

**COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE
COMMITTEE REPORT**

1350 Pennsylvania Avenue, NW, Washington, DC 20004

DRAFT

TO: All Councilmembers

FROM: Chairman Phil Mendelson
Committee of the Whole

DATE: February 4, 2020

SUBJECT: Report on PR 23-73, the “District of Columbia Retirement Board Michael J. Warren Reappointment Resolution of 2020”

The Committee of the Whole, to which Proposed Resolution 23-73, the “District of Columbia Retirement Board Michael J. Warren Reappointment Resolution of 2020” was referred, reports favorably thereon and recommends approval by the Council.

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I. BACKGROUND AND NEED

On January 7, 2019, PR 23-635, the “District of Columbia Retirement Board Michael J. Warren Reappointment Resolution of 2020” was introduced by Chairman Mendelson. The purpose of PR 23-635 is to reappoint Michael Warren as one of the three Council appointees to the District of Columbia Retirement Board (DCRB). Mr. Warren’s prior appointment ended on January 27, 2019 and he has since been serving on the DCRB in a holdover capacity.

Currently Mr. Warren is the global managing director of the Albright Stonebridge Group (ASG). In this capacity, Mr. Warren serves as a member of ASG’s Managing Board. Prior to serving as the managing partner of ASG, he served as a senior advisor to the United States Treasury and various economic agencies during the first 100 days of the Obama administration after serving as a member of the Obama-Biden Presidential Transition. Mr. Warren holds a Bachelor of Arts degree in history from Yale University, as well as a Bachelor of Arts in philosophy, politics, and economics from the Balliol College at the University of Oxford, which he attended as a Rhodes Scholar.

With regard to DCRB, Mr. Warren has served as a trustee since 2005. During his tenure on the Board, he served as Chairperson from 2011-2012, vice-Chairperson/Secretary from 2013-2014, vice-Chair of the Investment Committee in 2013, and currently serves as Chair of the Investment Committee.

The DCRB is an independent agency of the District of Columbia Government established in accordance with section 121(a) of the District of Columbia Retirement Reform Act of 1979. The Board has exclusive authority to manage the pension funds of the D.C. Police Officers and Firefighters’ and Teachers’ Retirement Funds. The Board has three Council-appointees. In addition, the Board has three members appointed by the Mayor, and one member each appointed by active police officers, firefighters, and teachers, and by retired police officers, firefighters, and teachers. At least two members appointed by the Mayor and at least one member appointed by the Council must be individuals who have professional experience in the banking, insurance, or investment industry.¹

Table A: Membership of the District of Columbia Retirement Board²

Member Name	First Appointment Date	Current Term Expires	Appointing Authority
Joseph M. Bress	January 28, 2009	January 27, 2020 ³	Council
Lyle M. Blanchard	November 15, 2002	January 27, 2021	Council
<i>Michael J. Warren</i>	<i>March 11, 2005</i>	<i>January 27, 2019⁴</i>	<i>Council</i>
Janice A. Adams	February 24, 2017	January 27, 2024	Mayor
Joseph Clark, Chairperson	May, 6 2014	January 27, 2022	Mayor
Lenda Penn Washington	May 6, 2014	January 27, 2019	Mayor
Edward C. Smith	January 28, 2009	January 27, 2021	Active Firefighters
Thomas N. Tippett	January 28, 1997	January 27, 2020	Retired Firefighters
Darrick O. Ross	January 28, 1999	January 27, 2019	Active Police Officers
Gary W. Hankins	October 5, 2013	January 27, 2021	Retired Police Officers
Nathan A. Saunders	January 28, 2017	January 27, 2021	Active Teachers
Mary A. Collins	January 28, 2014	January 27, 2018	Retired Teachers
Bruno Fernandes ⁵	N/A	N/A	Ex-Officio OCFO

The DCRB manages two plans: the DC Police Officers and Firefighters’ Retirement Fund and the District of Columbia Teachers’ Retirement Fund. While other cities and states are struggling to figure out how they are going to pay its government employees when they retire, the

¹ District of Columbia Retirement Reform Act of 1979, Pub. L. No. 96-122, 93 Stat. 869 (1979) (codified as amended at D.C. CODE § 1-711(a) (2008)).

