

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees July 26, 2017

Meeting#: 1134

Called to order: 10:07 a.m.

Place: Boardroom, 100 E. Erie St., Chicago, IL

Presiding: Mr. Joseph Kennedy, President

		<u>Present</u>
Trustees:	Joseph F. Kennedy, President	X
	Robert T. Regan, Vice-President	
	Hon. Mariyana T. Spyropoulos, Secretary	X
	Hon. Barbara J. McGowan	X
	John P. Dalton, Jr.	X
	Stephen J. Carmody	
	Kathleen T. Meany	X

Staff present: Susan Boutin, Executive Director
Mary Wilson, Operations Manager
Ksenija Hrvojevic, Benefits Manager

Also present: Kweku Obed, Marquette Associates
Mike Ni, Marquette Associates
Members of the staff
Members of the public

Regular Business:

Public Comments

Mr. Kennedy solicited public comments; none responded.

Approval of Minutes

A motion was made by Mr. Dalton, seconded by Ms. Spyropoulos, to approve the minutes of the Regular Board Meeting held on June 28, 2017. The motion was unanimously approved.

Consent Agenda

Expenses

Administrative expenses to be paid in August 2017 in the amount of \$666,696.09 were presented for approval.

(Enter Commissioner McGowan)

A motion was made by Ms. Spyropoulos, seconded by Ms. Meany to approve the Administrative Expenses. The motion was unanimously approved.

Employee Annuitants

The applications for eight new employee annuitants with a total monthly annuity benefit of \$42,734.94 were presented with the recommendation that they be approved and granted as follows:

<u>Employee Name</u>	<u>Position</u>	<u>Annuity Begins</u>	<u># Years @ MWRD</u>	<u># Years Reciprocal</u>
Calvano, Joseph	Supervising Environmental Chemist	07/01/17	32.42	0.00
DeSalvo, Christine M.	Buyer III	06/01/17	21.50	21.75
Johnson, Gwendolyn	Administrative Clerk	07/01/17	1.22	17.51
Mardoian, Charles M.	Management Analyst III	07/01/17	30.00	0.00
Peeples, Marvin A.	Fireman-Oiler	07/01/17	30.85	0.00
Ryan, Kenneth M.	Maintenance Laborer Class A Shift	07/01/17	30.00	0.00
Sivils, Jean M.	Assistant Benefits Analyst	06/01/17	21.00	6.00
Trotter, Darryl R.	Machinist	07/01/17	29.00	0.00

A motion was made by Ms. Meany seconded, by Mr. Dalton to approve the Employee Annuitant applications. The motion was unanimously approved.

Surviving Spouse Annuitants

None

Regular Business, continued:

Consent Agenda continued:

Refunds and Final Payments

The applications for ten refunds and final payments in the amount of \$273,262.05 were presented with the recommendation that they be approved and granted as follows:

<u>Employee/Annuitant Name</u>	<u>Date</u>	<u>Remarks</u>
Calvano, Joseph	06/30/17	Excess Optional
DeSalvo, Christine M.	05/31/17	Excess Optional
Johnson, Gwendolyn	03/27/17	No Spouse Refund
Mardoian, Charles M.	06/30/17	Excess Optional
Peeples, Marvin A.	06/30/17	No Spouse Refund
Trotter, Darryl R.	06/30/17	No Spouse Refund
Yates, Michaelene L.	04/14/17	Refund to Estate (Aleshia L. Perkins)
Yates, Michaelene L.	04/14/17	Refund to Estate (Richard L. Yates)
Yates, Michaelene L.	04/14/17	Refund to Estate (Monique L. Yates)
Yates, Michaelene L.	04/14/17	Refund to Estate (First Church of Deliverance)

A motion was made by Mr. Dalton, seconded by Ms. McGowan to approve the Refund applications. The motion was unanimously approved.

Duty Disability

The nine applications for Duty Disability benefits were presented with the recommendation that they be approved and granted.

A motion was made by Ms. McGowan, seconded by Ms. Spyropoulos to approve the Duty Disability applications. The motion was unanimously approved.

Ordinary Disability

The seven applications for Ordinary Disability benefits were presented with the recommendation that they be approved and granted.

A motion was made by Ms. Spyropoulos, seconded by Ms. Meany to approve the Ordinary Disability applications. The motion was unanimously approved.

Entire Consent Agenda

Mr. Kennedy conducted a roll call vote on the entire Consent Agenda. The Consent Agenda was unanimously approved. The itemized reports are on file.

