

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees May 27, 2020

Meeting#: 1168

Call to order: 10:02 a.m.

Place: Held via Audio Conference from the 3rd Flr. Conference Room, 100 E. Erie St. Chicago, IL

Presiding: John P. Dalton, President

Roll Call:

Trustees:	Present	Present via phone
John P. Dalton, President	X	
Robert T. Regan, Vice President		X
Hon. Mariyana T. Spyropoulos, Secretary		X
Hon. Kimberly Du Buclet		X
Kathleen T. Meany		X
Kevin Young		X

Staff present: James Mohler, Executive Director
Mary Murphy, Operations Manager, via phone
Brian Gillespie, Financial Analyst, via phone
Ksenija Hrvojevic, Benefits Manager, via phone
Vrinda Kulkarni, Accountant, via phone

Also present: Mr. Kweku Obed, Marquette Associates, via phone
Mr. Anthony DiSanto, Marquette Associates, via phone
Mr. Thomas Walsh, Legislative Consultant, via phone
Mary Ann Boyle, MWRD Treasurer, via phone

Roll Call

President Dalton conducted a roll call. All Trustees were present.

Public Comment

President Dalton solicited public comments; there were none.

Regular Business

Approval Regular Meeting Minutes – April 29, 2020.

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

Approval of Meeting Agenda – May 27, 2020.

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

Consent Agenda

Administrative Expenses \$1,024,153.01

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

Employee Annuity - 25 new retirees, \$163,668.04 total monthly

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

Surviving Spouse and Child Annuity – 3 new annuitants, \$11,757.35 total monthly

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

Refunds - 9 refunds, \$256,475.56

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

Duty Disability, benefits for 7 persons

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

Ordinary Disability, benefits for 8 persons

Motion to approve by Trustee Regan, seconded by Trustee Young, unanimously approved by roll call vote.

Administrative

Cash Allocation

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

For projected June 2020 disbursements of \$15.9M, and July 2020 disbursements of \$16.3M

Mr. Mohler reported that due to receipts of employer contributions, there is ample cash in the BNYM operating cash account, and we anticipate no need to liquidate assets for the June 1 payroll funding. For the July 1 payroll funding we will need approximately \$13.9 million and staff proposes liquidating that amount from the SSgA Aggregate Bond Index fund.

Motion by Trustee Meany to approve withdrawal of approximately \$13.9M from the SSgA aggregate Bond Index to fund the July 2020 payrolls. Motion was seconded by Trustee Young, unanimously approved by roll call vote.

Trustee Vacancy

Mr. Mohler reported on the Trustee vacancy created by the retirement of Stephen Carmody on 4/30/2020. Ms. Murphy has created the vacancy notification to be emailed to members. Letters of interest will be collected from interested candidates; after some discussion it was decided that circumstances warrant an expanded two-week response window. After review of submitted letters of interest and resumes, the Board will consider the selection of a qualified candidate to fulfill the remaining three-year term.

Statement of Economic Interest Filing

Mr. Dalton requested all Trustees ensure they have submitted the required annual filings.

Pension Administration System Update

Mr. Mohler reported that the contract with Provaliant has been reviewed by staff and legal counsel and has been sent to Provaliant. A conference call with Provaliant is scheduled for later in the day.

Administrative Staff On-Site Utilization

Mr. Mohler reviewed some of the options being considered for having staff return to work in the Fund offices, taking into account MWRD, CDC and IDPH guidelines. Under discussion is having staff on-site at a certain percentage rate of normal office capacity (e.g. 20% or 30%), and office utilization guidelines. In June we expect Benefits staff to continue to have priority for on-site work, as there are another large number of retirements to process; Ms. Hrvojevic is working on a schedule for June for the Benefits Staff. Ms. Murphy is often working from Stickney to process payments among other things, and the rest of staff is able to remain productive from home with the issuance of laptops with VPN connection. Mr. Mohler commended Ms. Hrvojevic and Ms. Murphy for leading staff in processing May casework, which included 25 retirements, on time and remaining productive remotely.

Mr. Mohler reviewed some modifications to the Fund office space, such as plexiglass surrounding the reception desk areas, to keep on-site employees productive and safe during this time period.

Administrative, continued

Staff Administrative Reports

Ms. Hrvojevic reported on the procedures instituted to process the April retirements, with work done by staff remotely and coordination with on-site staff for verification and mailings.

Ms. Murphy reported that annuitants, staff and vendors continue to be paid with the much-appreciated efforts of staff despite the obstacles of reduced (in-office) mail service, and prior processes that heavily relied on paper. Some staff have participated in on-line training in Excel, communication, grammar and other subjects. She stated that the COVID-19 business disruption will continue to be viewed as an opportunity to improve on our business operations.

Trustee Regan and Trustee Meany voiced their appreciation for the hard work and positive spirit put forth by staff under the current conditions.

Staff Investment Report(s)

Monthly Staff Investment Report

Mr. Gillespie presented current portfolio information to the Trustees. While markets have been volatile, April saw gains in value; investments were \$1.27B at 5/21/20.

Watchlist Update

Mr. Gillespie updated the Board on the recent performance of two of the three firms that remain on the Watchlist; Ariel and Matarin. He provided an update on the asset transition that followed the termination of Hexavest at the April Board meeting. He and Mr. Mohler noted some communications lags occurred between BNYM and SSgA, perhaps due to operations during COVID-19, but the transition was ultimately completed successfully. Mr. Mohler also noted that going forward the Fund should work towards having relationships with a few transition management firms, to facilitate getting price lists from multiple parties for quick comparison in the event of a transition.

Investment Consultant Report(s)

Market Environment

Mr. Obed presented the April 2020 Market Environment report.

Monthly Flash Report

Mr. Obed presented the April 2020 Monthly Flash report which presents in detail the recent performance of the Fund's portfolio by asset class and by manager. Discussion ensued; no action taken.

Legal & Legislative

Legislative Update by Tom Walsh

Mr. Walsh reported that the Illinois legislature passed a balanced budget in special session. He commented on the debate about possible remote sessions, when the legislature might return to Springfield, and SB 2135 which codifies some of the Governor's Executive Orders during COVID-19 pursuant to the emergency declaration, with specific effects on OMA.

Other Comments

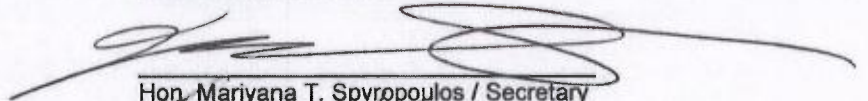
Echoing comments by other Trustees earlier, Commissioner Spyropoulos thanked the staff for their dedication and hard work during these challenging times.

Adjournment


Motion to adjourn was made by Commissioner Spyropoulos, seconded by Trustee Meany, unanimously approved by roll call vote.

President Dalton adjourned the meeting at 11:25 a.m.

Respectfully submitted,



Hon. Mariyana T. Spyropoulos / Secretary


James Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accountant