

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees July 24, 2019

Meeting#: 1158

Called to order: 10:05 a.m.

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

Presiding: John P. Dalton

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

Staff present: James Mohler, Executive Director
Mary Murphy, Operations Manager
Brian Gillespie, Financial Analyst
Ksenija Hrvojevic, Benefits Manager

Also present: Mr. Kweku Obed, Marquette Associates
Mr. Alberto Rivera, Marquette Associates
Ms. Mary Ann Boyle, MWRD Treasurer
Members of the public

Regular Business

Public Comments

Mr. Dalton solicited public comments; none responded.

Approval of Minutes

A motion was made by Commissioner Spyropoulos, seconded by Mr. Carmody, to approve the minutes of the Regular Board Meeting held on June 19, 2019. The motion was unanimously approved by roll call vote; Ayes 6, Nay 0.

Regular Business, continued:

Approval of Agenda

A motion was made by Mr. Kennedy, seconded by Ms. Meany, to approve the July meeting agenda; the motion was unanimously approved by roll call vote; Ayes 6, Nay 0.

Consent Agenda

Expenses

Administrative expenses to be paid in August 2019, 17 invoices in the amount of \$482,236.30, were presented for approval.

A motion was made by Mr. Kennedy, seconded by Commissioner Spyropoulos, to approve the Administrative Expenses. The motion was unanimously approved by call vote; Ayes 6, Nay 0.

Employee Annuitants

The applications for six new employee annuitants with a total monthly annuity benefit of \$20,573.43 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>
Blake, Francis M	Assistant Chief Operating Engineer	07/01/19	16.00	0.00
Buckley, Donna D.	Maintenance Laborer Class A	06/01/19	10.50	16.50
Fleming, Michael J.	Principal Architect	07/01/19	17.00	0.00
Rynne, Gary W.	Pipefitter	07/01/19	15.00	0.00
Singh, Lal	Senior Electrical Engineer	07/01/19	23.00	0.00
Spieles, Denise A.	Senior Laboratory Technician	07/01/19	15.00	0.00

A motion was made by Mr. Carmody, seconded by Ms. Meany, to approve the Employee Annuitant applications. The motion was unanimously approved by call vote; Ayes 6, Nay 0.

Surviving Spouse & Child Annuitants

The applications for four new surviving spouse annuitants with a total monthly annuity benefit of \$19,638.11 were presented with the recommendation that they approved and granted as follows:

<u>Name</u>	<u>Deceased Retiree/EE</u>	<u>Annuity Begins</u>	<u>Annuity Type</u>
Garelli, Anthony	Garelli, Bonnie F.	07/01/19	Spouse
Gomberg, Reva R.	Gomberg, Lionel	07/01/19	Spouse
Villegas, Jaime L.	Villegas, Abraham	07/01/19	Spouse
Viverito, Emily A.	Viverito, Bert A.	07/01/19	Spouse

A motion was made by Ms. Meany, seconded by Mr. Kennedy, to approve the Surviving Spouse and Child Annuity applications. The motion was unanimously approved by call vote; Ayes 6, Nay 0.

Regular Business, continued:
Consent Agenda, continued

Refunds and Final Payments

The applications for eight refunds and final payments in the amount of \$338,173.73 were presented with the recommendation that they be approved and granted as follows:

<u>Employee/Annuitant Name</u>	<u>Date</u>	<u>Remarks</u>
Buckley, Donna D.	5/31/2019	No Spouse Refund
Buckley, Matthew J.	12/3/2018	Refund of Contributions
Castanedo, Richard J.	6/18/2019	Refund of Contributions
Gregory, Stephanie L.	5/18/2019	Refund to Estate (Janae M. Howse)
Gregory, Stephanie L.	5/18/2019	Refund to Estate (Diamond T. Gregory)
Koran, Kathleen	5/13/2019	Refund to Estate (Amy B. Grabowski)
Reven, Lawrence E.	5/7/2019	Refund of Contributions
Sizemore, Karin M.	12/27/2007	Refund of Contributions

A motion was made by Mr. Carmody, seconded by Commissioner Du Buclet, to approve the Refund and Final Payment applications. The motion was unanimously approved by call vote; Ayes 6, Nay 0.