Administrative:

Cash Allocation

Ms. Boutin made the recommendation for investment withdrawals to fund the September 2017 payrolls.

Mr. Dalton made the motion to transfer a maximum of \$12.4 million from the over-weights in the following portfolios: approximately \$11.0M from the DFA Emerging Market portfolio and the balance of approximately \$1.4M from the State Street S&P 400 Index, to supplement funds available to cover the September 2017 payroll and expenses estimated to be \$13.9M. Ms. Meany seconded the motion which was unanimously approved by roll call vote.

Regular Business, continued:

Cash Transfers

<i>July 2017 Transfers (in Millions)</i>	<u>Approved</u>	<u>Transferred</u>	<u>Difference</u>
LSV Non-US SC	\$8.00	\$8.00	\$0.00
DFA Emerging Market	3.00	2.65	0.35
Total	\$11.00	\$10.65	\$0.35

Novitas PBWeb Project Monthly Status

Ms. Boutin presented the Novitas PBWeb Project Monthly Status Report, reporting that Novitas is currently working on the health insurance screens which are in the test phase. Ms. Wilson reported that Novitas completed a redesign of the PI screens as requested by staff.

In response to an inquiry by Ms. Spyropoulos, Ms. Wilson reported the project is on schedule.

Trustee Election

Ms. Boutin reported an election will be held on October 17, 2017 for the purpose of electing one trustee of the Retirement Board of the Metropolitan Water Reclamation District Retirement Fund (MWRDRF) to serve for the regular term of four years beginning December 1, 2017. The position is currently occupied by John P. Dalton, Jr. If approved, the Rules of Election require the Notice of Election be posted no later than August 23rd. We are not recommending any changes this year to the Rules of Election and the Profile Form. A motion is required to accept the Rules of Election.

Ms. Spyropoulos made the motion to accept the Rules of Election, seconded by Ms. Meany. Motion carried with four ayes and one abstain (Dalton).

Judges of Election

The Rules of Election require the Board to appoint two trustees and one employee to serve as Judges of Election and two trustees and one employee to serve as alternate judges. Recommendation to appoint Stephen Carmody, Robert Regan and Michael Moses as Judges of Election, with Kathleen Meany, Mariyana Spyropoulos, and Renona McCall as Alternate Judges.

Ms. Meany made the motion to appoint Stephen Carmody, Robert Regan and Michael Moses as Judges of Election, with Kathleen Meany, Mariyana Spyropoulos, and Renona McCall as Alternate Judges. Ms. Spyropoulos seconded the motion which carried with four ayes and one abstain (Dalton).

Investments

Reports by Staff

Custodian Report

Ms. Boutin presented the BNYM Custodial Report which showed assets as of June 30th of \$1.347B. She also presented the report of purchases and sales of securities in June. Reports are on file.

Other Investment Related Issues

Reports by Investment Consultant

Comments on Rebalancing

Mr. Obed expressed agreement with the planned withdrawals for benefit payments.

Marquette Investment Symposium

Mr. Obed reminded the Trustees that the Symposium will be held on Friday September 29, 2017, at the Union League Club.

June 2017 Flash Report and Market Environment

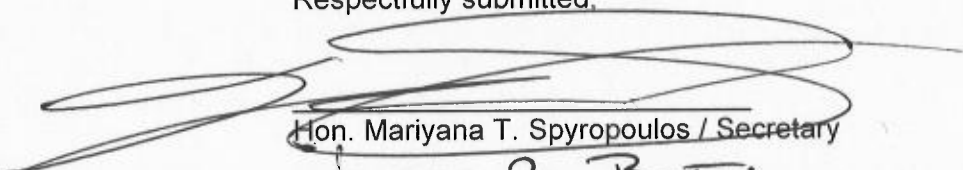
Mr. Obed reviewed the current market environment and recent performance of the Fund.

Mr. Obed responded to an inquiry by Mr. Dalton and commented on possible Fed action after ending its' easing program.

Adjournment:

Ms. Spyropoulos made a motion to adjourn, seconded by Mr. Dalton; the meeting was adjourned by Mr. Kennedy at 10:38 a.m.

Respectfully submitted,



Hon. Mariyana T. Spyropoulos / Secretary

Susan A. Boutin
Susan A. Boutin / Executive Director

Prepared by:

Debra Kozlowski

Debra Kozlowski / Office Services Asst.

Vrinda A. Kulkarni

Vrinda Kulkarni / Accountant