

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees April 28, 2021

Meeting#: 1179

Call to order: 10:00 a.m.

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

Presiding: John P. Dalton, President

Roll Call:

Trustees:	Present	Present via videoconference
John P. Dalton, President	X	
Kevin Young, Vice President		X
Hon. Mariyana T. Spyropoulos, Secretary		X
Hon. Kimberly Du Buclet		X
M. Frank Avila		X
Bonnie T. Kennedy		X
Robert T. Regan		X

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

Also present: Mr. Kweku Obed, Marquette Associates, via videoconference
Ms. Morgan Chase, Marquette Associates, via videoconference
Ms. Mary Ann Boyle, MWRD Treasurer, via videoconference
Mr. Tom Walsh, Legislative Consultant, via videoconference
Mr. Frank Zurek, LaSalle Consulting Partners
Mr. James Taylor, LaSalle Consulting Partners
Members of the public, via teleconference:
Zack Cziryak, Financial Investment News

Roll Call

President Dalton conducted a roll call.

Meeting Notice

President Dalton stated for the record that since Governor Pritzker has issued a disaster declaration regarding public health concerns from COVID-19, the monthly meeting of the MWRDRF Board will be conducted remotely and in accordance with section ILCS 120 7(e) of the Illinois Open Meetings Act.

Meeting attendance

To ensure that the minutes of the meeting are properly recorded, anyone attending the meeting via teleconference outside the Board members, Fund consultants, and pertinent Fund staff, were asked to identify themselves and affiliation, if any.

Public Comment

President Dalton solicited public comments; there were none.

Regular Business

Approval Regular Meeting Minutes – March 24, 2021

Motion to approve by Commissioner Spyropoulos. Seconded by Trustee Regan, unanimously approved by roll call vote.

Approval of Executive Session Minutes – N/A

Approval of Meeting Agenda – April 28, 2021

Motion to approve by Vice President Young. Seconded by Trustee Kennedy, unanimously approved by roll call vote.

Consent Agenda

Administrative Expenses, \$222,426.31

Motion to approve by Commissioner Spyropoulos. Seconded by Trustee Kennedy, unanimously approved by roll call vote.

Investment Expenses, \$0

Employee Annuitants - 1 new retiree, \$3,907.31 total monthly

Motion to approve by Vice President Young. Seconded by Commissioner Spyropoulos, unanimously approved by roll call vote.

Surviving Spouse & Child Annuitants – 4 new surviving spouses, 1 child annuity, \$19,925.72 total monthly

Motion by Trustee Regan. Seconded by Trustee Kennedy, unanimously approved by roll call vote.

Refunds - 3 refunds, \$40,640.59

Motion to approve by Commissioner Du Buclet. Seconded by Vice President Young, unanimously approved by roll call vote.

Consent Agenda, continued

Duty Disability, benefits for 5 persons

Motion to approve by Trustee Kennedy. Seconded by Trustee Avila, unanimously approved by roll call vote.

Ordinary Disability, benefits for 8 persons

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

Administrative

Cash Allocation

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

For projected May 2021 disbursements of \$15.7M

Mr. Mohler reported that May 2021 disbursements are expected to be \$15.7M. Due to having sufficient liquidity, no investment assets will need to be liquidated for May disbursements.

For projected June 2021 disbursements of \$16.8M

Mr. Mohler reported that June 2021 projected disbursements are \$16.8M. Fund staff projects \$2.2 M of invested assets will need to be liquidated to honor them. Staff recommends needed liquidity from the following sources:

<u>Investment Manager</u>	<u>Investment Mandate</u>	<u>(\$M)</u>
Ariel Investments	Small/Mid Cap	\$2.2M

Motion by Vice President Young to approve staff's recommendation for necessary liquidity. Seconded by Trustee Kennedy, unanimously approved by roll call vote.

Staff Administrative Update

Retirement Casework Update

Ms. Hrvojevic reported the current and historical YTD retirements for the last 5 years, including the current YTD 2021 retirements of 42 retirees. Number of YTD estimates is 234. Discussion ensued including the effect of COVID-19 on the retirement and estimate numbers.