Duty Disability

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

A motion was made by Mr. Kennedy, seconded by Ms. Meany, to approve the Duty Disability applications. The motion was unanimously approved by call vote; Ayes 6, Nay 0.

Ordinary Disability

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

A motion was made by Mr. Kennedy, seconded by Ms. Meany, to approve the Ordinary Disability applications. The motion was unanimously approved by call vote; Ayes 6, Nay 0.

Administrative:

Cash Allocation

Mr. Mohler reported the staff and consultant recommendation for investment withdrawals to fund the annuity, staff, and disability payrolls to be paid in September 2019.

Commissioner Spyropoulos made the motion to transfer if needed a maximum of \$13.6M from the overweights in the following portfolios: approximately \$10.7M from the Matarin SCC portfolio, \$2.9M from Hexavest international equity portfolio to supplement funds available to cover the September 2019 payroll and expenses estimated to be \$15.1 million. Motion was seconded by Mr. Kennedy and unanimously approved by roll call vote; Ayes 6, Nay 0.

Administrative, continued:

Rules of Election

Mr. Mohler reported that in accordance with 40 ILCS 5/13-702, an election will be held on October 15, 2019 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, 2019. The position is currently occupied by Stephen J. Carmody.

If approved, the Rules of Election require the Notice of Election be posted no later than August 21st. We ask the Board for their consideration in accepting the Rules of Election.

Commissioner Spyropoulos made the motion to accept the rules of election. Mr. Kennedy seconded the motion which was unanimously approve by roll call vote; Ayes 6, Nay 0.

Judges of Election

Mr. Mohler reportedThe Rules of Election require the Board to appoint two trustees and one District employee to serve as Judges of Election and two trustees and one District employee to serve as Alternate Judges. It is proposed that Vice President Robert Regan, President John Dalton and District employee Matt Dillon be appointed as Judges of Election, and Commissioner Spyropoulos, Commissioner Du Buclet and District employee Michael Moses be appointed as Alternate Judges. We ask the Board for their consideration in appointing the Judges of Election and Alternate Judges.

Mr. Kennedy made the motion to appoint Vice President Robert Regan, President John Dalton and District employee Matt Dillon be appointed as Judges of Election, and Commissioner Spyropoulos, Commissioner Du Buclet and District employee Michael Moses as Alternate Judges. Ms. Meany seconded the motion which was unanimously approved by roll call vote; Ayes 5, Abstain 1 (Carmody), Nay 0.

Trustee Education and Training Opportunities

Mr. Mohler presented the upcoming opportunities for Education and Training. No action taken by the Board.

- Marquette Associates – Investor Symposium (October 4, 2019)
- International Foundation of Employee Benefit Plans - 65th Annual Employee Benefits Conference (October 20-23, 2019, San Diego, CA)

Ordinary Disability Accounts Receivable

Mr. Mohler reviewed the history of the overpayment case for EE#22505 and requested Board approval for the recommended repayment plan.

Commissioner Spyropoulos made the motion to approve staff's recommendation to propose a repayment plan to EE#22505 which allows for repayment over 24 months. Mr. Carmody seconded the motion which was unanimously approve by roll call vote; Ayes 6, Nay 0.

Authorized Signors Procedures (motion)

Mr. Mohler led a discussion on current Authorized Signor(s) on file with Fund's three banking relationships as follows: Amalgamated Bank of Chicago – Check Book, BNYM – Master Custodian, and JPMChase / BMO Harris – Transfer accounts w/ District. Discussion followed.

