

Discussion: At present, ballots can be cast by telephone, so the electronic process will not replace paper ballots.

BENEFITS COMMITTEE REPORT

Mr. Suter, Benefits Committee Chair, directed the Trustees to the written committee report and highlighted the following items from the report:

- Systems Acquisition Project team has released a draft RFP that has been reviewed by Treasury, DCRB Senior Management Staff. The RFP will be released by the end of the year after review by external experts.
- DCRB has terminated its contract with MTG Management Consulting by mutual consent.

The following motion was made by Mr. Suter and seconded by Mr. Bress:

Motion #4: To authorize the Executive Director to release an RFP for project management expertise related to the acquisition of a pension information system. A voice vote was called and the motion was approved 11-0. (See Motion #4)

EXECUTIVE DIRECTOR REPORT

Mr. Stanchfield provided updates on recent projects and events, including the following:

- Attendance at the 2010 NASRA (National Association of State Retirement Administrators) Conference. Mr. Stanchfield will serve on four NASRA committees this year;
- Mr. Stanchfield serves on the Public Employee Board of the IFEBP (International Foundation of Employee Benefit Plans). The next meeting will be held in October 2010;
- Discussions with Treasury on Strategic Planning and Treasury STAR System and DCRB's Pension System;
- The fiscal year 2012 budget will be presented to the Operations Committee for review in the near future;
- Introduction of Susan Washington, DCRB's new Human Resources Manager; and
- Patrick Sahn, formerly with Cambridge Association, will be joining DCRB Investment team in October 2010.

LEGISLATIVE COMMITTEE REPORT

The Legislative Committee Chair, Mr. Blanchard, stated that the Legislative Committee did not have a report.

INVESTMENT COMMITTEE REPORT

The following motion was made by the Investment Committee Chair, Ms. Blum, and seconded by Mr. Suter:

Motion #5: To consent to the proposed amendments to the Heitman Value Partners II, Limited Partnership Agreement, in accordance with Townsend's recommendation. A voice vote was called and the motion was approved 5-6. (See Motion #5)

The following motion was made by Ms. Blum and seconded by Mr. Bress:

Motion #6: To oppose Townsend's recommendation to rescind the \$5 million partial redemption request in PRISA and PRISA II. A voice vote was called and the motion was approved 9-2. (See Motion #6)

The following motion was made by Ms. Blum and seconded by Mr. Warren:

Motion #7: To authorize the staff to release an RFP for a real assets fiduciary consultant. A voice vote was called and the motion was approved 11-0. (See Motion #7)

The following motions were made by Ms. Blum and seconded by Mr. Bress:

Motion #8: To accept as the Fund's primary investment return objective the following: In a manner consistent with the Fund's objectives and risk constraints, to manage the assets so as to target a return that meets or exceeds the actuarial investment assumption (7% nominal return) over long periods of time, allowing for a high likelihood of attaining such a return. A voice vote was called and the motion was approved 11-0. (See Motion #8)

Motion #9: To accept as the Fund's secondary investment return objective the following: In a manner consistent with the Fund's objectives and risk constraints, to exceed the annualized return of the Fund's policy benchmark. This policy will allow the Investment Committee to compare total Fund performance relative to the strategic asset allocation policy. A voice vote was called and the motion was approved 10-1. (See Motion #9)

The following motion was made by Ms. Blum and seconded by Mr. Tippett:

Motion #10: To accept as the Fund's risk objectives the following: (1) To maintain a level of risk commensurate with the expected levels of return and consistent with prudent investment practices. (2) To maintain an appropriate level of liquidity to ensure payments of benefits, other Fund obligations and expenses (liquidity risk). (3) To utilize diversification to manage exposure to asset class, manager, industry, geographic and company-specific risks (i.e., diversifiable risks) in the aggregate investment portfolio, while acknowledging the risks associated with investing in the capital markets (i.e., market risks). A voice vote was called and the motion was approved 11-0. (See Motion #10)

ADJOURNMENT

Motion #11: Chairman Ross moved to adjourn the meeting at 1:55 p.m. The motion was made and properly seconded. A voice vote was called and the motion was approved 11-0. (See Motion #11)

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

MOTION #1		DATE: SEPTEMBER 16, 2010			
.					
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH			√		
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

MOTION #2		DATE: SEPTEMBER 16, 2010			
.					
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

MOTION #3			DATE: SEPTEMBER 16, 2010		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

MOTION #4			DATE: SEPTEMBER 16, 2010		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

MOTION #5			DATE: SEPTEMBER 16, 2010		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.			√		
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.		√			
HENSLEY, DEBORAH			√		
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.		√			
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.		√			
WARREN, MICHAEL J.		√			

MOTION #6			DATE: SEPTEMBER 16, 2010		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.			√		
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH			√		
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

MOTION #7			DATE: SEPTEMBER 16, 2010		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

MOTION #8			DATE: SEPTEMBER 16, 2010		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

MOTION #9			DATE: SEPTEMBER 16, 2010		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH			√		
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

MOTION #10			DATE: SEPTEMBER 16, 2010		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				

MOTION #11			DATE: SEPTEMBER 16, 2010		
MEMBERS	AYE	NAY/ OPPOSE	NO VOTE/ ABSTAIN	NO VOTE/ RECUSE	ABSENT
ROSS, DARRICK O.	√				
BLANCHARD, LYLE M.	√				
BLUM, BARBARA DAVIS	√				
BRESS, JOSEPH M.	√				
BULGER, DIANA K.					√
CLARK, JOSEPH W.	√				
HENSLEY, DEBORAH	√				
MARCUS, JUDITH C.	√				
SMITH, EDWARD C.	√				
SUTER, GEORGE R.	√				
TIPPETT, THOMAS N.	√				
WARREN, MICHAEL J.	√				