

# Metropolitan Water Reclamation District Retirement Fund

## Minutes Regular Meeting Board of Trustees November 17, 2021

Meeting#: 1186

Call to order: 10:03 a.m.

Place: MWRD Third Floor Conference Room, 100 E. Erie St. Chicago, IL

Presiding: John P. Dalton, President

**Roll Call:**

| Trustees:                               | Present | Present via<br>videoconference | Absent |
|---|---------|--------------------------------|--------|
| 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                              |        |
| Carmen Scalise                          |         | 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  
 Vitaliy Bunimovich, Programmer Analyst, via videoconference

Also present: Mr. Kweku Obed, Marquette Associates, via videoconference  
 Mr. David Hernandez, Marquette Associates, via videoconference  
 Ms. Nicole Johnson-Barnes, Marquette Associates, via videoconference  
 Ms. Mary Ann Boyle, MWRD Treasurer, via videoconference  
 Mr. Robert Regan, former Trustee, via videoconference

Members of the public, via teleconference:  
 Mr. Bruce Deutsch, ARGA Investment Management

## **Roll Call**

President Dalton conducted a roll call.

## **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.

*(Whereas Trustee Avila entered the meeting via videoconference)*

## **Retirement Board Resolution – Recognition of Robert T. Regan**

President Dalton read a Board Resolution recognizing the dedicated service of Mr. Regan to the RF Board over the last 16 years. Mr. Regan also thanked the Board for the opportunity to serve the membership, and for their kind words.

## **Oath of Office Elective Trustee Term Expiring 11/30/22 – Carmen F. Scalise**

Vice President Young administered the Oath of Office to Trustee-Elect Scalise.

## **Oath of Office Elective Trustee Term Ending 11/30/25 – John P. Dalton, Jr.**

Vice President Young administered the Oath of Office to President Dalton.

## **Regular Business**

Approval Regular Meeting Minutes – 10/27/21

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

Approval Executive Session Minutes – 10/27/21, pursuant to ILCS 120/2(c)(7)

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

Approval of Meeting Agenda – 11/17/21

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

## **Consent Agenda**

Administrative Expenses, 13 items, \$122,611.89

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

Investment Expenses, 9 items, \$ 750,749.67

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

## **Consent Agenda – Continued**

Employee Annuitants - 1 new retirees, \$3,174.50 total monthly

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

Surviving Spouse & Child Annuitants – 3 new surviving spouse annuities, \$12,795.74 total monthly

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

Refunds - 8 refunds, \$315,732.32

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

Duty Disability, benefits for 5 persons, \$168.28

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

Ordinary Disability, benefits for 7 persons, \$1,427.77

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

### **Cash Allocation**

Mr. Mohler reported the following regarding necessary liquidity for upcoming disbursements.

For December 2021 disbursements of (\$16.9M), the previously approved \$6M from Ariel Investments (S/MCV) will be needed to honor them. For January 2022 projected disbursements of (\$16.0M), Fund staff projects (\$14.55M) of invested assets will need to be liquidated to honor them. Fund staff recommends requesting liquidity from the following sources:

| <b><u>Investment Manager</u></b> | <b><u>Investment Mandate</u></b> | <b><u>(\$M)</u></b> |
|----------------------------------|----------------------------------|---------------------|
| Wasatch Global Advisors          | Small Cap Value                  | \$14.55M            |

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

### **Staff Administrative Update**

#### **Pension Administration System - Project Update**

Ms. Murphy reported that the Selection Review Committee (SRC - Ms. Murphy, Ms. Hrvojevic, Mr. Bunimovich) and the RFP Consultant (Provaliant) have reviewed the three RFP responses that were submitted October 8<sup>th</sup>. The next step will be holding meetings with each vendor for a demonstration of each vendor's base product and certain functionalities, and for consideration of their project management approach. Two finalists are expected to be chosen by the December meeting.

## **Staff Administrative Update – Continued**

### **RFP for Data Cleansing Services - Selection of Provider**

Mr. Mohler stated that the contract with MBS was finalized last month, with the assistance of legal counsel, JBOH. Ms. Murphy reported that the kickoff meeting with MBS took place on November 16<sup>th</sup>. The Fund will be needing to procure and administer a sandbox environment for MBS soon. Status update meetings are expected to take place weekly.

### **Signature Verification Project Update – Request for Holding Payments\***

Ms. Hrvojevic reported since the last meeting, when there were 60 responses outstanding, there are only 6 outstanding verifications. Some contact has been successful with 4 of the 6 members; no contact has been successfully made with 2. Discussion followed. Staff requested approval to hold the payments to the 2 members where no contact has been successful until such time that contact is made in accordance with historical practice.

