

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees December 18, 2019

Meeting#: 1163

Call to order: 10:03 a.m.

Place: 100 E. Erie St, MWRD Board Room, Chicago IL

Presiding: Vice President Regan

Roll Call:

Trustees:	Present	Absent
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	
Kathleen T. Meany	X	
Kevin Young	X	

Staff present: James Mohler, Executive Director
Mary Wilson, 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, MWRDGC Treasurer
Members of the public

Public Comment

Each person wishing to speak before the RF Board shall complete a Speaker's Card which can be found in the back of the Board Room. Comments shall be limited to 3 minutes. Vice President Regan solicited comments; there were none.

Regular Business

Approval Regular Meeting Minutes – November 20, 2019.

Motion by Trustee Carmody, seconded by Commissioner Spyropoulos, unanimously approved by roll call vote.

Approval of Special Meeting Minutes – November 18, 2019.

Motion by Trustee Meany, seconded by Trustee Young, unanimously approved by roll call vote.

Approval of Executive Session Minutes – November 20, 2019.

Motion by Trustee Carmody, seconded by Commissioner Spyropoulos, unanimously approved by roll call vote.

Approval of Meeting Agenda – December 18, 2019.

Motion by Commissioner Du Buclet, seconded by Commissioner Spyropoulos, unanimously approved by roll call vote.

Consent Agenda

Administrative Expenses \$ 28,012.59

Motion by Commissioner Spyropoulos, seconded by Trustee Carmody, unanimously approved by roll call vote.

Investment Expenses \$ 40,901.60

Motion by Trustee Young, seconded by Commissioner Spyropoulos unanimously approved by roll call vote.

Employee Annuitants \$ 34,584.86

Motion by Trustee Meany, seconded by Trustee Young, unanimously approved by roll call vote.

Surviving Spouse Annuitants - none

Refunds \$ 12,288.75

Motion by Commissioner Du Buclet, seconded by Trustee Carmody, unanimously approved by roll call vote.

Duty Disability, 6 payments

Motion by Trustee Young, seconded by Trustee Carmody, unanimously approved by roll call vote.

Ordinary Disability, 4 extensions, 1 new application

Motion by Trustee Meany, seconded by Trustee Young, unanimously approved by roll call vote.

Administrative

Cash Allocation

Mr. Mohler reported the following regarding cash withdrawals and funding of the upcoming payrolls.

For projected January 2020 disbursements of (\$14.7M), approved vs. projected reflect:

	<u>Approved at prior mtg</u>	<u>Projected</u>
LSV Large Cap Value	\$3.6M	\$3.8M
O'Shaughnessy Large Cap Value	\$3.4M	\$3.7M
Ariel Investments Mid Cap Value	\$3.2M	\$4.2M
Matarin Small Cap Core	<u>\$2.9M</u>	<u>\$900k</u>
	\$13.1M	\$12.6M

Projected need is \$12.6M, reflected above; funds are needed to supplement January 2020 projected operating receipts of \$2.1M.

For projected February 2020 disbursements of (\$14.9M)

Fund staff recommends the transfer of up to \$13.2M from the Fund's investment portfolio. Due to the funding requirements for RREEF REIT II of \$12M on January 2, 2020, we will recommend funding sources for the necessary transfers to supplement February projected operating receipts at the January 22, 2020 meeting of the Board.

Motion to approve transfer amount recommendation was made.

Motion by Trustee Carmody, seconded by Trustee Young, unanimously approved by roll call vote.

For the RREEF REIT II \$12M capital call on January 2, 2020, we recommend the following sources:

Decatur Capital LCG	\$3.9M
Wasatch Advisors SCV	\$3.2M
State Street S&P500	\$2.9M
Matarin SCC	\$2.0M

Motion to approve funding recommendation was made.

Motion by Trustee Young, seconded by Trustee Carmody, unanimously approved by roll call vote.

Election of Board Officers – (40 ILCS 5/13-704)

Motion to retain John P Dalton as President, Robert Regan as Vice President, and Commissioner Spyropoulos as Secretary was made.

Motion by Trustee Carmody, seconded by Trustee Young, approved by roll call vote (4 Ayes, 2 Abstain by Commissioner Spyropoulos and Vice President Regan).

2020 Retirement Board of Trustees Meeting schedule

Motion to approve the 2020 Board Meeting schedule was made.

Motion by Commissioner Spyropoulos, seconded by Trustee Meany, unanimously approved by roll call vote.

Administrative, continued

Actuarial Services – 2019 Valuation Report*

Motion to approve the retention of Foster & Foster, consulting actuaries, to perform the 2019 Actuarial Valuation was made.