Mr. Carmody made the motion to approve the authorized signors for BNYM as follows: James E. Mohler, John P. Dalton, Mariyana Spyropoulos, and Mary Ann Boyle, and to approve the the authorized signors for ABCOC as follows: John P. Dalton, James E. Mohler, Mary Murphy, Ksenija Hrvojevic, Mary Ann Boyle and Commissioner Spyropoulos. Mr. Kennedy seconded the motion which was unanimously approve by roll call vote; Ayes 6, Nay 0.

Legal and Legislative

Mr. Mohler gave an update on current legislation as follows:

SB1264 Unclaimed Property – passed both houses 5/31/19, sent to Governor 6/28/19

HB2460 Sustainable Investing – passed both houses 5/29/19, sent to Governor 6/27/19

SB 1582 Final Average Salary technical correction – passed both houses 5/23/19, sent to Governor
6/21/19

Mr. Mohler agreed to send the Trustees a summary memo on the three bills, with links (to the Illinois General Assembly website). No action taken by the Board.

Investment Reports

Fund Investment Comments

Mr. Gillespie updated the Board on recent activities in the administration of the Fund's investment portfolio. He also presented a performance and organizational update on the managers scheduled to make a presentation today – Decatur Capital and Neuberger Berman. No action taken by the Board.

Custodian Report

Mr. Gillespie presented the BNYM Custodial Report which showed assets as of June 30th of \$1.37B. He also presented the report on purchases and sales of securities in June 2019. Reports are on file. No action taken by the Board.

Reports by Investment Managers

Decatur Capital Management. - Large cap growth equities. Mr. Degan Wright and Ms. Elizabeth Crenshaw presented the status of the account that they manage on behalf of the Fund. Discussion ensued. No action taken by the Board.

Neuberger Berman – Core plus fixed income. Ms. Cheryl Cannistra and Mr. Nathan Kush presented the status of the account that they manage on behalf of the Fund. Discussion ensued. No action taken by the Board.

Investment Consultant Report - Market Environment & Monthly Flash May 2019

Mr. Obed from Marquette Associates discussed the state of the markets at the end of Q2 of this year. Discussion ensued with the Board. Mr. Obed reviewed the performance of the Fund's investment portfolio year-to-date and focused on a few specific managers. Discussion ensued with the Board. No action taken by the Board.

RFP – Diverse Fixed Income Core +

Mr. Obed reviewed the status of the recent RFP. Of the nine responses, five were proper Core+ managers and qualified as "Emerging" per Illinois statutes. Mr. Obed reviewed Marquette's analysis of the RFP responses; discussion ensued with the Board. Trustees decided to bring in three firms, Ramirez, LM Capital and Longfellow for interviews; tentative date is next Board Meeting date, August 28.

Other Items

Executive Session - Semi-Annual Review of Executive Session Minutes In accordance with Open Meetings Act 5 ILCS 120/2.06

Mr. Kennedy made a motion to enter into Executive session to review executive session minutes currently kept closed and determine if any should be opened under the requirements of 5 ILCS 120/2.06(d). Motion was seconded by Mr. Carmody and unanimously approved by roll call vote; Ayes 6, Nay 0.

(At which point Commissioner Du Buclet exited the meeting.)

(Whereupon Mr. Dalton recessed the regular meeting at 12:25 p.m. to go into Executive Session, and reconvened the regular meeting at 12:45 p.m.)


Other Comments

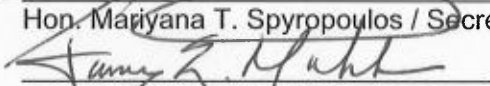
Commissioner Spyropoulos stated that the MWRD BOC appreciated Mr. Mohler’s report (on the 2018 CAFR) at their Regular BOC meeting and requested that Mr. Mohler make similar presentations about the status of the Fund on a quarterly basis; President Dalton concurred and Mr. Mohler agreed to the request.

Adjournment

Mr. Kennedy made the motion to adjourn at 12:46 p.m. Motion was seconded by Ms. Meany and unanimously approved by roll call vote; Ayes 5, Nay 0.

Respectfully submitted,



Hon. Mariyana T. Spyropoulos / Secretary


James Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accountant