² Members serve a 4-year term. Council appointees may serve in a holdover capacity until a successor has been confirmed.

³ If PR 23-635 is approved by the Council, Mr. Bress’s new term will expire on January 27, 2024.

⁴ If PR 23-73 is approved by the Council, Mr. Warren’s new term will expire on January 27, 2023.

⁵ An Ex-Officio representative from the Office of the Chief Financial Officer attends regular Board meetings.

Police and Firefighters' retirement plan is over a 100% funded and the Teachers' retirement plan is over 90% funded. Indeed, the District's Firefighters and Police Officers' plan is one of only a few that is fully funded in the United States.⁶ Such success is a direct result of the prudent and wise management of the plans by the DCRB trustees. In part because Mr. Warren has served as a DCRB trustee for over 14 years and worked to facilitate a collaborative atmosphere between DCRB and the Council, the Board and the Council have been able to work together on issues such as fossil fuel divestment, and this contributes to the success of the plans managed by DCRB.

Given Mr. Warren's extensive management and financial experience, the Committee believes that Mr. Warren brings a unique set of skills to the Board and that his expertise is valuable to DCRB continuing to maintain fully funded pension plans for the District's police officers, firefighters, and teachers. Thus, the Committee recommends the reappointment of Mr. Warren to the DCRB.

II. LEGISLATIVE CHRONOLOGY

January 7, 2019	PR 23-73, "District of Columbia Retirement Board Michael J. Warren Reappointment Resolution of 2020," is introduced by Chairman Phil Mendelson.
January 18, 2019	Notice of Intent to act on PR 23-73 is published in the <i>District of Columbia Register</i> .
January 22, 2019	PR 23-73 is "read" at a regular Committee of the Whole meeting and the referral to the Committee of the Whole is official.
January 10, 2020	Notice of a Public Roundtable is published in the <i>District of Columbia Register</i> .
January 16, 2020	The Committee of the Whole holds a public roundtable on PR 23-73.
February 4, 2020	The Committee on the Whole marks-up PR 23-73.

III. POSITION OF THE EXECUTIVE

The Committee received no testimony or comments from the Executive.

IV. COMMENTS OF ADVISORY NEIGHBORHOOD COMMISSIONS

The Committee received no testimony or comments from any Advisory Neighborhood Commission on PR 23-73.

⁶ *District of Columbia Retirement Board: Performance Oversight Hearing before the Council of the District of Columbia Committee of the Whole* at 3 (Feb. 13, 2019) (written testimony of Sheila Morgan-Johnson, Executive Director, District of Columbia Retirement Board).

V. SUMMARY OF TESTIMONY

The Committee of the Whole held a public roundtable on PR 23-73 on Thursday, January 16, 2020. The testimony summarized below is from that roundtable. A copy of the testimony pertaining to Mr. Warren is attached to this report. Also attached are Mr. Warren's answers to questions submitted by the Committee.

Michael Warren, Nominee, testified about his background and willingness to continue serving on the DCRB, and discussed his vision for the DCRB over the next four years. Mr. Warren separately provided answers to prehearing questions submitted by the Committee. His answers are attached to this report.

The Committee received no testimony or comments in opposition of the appointment.

VI. IMPACT ON EXISTING LAW

The adoption of PR 23-73 would have no impact on existing law. PR 23-73 fulfills the Council's statutory responsibility to appoint three members to the District of Columbia Retirement Board.⁷

VII. FISCAL IMPACT

The approval of PR 23-73 will have no fiscal impact. Members of the Board are compensated at an hourly rate that is equivalent to the annual rate of pay in effect for the highest step of grade DS-15 for each hour that the member is engaged in the actual performance of duties.⁸ However, this compensation is capped at \$10,000 annually.⁹ Funding for Board members' compensation has been provided in the Fiscal Year 2020 budget and financial plan, and comes out of the earnings of the pension funds.

