

Metropolitan Water Reclamation District Retirement Fund

Minutes Executive Session Board of Trustees February 28, 2018

Meeting: #1142
Called to Order: 11:40 am
Place: Board Room, 100 E. Erie St., Chicago, IL
Presiding: Mr. Joseph F. Kennedy, President

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

Staff present: Susan A. Boutin, Executive Director

Discussion:

The Trustees met in executive session for purposes authorized by the Illinois Open Meetings Act (5 ILCS 120/1 et seq) to discuss litigation in accordance with 5 ILCS 120/2(c)11 and to discuss an Internal Control Policy in accordance with 5 ILCS 120/2(c)29.

Imminent Litigation

The Fund's Attorney, Joseph Burns from Jacobs, Burns, Orlove & Hernandez discussed a recommendation made by Avi Josefson from BLB&G regarding Pilgrim's Pride. BLB&G is a firm specializing in representing pensions funds in actions against various companies that have engaged in fraud and breach of accounting and fiduciary duties.

Mr. Burns informed the Fund that under Delaware corporate law, a shareholder has a right to demand records to determine whether or not the directors of Pilgrim's Pride engaged in behavior which is against the best interest of the shareholders. Trustees discussed the two requests made by BLB&G.

Mr. Josefson is asking the Trustees to consider authorizing a request for books and records of Pilgrim's Pride. This request would allow BLB&G to assess whether the company engaged in improper financial activity which is against the best interests of the shareholders. The second request would be to ask the Board for permission to file a shareholders case in Delaware.

A discussion followed regarding BLB&G's recommendations.

Internal Controls

Mr. Joseph Burns discussed the realities of administering a pension fund in 2018 and the significant risks involving internal controls. A discussion followed regarding some potential material control and risk issues such as IT, investments, benefits administration, and benefit compliance with the Illinois Compiled Statutes and approval by the Board of Trustees.

Mr. Burns discussed the draft recommendations document sent to the Fund regarding IT and cybersecurity which would have to be modified to fit the needs of our Fund. A recommendation was also made to codify the Fund's current practices in the areas of risk and internal controls.

Trustees also discussed the draft harassment policy recommended by Mr. Burns. Questions regarding whether the District harassment training would apply to the annual training and if Retirement Fund staff should receive District training were directed to Mr. Burns.

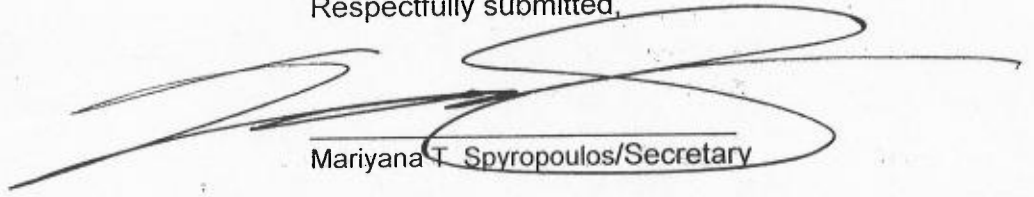
Mr. Burns commented on the employee handbook Mary Wilson is working on which will be presented to the Trustees for approval following a review by Marisel Hernandez from Jacobs, Burns, Orlove & Hernandez.

In addition to the above priority items, Mr. Burns recommended codifying the Fund's administrative rules and procedures. A short discussion followed regarding the recommended policies and procedures.

Adjournment:

Commissioner Spyropoulos made a motion to adjourn, which was seconded by Mr. Dalton and unanimously approved. Mr. Kennedy adjourned the meeting at 1:19 p.m..

Respectfully submitted,



Mariyana T. Spyropoulos/Secretary

Prepared by:

Susan A. Boutin
Susan A. Boutin/ Executive Director

Susan A. Boutin
Susan A. Boutin / Executive Director

Approved: June 27, 2018

Exhibit A

Executive Sessions/Closed Meetings Review

<u>Date</u>	<u>Minute</u>		<u>Disk</u>	<u>Paper</u>		<u>Discussion Topic:</u>
	<u>Date</u>	<u>Minutes Completed</u>		<u>Transcripts</u>	<u>Transcripts</u>	
05/26/04	07/23/14	x	No	x		Litigation: Discussion on a legal claim by a former member, Derek Davis
10/27/04	07/23/14	x	No	x		Litigation: Fund's attorney answered questions & discussed the recommendations of the hearing officer regarding a denial of an untimely OD application
11/17/04	07/23/14	x	No	x		Litigation: Discussion on the recommendations of the hearing officer in the matter of Diedre Wilson
12/15/04	07/23/14	x	No	x		Personnel Matter - Discussion regarding the salary upgrade for the Executive Director, Cynthia Kueter
05/25/05	07/23/14	x	No	x		Personnel Matter - Discussion regarding candidates to be consider for appt. as Trustee for vacancy of Tom O'Connor
12/14/05	07/23/14	x	No	x		Personnel Matter: RF Budget - Three position upgrades proposed in the 2006 budget and one additional upgrade proposed.
02/22/06	07/23/14	x	No	x		Personnel Matter - Salary increases for a few employees and the Executive Director retirement and methods of filling the position.
05/24/06	07/23/14	x	No	x		Personnel Matter - Error in the vacation time granted to Karen Baker in 2005. Elimination of Deputy Director position & addition of Supervising Benefits position
07/26/06	07/23/14	x	No	x		Personnel Matter - Supervising Benefits Analyst position interviews
09/27/06	07/23/14	x	No	x		Personnel Matter - Benefits Manager position interviews
11/15/06	07/23/14	x	No	x		Personnel Matter - Assistant Benefits Analyst position interviews
12/20/06	07/23/14	x	No	x		Personnel Matter - Trustees discussed the personnel pay grades for 2007
01/24/07	07/23/14	x	No	x		Personnel Matter - Office Services Assistant position interviews and Benefits Coordinator position pay grade & potential litigation of 2 OD cases, Ali & Wilson
03/28/07	07/23/14	x	No	x		Personnel Matter - Programmer position posting and pay grade
11/28/07	07/23/14	x	No	x		Personnel Matter - Patrick Pucher, Asst. Benefits Analyst resignaton
04/23/08	07/23/14	x	No	x		Personnel Matter - Supervising Financial Analyst, George Kirie
06/25/08	07/23/14	x	No	x		Personnel Matter - Supervising Financial Analyst follow-up.
01/27/10	07/23/14	x	x	x		Personnel Matter - Programmer performance issues.
04/28/10	07/23/14	x	x	x		Personnel Matter - Position Posting for IT Programmer Analyst
06/22/11	07/23/14	x	x	x		Personnel Matter - Independent Contractor Elizabeth Yourell
08/24/11	07/23/14	x	x	x		Request for a salary review for our Programmer Analyst position
11/20/13	07/23/14	x	x	x		Matter related to Tamara Jones & issues related to Gray & Co.
12/18/13	07/23/14	x	x	x		Personnel Matter: Discussion regarding information presented to Board at the November Board meeting
01/22/14	07/23/14	x	x	x		Personnel Matter: Request for a hearing and discovery from Tamara Jones' attorney.
02/18/14	07/23/14	x	x	x		Personnel Matter: Hearing regarding Tamara Jones termination
02/19/14	07/23/14	x	x	x		Personnel Matter: Discussion related to 2/18/14 hearing regarding Tamara Jones termination
03/19/14	07/23/14	x	x	x		Personnel Matter: Hearing regarding Tamara Jones termination
05/27/15	06/24/15	x	x	x		Litigation: Avon class action.
08/26/15	12/16/15	x	x	x		Litigation: ITT Educational Services
12/16/15	07/27/16	x	X	x		Semi-annual Review of the Minutes
05/24/16	07/27/16	x	x	x		Subrogation of ordinary disability benefits paid to Delores Ammons-Lewis
06/22/16	07/27/16	x	x	x		Delores Ammons-Lewis subrogation & payment of a no-spouse refund
07/27/16	12/21/16	x	x	x		Semi-annual Review of the Minutes
12/21/16	06/28/17	x	x	x		Semi-annual Review of the Minutes
06/28/17	12/13/17	x	x	x		Semi-annual Review of the Minutes
09/27/17	12/13/17	x	x	x		Personnel Matter - Retirement of Irena Lyubkina and the postiing of the Asst. Benefits Analyst and Financial Analyst positions
12/13/17	06/27/18	x	x	x		Semi-annual Review of the Minutes and posting of the Office Services Assistant position
02/28/18	06/27/18	x	x	x		BLB&G Requests Re: Pilgrim's Pride & Internal Control Recommendations
06/27/18						Semi-annual Review of the Minutes