Information Technology Systems/Procedures Presentation – LaSalle Consulting Partners**

Motion to enter Executive Session was made by Trustee Avila for discussion of the audit of the Fund's IT systems and security procedures, per ILCS 5 120/2 (c)(29). Seconded by Commissioner Spyropoulos, unanimously approved by roll call vote.

(Whereas the Regular meeting was recessed at 10:18 a.m., and reconvened at 10:51 a.m.)

President Dalton thanked Mr. Zurek and Mr. Taylor for their presentation.

Pension Administration System - Project Update

Ms. Murphy updated the Board on the status of the PAS project with Provaliant. She indicated that staff was reviewing the need for data cleansing and that staff would soon approach the Board regarding that matter.

Staff Administrative Update, continued

DRAFT Actuarial Report – Staff Overview*

Mr. Mohler presented the highlights from the draft 2020 Actuarial Report. The final report will be presented by Jason Franken of Foster & Foster at the May meeting.

DRAFT Audited Financial Statements – Staff Overview*

Mr. Mohler presented the highlights from the draft 2020 Financial Statement Report. The final report will be presented by Paul Doetsch of Legacy Professionals LLP at the May meeting.

Trustee Education Opportunities*

Mr. Gillespie reported on upcoming Trustee Education Opportunities, including the 2021 NCPERS, NASP, and IFEBP conferences.

Trustee Avila made the motion to approve Trustees attending the NCPERS TEDS Conference to be held virtually June 8-9. Seconded by Commissioner Spyropoulos, unanimously approved by roll call vote.

Legal & Legislative

Presentation from Tom Walsh – Legislative Lobbyist

Mr. Walsh reported to the Board on the status of legislation in the Illinois General Assembly related to pension funds. He also reported on the status of SB73 / HB2550, the MWRDRF Ordinary Disability Bill which is a technical change; while it should not meet resistance on its own, it has been combined with other legislation and the outcome is not certain. Discussion followed.

102nd Meeting of the Illinois General Assembly (Session-to-date Bills that may affect the Fund)

Mr. Mohler gave updates on some additional pension bills in the Illinois Legislature that have been discussed at prior meetings. Discussion followed.

Meeting attendance (reminder)

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Staff Investment Update(s)

Manager Presentation to Trustees – Decatur Capital

Mr. Degas Wright and Ms. Elizabeth Crenshaw from Decatur Capital Management to the Board an update on their domestic large-cap growth mandate. Discussion ensued.

Current vs. Target Asset Allocation

Mr. Gillespie presented to the Retirement Board the Fund's current asset allocation compared to their target allocations.

Watchlist Update*

Mr. Gillespie updated the Retirement Board on the performance of the investment managers currently on watch. No actions were taken.

RFP Global Low/Vol Equity Search - Process Update

Mr. Mohler reported that a Special Meeting to hear presentations from the three RFP finalists (MSF, Northern Trust & SSgA) will be held virtually on Wednesday May 12th, at 11:00. The Special Meeting is expected to run 2.5 hours.

Investment Consultant Report(s)

Market Environment

Mr. Obed reviewed the investment markets as of March 2021. Discussion ensued.

Monthly Flash Report

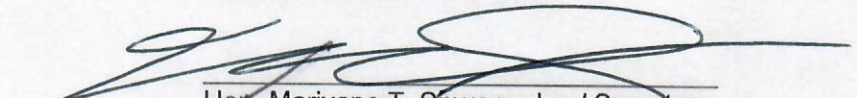
Mr. Obed presented the March 2021 Monthly Performance Report, which presents the performance of the Fund's portfolio by asset class and by manager. Discussion ensued.

Adjournment

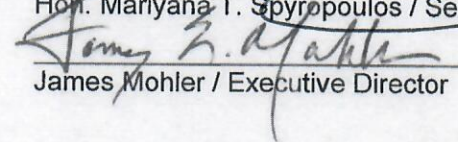
Motion to adjourn was made by Trustee Regan. Seconded by Commissioner Du Buclet, approved by roll call vote.

President Dalton adjourned the meeting at 12:24 p.m.

Respectfully submitted,



Hon. Mariyana T. Spyropoulos / Secretary



James Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accountant