VIII. SECTION-BY-SECTION ANALYSIS

<u>Section 1</u>	States the short title of PR 23-73.
<u>Section 2</u>	Approves the nomination of Michael Warren to the District of Columbia Retirement Board for a term ending January 27, 2023.
<u>Section 3</u>	Directs transmittal of the resolution to the appointee, to the Chairman of the District of Columbia Retirement Board, and to the Office of the Mayor.

⁷ D.C. OFFICIAL CODE § 1-711(b)(1)(A) (2012 Repl.)

⁸ *Id.* 1-711(c)(1).

⁹ *Id.*

Section 4 Effective date.

IX. COMMITTEE ACTION

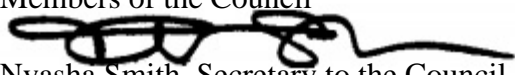
X. ATTACHMENTS

1. PR 23-73 as introduced.
2. Nominee's response to Committee questions.
3. Written testimony and comments.
4. Legal Sufficiency Determination for PR 23-73.
5. Committee Print for PR 23-73.

COUNCIL OF THE DISTRICT OF COLUMBIA
1350 Pennsylvania Avenue, N.W.
Washington D.C. 20004

Memorandum

To : Members of the Council

From : 
Nyasha Smith, Secretary to the Council

Date : January 10, 2019

Subject : Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Office of the Secretary on Monday, January 7, 2019. Copies are available in Room 10, the Legislative Services Division.

TITLE: "District of Columbia Retirement Board Michael J. Warren Reappointment Resolution of 2019", PR23-0073

INTRODUCED BY: Chairman Mendelson

The Chairman is referring this legislation to the Committee of the Whole.

Attachment

cc: General Counsel
Budget Director
Legislative Services


Chairman Phil Mendelson


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2
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6 A PROPOSED RESOLUTION
7
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9

10
11 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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13
14

15
16 To reappoint Mr. Michael J. Warren to the District of Columbia Retirement Board.
17

18 RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
19 resolution may be cited as the "District of Columbia Retirement Board Michael J. Warren
20 Reappointment Resolution of 2019".
21

22 Sec. 2. The Council of the District of Columbia reappoints:
23

24 Mr. Michael J. Warren
25  35th Street N.W.
26 Washington, D.C. 20016
27 (Ward 3)
28

29 as a member of the District of Columbia Retirement Board, established by section 121 of the
30 District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 869; D.C.
31 Official Code § 1-711), for a 4-year term to end on January 27, 2023.

32 Sec. 3. The Council of the District of Columbia shall transmit a copy of this resolution,
33 upon its adoption, to the appointee, the chairperson of the District of Columbia Retirement
34 Board, and the Office of the Mayor.

35 Sec. 4. This resolution shall take effect immediately upon the first date of publication in
36 the District of Columbia Register.

Michael J. Warren

EXPERIENCE

Albright Stonebridge Group

Washington, DC

Albright Stonebridge Group ("ASG") is a premier global strategic advisory firm, advising companies on mission-critical, multi-stakeholder transactions and business priorities around the world. Clients include leading Global 2000 companies, asset managers and foundations

Global Managing Director

2018 – Present

- Responsibilities include leading ASG's Global Practice, focused on serving senior management whose issues transcend a region or sector
- Member of ASG's Managing Board and the firm's Operating Committee