*Motion by President Dalton to direct staff to proceed with the historical process to prove eligibility for an annuity. Seconded by Commissioner Spyropoulos, unanimously approved by roll call vote.*

### **Cyber Security Policy Update**

Mr. Mohler presented the final draft policy for Trustee approval. Mr. Bunimovich described the comparison to the District's cyber security policies. Trustee Young, who also reviewed and commented on the final draft, noted the document is very thorough.

*Motion by Vice President Young to approve and adopt the Fund's Cyber Security Policy. Seconded by Commissioner Spyropoulos, unanimously approved by roll call vote.*

Mr. Mohler commented that the adoption of the policy will lead to considerable staff training and the policy is a living document and will be reviewed on a regular basis.

### **Fund Staffing Update**

This matter was discussed in Executive Session in accordance with 5 ILCS 120/2(c)(1).

In open session the Board approved the hiring of the top candidate recommended by Fund management for the Assistant Benefits Analyst position.

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

### **Trustee Education Discussion / Opportunities**

Mr. Gillespie reviewed the upcoming opportunities for Trustee education. He reported all Trustees have met the annual 8-hour Ethics training requirement for 2021.

### **2022 Proposed Board Meeting Schedule\***

Mr. Mohler presented the 2022 Proposed Board Meeting Schedule for Trustee review.

## **Staff Administrative Update – Continued**

### **2022 Administrative Budget Update**

Mr. Mohler reported that he and Ms. Murphy will schedule Teams meeting with each Trustee to go over the draft 2022 Administrative Budget and discussed the process that will be followed.

### **Legal & Legislative**

Mr. Mohler reported that the 102<sup>nd</sup> General Assembly Session is scheduled to be from January 4<sup>th</sup> till April 8<sup>th</sup>, 2022. It was recommended that any legislative initiatives of the Fund be vetted at the December meeting of the Board for consideration.

### **Meeting Attendance (Reminder)**

To ensure that the minutes of the meeting are properly recorded, anyone attending the meeting via teleconference outside the Board members and pertinent staff and consultants, please identify yourself and affiliation, if any.

### **Staff Investment Update(s)**

#### **Current vs. Target Asset Allocation**

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

#### **Watchlist Update**

Mr. Gillespie commented on the current Watchlist which currently lists two managers. Discussion ensued; no action taken by the Board.

#### **MWDBE Utilization – Investment Management and Brokerage**

Mr. Gillespie informed the Board of the Fund's current utilization of MWDBE firms for investment management and brokerage services. No actions were taken by the Board.

#### **RFP International Equity - Developed Countries – Update**

This matter was discussed in Executive Session in accordance with 5 ILCS 120/2(c)(7). In open session the Board took no action regarding this matter.

#### **Special Meeting Discussion**

This matter was not discussed in open session with the Board.

### **Investment Consultant Report(s)**

#### **Market Environment**

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

#### **Monthly Flash Report**

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

**Investment Consultant Report(s) - Continued**

**3<sup>rd</sup> Quarter 2021 Performance Report Review**

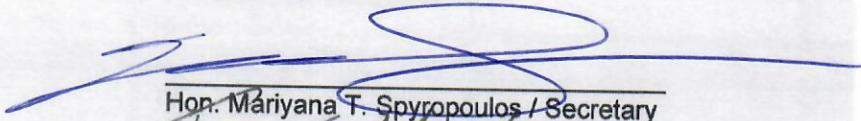
Mr. Obed discussed with the Board the Investment Portfolio performance as of 9/30/21. Discussion ensued.

**Adjournment 11/17/21 Meeting**

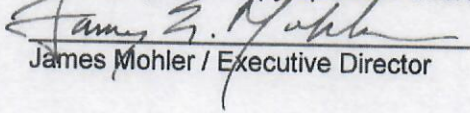
*Motion to adjourn was made by Commissioner Spyropoulos. Seconded by Vice President Young approved by roll call vote.*

President Dalton adjourned the meeting at 1:05 p.m.

Respectfully submitted,

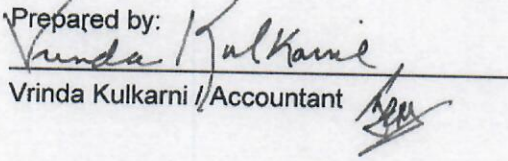


Hon. Mariyana T. Spyropoulos / Secretary



James Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accountant