Motion by Trustee Carmody, seconded by Trustee Young, unanimously approved by roll call vote.

Annual Auditing Services – For fiscal year ending 12/31/19*

Motion to approve the retention of Legacy Professionals LLP, consulting auditors, to perform the 2019 Financial Statement Audit was made.

Motion by Trustee Meany, seconded by Trustee Young, unanimously approved by roll call vote.

Legislative Liaison Services – For 2020 Illinois Legislative sessions*

Motion to approve the retention of Thomas Walsh, Fund legislative liaison, to represent the Fund during the 2020 Illinois legislative sessions was made.

Motion by Commissioner Spyropoulos, seconded by Trustee Carmody, unanimously approved by roll call vote.

Independent Contractor – Benefit Services

Motion to approve the retention of Elizabeth Cataudella, independent contractor for benefits services, during 2020 was made.

Motion by Trustee Meany, seconded by Trustee Young, unanimously approved by roll call vote.

2020 MWRDRF Operating and Administrative Budget – DRAFT Proposal*

Motion to approve the 2020 Operating and Administrative Budget was made.

Motion by Trustee Meany, seconded by Trustee Young, unanimously approved by roll call vote.

2020 MWRDRF Staff General Salary Increase Consideration

Mr. Mohler noted the 2020 RF Staff general salary increase was incorporated into the 2020 Budget just approved by the Trustees; no separate motion is necessary.

Legal & Legislative

Legal – discussion deferred to end of meeting

Matter of Employee Handbook*

Matter of Employee #21416*

Matter of Closed Executive Session Minutes (semi-annual review) – 5 ILCS 120/2.06(3)(d)

Legislative

2020 Legislative Agenda – Consideration and Timetable

Mr. Mohler presented ideas for Board consideration regarding legislative initiatives in 2020 and beyond. He requested a special meeting between 1/10/20 and 1/20/20, to discuss these with the Board before the deadline to submit the Spring Session legislative agenda.

Staff Investment Report(s)

Custodian Report

Mr. Gillespie presented the BNYM Custodian Report which showed assets of \$1.39B as of 12/11/2020.

Investment Report

2019 Meetings with prospective Investment Service Providers – Summary

Mr. Gillespie presented a report of meetings held with prospective Investment Service Providers in 2019. Discussion ensued.

Public Act #101-0473 Sustainability Investing Act*

Mr. Gillespie presented the final draft of the Sustainable Investing Policy to be incorporated into the Fund's Investment Policy.

Motion was made to approve the revised Investment Policy.

Motion was made by Commissioner Du Buclet, seconded by Commissioner Spyropoulos, unanimously approved by roll call vote.

Investment Portfolio Review Agenda – Update

Mr. Gillespie presented an analysis on the Fund's target allocation and MWDBE brokerage goals vs. other Illinois pension funds. Discussion ensued. Per request of the Trustees, Mr. Mohler agreed to send them a 10-year funding ratio trend analysis of the Illinois pension funds by email.

Investment Consultant Report(s)

Market Environment

Mr. Obed presented the November 2019 Market Environment report.

Monthly Flash Report

Mr. Obed presented the November 2019 Monthly Flash report. Discussion ensued.

Executive Session* (motion)

****** Items may be discussed in closed session in accordance with applicable Open Meeting Act provisions.

In accordance with ILCS 120/2 (c)(1) & 2 (c)(11), a motion to adjourn to executive session was made at 11:46 a.m.

Motion by Trustee Carmody, seconded by Trustee Meany, unanimously approved by roll call vote.

Regular meeting was reconvened at 11:53 by Vice President Regan.

Motion to adopt the Employee Handbook with recent revisions recommended by the Fund's legal counsel and the Executive Director was made.

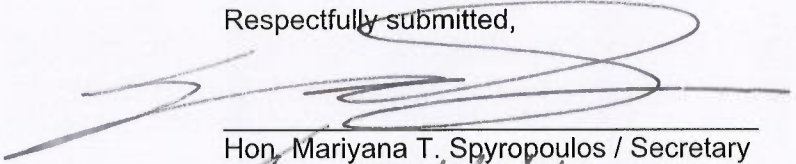
Motion by Commissioner Du Buclet, seconded by Trustee Young, unanimously approved by roll call vote.

Adjournment

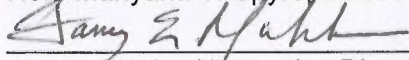
Motion to adjourn the meeting was made.

Motion by Trustee Young, seconded by Trustee Meany, unanimously approved by roll call vote.

Respectfully submitted,



Hon. Mariyana T. Spyropoulos / Secretary



James Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accountant