Managing Partner

2013 - 2017

- Responsibilities included defining strategic direction of firm, establishing and meeting annual budget targets, managing global team of over 200, as well as overseeing all operations and client service in coordination with the ASG partnership
- Designed and instituted new operating model focused on development of regional practices, recruiting and empowering new executive leadership to manage practice areas as independent P&Ls
- Strengthened corporate institutions (finance, operations, partnership structure) to support growth, hiring new CFO and Head of Operations
- Initiated expansion of service offerings available to clients and executives, including corporate strategy, transaction support (regulatory and due diligence) and CEO profile raising
- Originated several new clients across a variety of industries including financial services, energy and environment, and real estate, comprising 15% of overall firm revenue
- Firm revenues and operating income increased by double digits each year

Partner

2009 - 2013

- Led successful post-merger integration efforts of Stonebridge International and The Albright Group, establishing new corporate value proposition, suite of service offerings, vision and culture
- Served on four-member Operating Committee responsible for overall management of the combined firm
- Provided partner-level leadership for Business Development function, building a new team and consistently exceeding new revenue targets
- Led Finance organization of the newly-combined entity
- Continued to grow the firm's India practice, managing teams in DC and New Delhi

Chief Operating Officer and Chief Financial Officer, Stonebridge International

2004 - 2009

- Hired to lead corporate development of international strategic advisory firm, managing operations, business development, finance and personnel portfolios
- Envisioned a strategic advisory firm based on a global network of leaders who could advise clients on local issues in the emerging markets, one of the first of its kind; identified and retained world-class talent to build this network
- Established wholly foreign-owned enterprise in China (first in industry), started India practice in New Delhi and developed affiliate partnership in Johannesburg
- Grew firm revenues by more than 20% per annum
- Initiated and led merger with The Albright Group, creating the Albright Stonebridge Group

The White House **Washington, DC**
Senior Advisor, Treasury and Economic Agencies **2009**

- Served for the first 100 days of the Obama Administration, staffing senior levels of the Treasury and economic cluster government agencies during the depth of the financial crisis

Obama-Biden Presidential Transition **Washington, DC**
Co-Lead, Treasury and Federal Reserve Agency Review Teams **2009**

- Managed Transition's review of economic policy and operational priorities in 2008-2009

Horne Engineering Services, Inc. **Fairfax, VA**
Vice President, Corporate Development **2002 - 2004**

- Brought in to turn around distressed environmental engineering firm that had grown and overextended into non-core businesses
- Restructured the firm's business portfolio and capital structure to refocus on core business areas where the firm could recapture its growth path; company subsequently went public

Appluent Technology (formerly InfoCruiser) **Arlington, VA**
Co-Founder, President and COO **1999 - 2002**

- Co-founded enterprise software company focused on optimizing high throughput data networks
- Led the firm from concept to first revenue and raised over \$20M in Series A and Series B rounds from top-tier venture capital firms
- Named one of Business Forward's top 30 entrepreneurs for 1999

McKinsey & Company **DC and Seoul, Korea**
Associate **1997 - 1998**
Fellow, McKinsey Global Institute **1997 - 1999**

- Joined McKinsey post-government to gain new global business experience, serving as fellow of the McKinsey Global Institute and consultant to financial services and technology companies
- Worked with large banking and securities company to update corporate strategy to take advantage of changing competitive environment due to financial sector deregulation. Led development of company's new financial model, providing new strategic options and assessment of impact on key financial indicators
- Helped CEO of large energy company to develop corporate strategy and goals. Advised the CEO and senior management team in the development of a new senior leadership model, consistent with the company's evolving strategic focus in the face of industry deregulation
- Directed economic and competitive analysis on the productivity of the Korean semiconductor industry as a Fellow of the McKinsey Global Institute, as part of effort to gain consensus among leading industrialists and politicians regarding Korea's program to recreate its growth economy

The White House, National Economic Council **Washington, DC**
Executive Director **1995 - 1997**

- Served on senior staff of National Economic Council, managing day-to-day administration and economic policy issues affecting the National Economic Advisor to the President and White House
- Managed coordination, preparation and dissemination of policy and political information within and outside the National Economic Council

United States Department of Labor **Washington, DC**
Special Assistant to the Chief of Staff **1993 - 1995**

- Served in Secretary of Labor's front office, supporting economic policy and Department operations

BOARDS

- Yale Corporation** **New Haven, CT**
Member, Board of Trustees **2018 – Present**
 - Currently serving on the Audit, Building & Grounds, Honorary Degrees, and Investor Responsibility Committees.
- District of Columbia Retirement Board (DCRB)** **Washington, DC**
Chair, Investment Committee **2013 – Present**
Chairman of the Board **2011 – 2012**
Trustee **2004 – Present**
 - Served two terms as Chairman, with term limits
 - Rated as one of the top performing U.S. public pension funds, with all obligations fully funded (Morningstar)
 - Led long-term restructuring effort, reconstituting board and leadership to improve performance, governance and accountabilities
- Overseas Private Investment Corporation (OPIC)** **Washington, DC**
Chair, Audit Committee **2009 - Present**
 - Longest-serving board member of OPIC, the U.S. development finance agency, appointed by the President and confirmed by the U.S. Senate twice
 - As Chair of Audit Committee, drove formation of first comprehensive enterprise risk framework, which is being adopted as best-in-class across federal government agencies
 - Clean opinion audits every year. Led recruitment efforts for top management
- Commonfund** **Greenwich, CT**
Member, Board of Trustees **2014 - Present**
Chair, Governance Committee Risk and Audit Committees
 - Serve on Commonfund’s Audit and Risk Committees
 - Financial performance has improved each year
- Yale School of Management** **New Haven, CT**
Member, Board of Advisors **2013 – Present**
 - Key advisor to Dean on business school’s global strategy and global network
- Oxford University Said Business School** **Oxford, UK**
Member, Global Leadership Council **2017 – Present**
 - Serve as a sounding board to Dean and senior faculty on strategic priorities and current issues

EDUCATION

- Balliol College, University of Oxford** **Oxford, UK**
Bachelor of Arts, Philosophy, Politics, and Economics **1992**
 - Rhodes Scholar
- Yale University** **New Haven, CT**
Bachelor of Arts, History **1990**
 - Captain, Men’s Track and Field Team

January 9, 2020

Mr. Michael Warren
[REDACTED] 35th Street, NW
Washington, DC 20016

Dear Mr. Warren,

Congratulations on being nominated for reappointment to the District of Columbia Retirement Board (DCRB). As you know, the appointment is subject to confirmation by the Council. The Committee of the Whole has scheduled a public roundtable on your reappointment for **Thursday, January 16, 2020 at 9:30 a.m. in Room 120 of the John A. Wilson Building**. Enclosed is a copy of the roundtable notice.

1. Please provide a copy of the Financial Disclosure Statement you filed with the Office of Campaign Finance or the Board of Ethics and Government Accountability. If you have not filed a Financial Disclosure Statement, please provide answers to questions 2-8 in lieu of that statement.

Please see attached copy

2. Please provide the name of each business entity transacting any business with the District Government in which you have a beneficial interest valued in excess of \$5,000, including publicly traded stock.

None

3. Please provide the name of each business entity transacting any business (including consulting) with the District Government from which you or your immediate family have received (or are receiving) income for services rendered in excess of \$1,000 during the past two years.

None

4. Please provide the name of each business entity transacting business with the District Government in which you or any member of your immediate family serves as an officer, director, partner, or agent. Also list the position(s) held, a brief description of the entity, and any other pertinent details.

None

5. Please provide the name of any lender and the amount of liability for each outstanding liability borrowed by you or any member of your immediate family in excess of \$5,000. Do not include loans from a federal or state insured or regulated financial institution, or from any business enterprise regularly engaged in the business of providing revolving credit or installment accounts.

None

6. Please list the location of all real property located in the District of Columbia in which you have an interest with a fair market value in excess of \$5,000.

3215 35th Street, NW, Residence. / 1414 22nd Street, NW, Parking Space

7. Please list all professional and occupational licenses held by you.

None

8. Please list any professional organizations of which you are currently a member.

National Association of Corporate Directors (NACD)

9. Please list all boards and commissions connected with the District government on which you are or have been a member, and include the term of service for each.

District of Columbia Retirement Board

10. Please list any other Committees (e.g. Boards of Directors of a non-profit) on which you are a member.

Please refer to question #7 of my Financial Disclosure Statement

11. Do you have any outstanding liability for taxes, fees, or other payments to the District, federal, or other state or local governments, either contested or uncontested? If so, please provide documentation of attempts to pay the amount owed or to resolve the disputed claim.

No

12. Do you or any member of your immediate family have any interest, financial or otherwise, that may directly or indirectly pose a conflict of interest for you in performance of your duties as a member of the Committee?

No

13. Please describe any local political activity (i.e. the District of Columbia local elections or campaigns) that you have engaged in over the past five years, and itemize any campaign contributions to a *local* candidate or political action committee.

None

14. Why have you agreed to serve another term and how do you plan to continue to help the DCRB fulfill its role and mission during your time on the DCRB?

See testimony

15. Given that you are being reappointed to the DCRB, what challenges do you believe the DCRB has experienced since your time on the DCRB, and how do you believe these challenges should be addressed moving forward?

See testimony

16. Please discuss any past and present experiences not already mentioned that you believe are relevant to support your reappointment as a member of the DCRB?

My 15 plus years of experience on investment committees of institutions like the Overseas Private Investment Corporation (OPIC), Commonfund and association with the Yale University Endowment through being a Trustee of the Yale Corporation. Interactions with other pension boards to ensure that DCRB is aware of and operates at best practice.

If you have any questions please do not hesitate to call me or Evan Cash on my staff at (202) 724-8083.

Sincerely,

Phil Mendelson
Chairman

enc.

PM/ec

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
FINANCIAL DISCLOSURE STATEMENT
FOR MEMBERS OF THE DC RETIREMENT BOARD**

(Pursuant to Section 161 of the District of Columbia
Retirement Reform Act, Approved November 17, 1979
93 Stat. 866; D.C. Code, Sec.-1-731)

For Calendar Year 2018

Full Name: Michael James Warren Tel. # 202-759-5155
Address: [REDACTED] 35th Street, NW
Washington, D.C. (Zip Code) 20016

Name of Employer: Albright Stonebridge Group
Position: Global Managing Director, Global Practice
Bus. Address: 601 13th Street, NW, 10th Fl, Washington, D.C.
Tel. # 202-759-5155 (Zip Code) 20005

Effective Date of Membership
to the D.C. Retirement Board: March 2004

Notice: All items on this financial disclosure statement must be completed. If an item is not applicable, indicate so. Please type or print clearly. Attach additional sheets as needed, and identify each additional sheet with your name and the section being completed. All statements must be notarized.

Check one: Original Amendment

Reasons for Amendment: _____

1. Identify the amount and source of all income (as defined in section 61 of the Internal Revenue Code of 1954) received by you (or your spouse, if the income is jointly received).

SOURCE	AMOUNT
<u>Albright Stonebridge Grp</u>	<u>[REDACTED]</u>
<u>Commonfund</u>	<u>[REDACTED]</u>
<u>D.C. Retirement Board</u>	<u>[REDACTED]</u>
<u>Walker & Dunlop</u>	<u>[REDACTED]</u>
_____	_____

2. Identify each liability owed, either directly or indirectly, by you (or your spouse, if the liability is joint) that exceeds \$2,500 as of the last day of the year (exclude mortgage on real property that serves as your principal place of residence, and any revolving credit or installment accounts). Indicate the value of each liability with one of the following categories: (a) not more than \$5,000; (b) \$5,001 - \$15,000; (c) \$15,001 - \$50,000; (d) \$50,001 - \$100,000; (e) over \$100,000.

IDENTIFY	CATEGORY
None	

3. Identify all property held, either directly or indirectly, by you (or your spouse if the property is joint) in a trade or business, for investment, or the production of income, with a fair market value of \$1,000 or more. Indicate the value of each property with one of the following categories: (a) not more than \$5,000; (b) \$5,001 - \$15,000; (c) \$15,001 - \$50,000; (d) \$50,001 - \$100,000; (e) over \$100,000.

IDENTIFY	CATEGORY
Parking Space	D

4. Identify and give the date for all transactions made, either directly or indirectly, by you (or your spouse if the transactions were joint) in securities or commodities futures that exceeded \$1,000 (exclude gifts made to any organization with tax-exempt status under section 501(c)(3) of the Internal Revenue Code of 1954). Indicate the value of each transaction with one of the following categories: (a) not more than \$5,000; (b) \$5,001 - \$15,000; (c) \$15,001 - \$50,000; (d) \$50,001 - \$100,000; (e) over \$100,000.

IDENTIFY	DATE	CATEGORY
Vanguard Tax Exempt Money Market	12/15	
Vanguard REIT Index Fund	12/15	
McKinsey Compass Special Situations	12/15	

Calvert Investments 529 Fund

12/15



5. Identify and give the date for each purchase or sale in which an interest was held, either directly or indirectly, by you (or your spouse if the interest was joint) in real or tangible personal property in excess of \$1,000 in value at the time of purchase or sale (exclude property that serves as the principal residence). Indicate the value of each purchase or sale with one of the following categories: (a) not more than \$5,000; (b) \$5,001 - \$15,000; (c) \$15,001 - \$50,000; (d) \$50,001 - \$100,000; (e) over \$100,000.

IDENTIFY	DATE	CATEGORY
None		

6. List all gifts with an aggregate value of \$100 or more received by you during the calendar year, from any business entity (including sole-proprietorships, partnerships, and corporations) transacting any business with the District of Columbia government (including any of its agencies, departments, boards, commissions, or educational bodies) and including any business regulated by the District.

GIFTS	VALUE OF GIFT	NAME AND ADDRESS OF DONOR
None		

7. Identify any bank, insurance company, or other financial institution; any brokerage or other securities or investment company; any non-profit organization, labor organization, or educational or other institution in which you (or your spouse); (a) held an interest, or (b) served as an officer, director, partner, or in any fiduciary capacity.



NAME OF ORGANIZATION	INTEREST OR CAPACITY SERVED
<u>Commonfund</u>	<u>Director</u>
<u>Overseas Private Investment Corporation</u>	<u>Director</u>
<u>Catalyst</u>	<u>Director</u>
<u>Walker & Dunlop</u>	<u>Director</u>
<u>Yale University Corporation</u>	<u>Director</u>

8. Identify the nature and extent of any employment during the year by any bank, insurance company, other financial institution, or by any brokerage or other securities or investment company.

NAME OF ORGANIZATION	DATE	POSITION
<u>None</u>		

VERIFICATION:

I swear (or affirm) that this Financial Disclosure Statement and supplementary information have been examined by me and to the best of my knowledge and belief is true, correct, and complete. I understand that the willful making of a false, misleading, or incomplete statement can be grounds for civil and criminal prosecution. I further state that I have not caused title to property to be placed in another person or entity for purposes of avoiding the disclosure requirements of section 161 of the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; D.C. Code, Sec.-1-731).

Signature Michael J. Warren Date April 11, 2019

Subscribed and sworn (or affirmed) to before this 11th day of April, 2019

Nancy E. Secko
Notary Public

NANCY E. SEFKO
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires November 14, 2020



**OPENING STATEMENT
BEFORE THE
COUNCIL OF THE DISTRICT OF COLUMBIA
COMMITTEE OF THE WHOLE
IN SUPPORT OF
REAPPOINTMENT TO
THE DISTRICT OF COLUMBIA RETIREMENT BOARD**

**Michael J. Warren
January 16, 2020**

Good Morning Chairman Mendelson and Members of the Committee of the Whole.

Thank you for your consideration of my reappointment to the District of Columbia Retirement Board.

I was first appointed to the Retirement Board in November 2005, and was elected by my colleagues as its Chair in 2011 and 2012; served as Vice Chair/Secretary from 2013 to 2014 and was appointed as Vice Chair of the Investment Committee in 2013 and Chair of the Investment Committee beginning in 2018.

During my years of service on the Retirement Board, the Fund that supports the District Plans has grown from \$3.1 billion to currently over \$9 billion, and membership in the District Plans has grown from about 14,000 in 2005 (when the Retirement Board assumed responsibility for administering the District Plans) to 20,000 at the end of FY 2019.

During my tenure, the Retirement Board has chosen conservative actuarial assumptions, such that, following the 2008 global financial crisis, our actuarial assumed rate of return of 6.5% has not only been one of the lowest in the country, but is since becoming the norm. In addition, the Fund's assets are well diversified and the District Plans are among only a handful in the country that are fully funded. At the end of FY 2019, the aggregate funding level of the District Plans was 105.5%. More specifically, the Teachers Plan was 91.1%; the Police Plan was 111.8% and the Fire Plan was 111.9%. According to the National Association of State Retirement Administrators, the national average funded ratio of state and large city public pension plans is 72.4%.

The Retirement Board is not without its challenges, however. As the size of the Fund assets under management grow, the Retirement Board, staff and investment consultant will be challenged to prudently manage the assets to achieve the targeted benchmark returns in a low expected return environment. The Retirement Board's investment portfolio, like many of our peer plans, are dominated by equities (and equity-like assets) because both theory and history have shown that only a high exposure to equity markets deliver, over the long term, returns that

meet the objectives of institutional investors. On the downside, high returns from equities are accompanied by high volatility, so equity-dominated portfolios can suffer severe declines during periodic, inevitable short-term financial crisis. To mitigate this risk, the Retirement Board is reviewing its asset allocation and will be making some minor changes to reduce equity risk exposure.

I am proud to be a member of a retirement board that has accomplished so much, and is in a strong position to plan for the future. At this point, the District Plans are beginning to mature. The number of annuitants in payment status will soon surpass those in the frozen federal plans, and in the next few years, we will also begin paying out more in benefits than we receive in contributions. I find this period in the life of our program to be an exciting challenge that I would relish being a part of.

It is my wish to continue to serve on this Board and to assist it in achieving its mission of prudently investing Fund assets and delivering accurate and timely benefit payments to the District's educators and public safety professionals. It is also a pleasure to serve with colleagues who are committed to this important mission, and who have both the integrity and expertise to fulfill their fiduciary duty to the Plans and their members.

1 **DRAFT COMMITTEE PRINT**
2 **Committee of the Whole**
3 **February 4, 2020**
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7 A PROPOSED RESOLUTION

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9 23-73
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11 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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17 To reappoint Mr. Michael J. Warren to the District of Columbia Retirement Board.
18

19 RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
20 resolution may be cited as the “District of Columbia Retirement Board Michael J. Warren
21 Reappointment Resolution of 2020”.
22

23 Sec. 2. The Council of the District of Columbia reappoints:

24
25 Mr. Michael J. Warren
26 35th Street N.W.
27 Washington, D.C. 20016
28 (Ward 3)
29

30 as a member of the District of Columbia Retirement Board, established by section 121 of the
31 District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 869; D.C.
32 Official Code § 1-711), for a 4-year term to end on January 27, 2023.

33 Sec. 3. The Council of the District of Columbia shall transmit a copy of this resolution,
34 upon its adoption, to the appointee, the chairperson of the District of Columbia Retirement
35 Board, and the Office of the Mayor.

36 Sec. 4. This resolution shall take effect immediately upon the first date of publication in
37 the District of Columbia Register.