

# Metropolitan Water Reclamation District Retirement Fund

## Minutes Regular Meeting Board of Trustees January 26, 2022

Meeting#: 1188

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 videoconference	Absent
John P. Dalton, President	X		
Kevin Young, Vice President		X	
Hon. Mariyana T. Spyropoulos, Secretary		X	
Hon. Kimberly Du Buclet		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  
                                   Vrinda Kulkarni, Accountant, via videoconference

Also present:            Mr. Kweku Obed, Marquette Associates, via videoconference  
                                   Mr. Alberto Rivera, Marquette Associates, via videoconference  
                                   Ms. Nicole Johnson-Barnes, Marquette Associates, via videoconference  
                                   Mr. David Hernandez, Marquette Associates, via videoconference  
                                   Ms. Mary Ann Boyle, MWRD Treasurer, via videoconference  
                                   Mr. Thomas Walsh, Legislative Consultant

Members of the public, via teleconference:  
                                   Ronan O'Brien, Financial Investment News  
                                   Angela Myers, Loop Capital Markets

## **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.

## **Regular Business**

Approval Regular Meeting Minutes – 12/15/21

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

Approval of Special Meeting Minutes – 1/11/22 and 1/13/22

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

Approval Executive Session Minutes – 1/11/22 and 1/13/22

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

Approval of Meeting Agenda – 1/26/22

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

## **Consent Agenda**

Administrative Expenses, 20 items, \$129,836.22

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

Investment Expenses, none

Employee Annuity - 3 new retirees, \$15,479.58

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

Surviving Spouse & Child Annuity – 3 SS, 1 child annuitant; \$11,055.23/\$500

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

Refunds – 6 refunds, \$116,651.86

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

Duty Disability, benefits for 8 persons, \$560.74

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

Ordinary Disability, benefits for 8 persons, \$1,422.48

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

## **Administrative**

### **Cash Allocation**

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

For February 2022 disbursements of (\$16.2M), none of the previously approved (\$14.6M) will be needed to honor them. For March 2022 projected disbursements of (\$17.0M), Fund staff projects (\$15.5M) of invested assets will need to be liquidated to honor them. Fund staff recommends needed liquidity from the following sources:

<b><u>Investment Manager</u></b>	<b><u>Investment Mandate</u></b>	<b><u>(\$M)</u></b>
SSgA S&P 500 Index	Domestic Equity	\$15.5

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

### **Staff Administrative Update**

#### **Oath of Office – Appointed Trustee 5/13-701\***

Commissioner Spyropoulos took the oath of office as Appointed Trustee, appointed by the Board of Commissioners for a three-year term ending 1/31/25. President Dalton thanked Commissioner Spyropoulos for her past and future service.

#### **Requirement to Report Fraud – 40 ILCS 5/1-135**

Mr. Mohler reminded the Trustees of their responsibility to report any reasonable suspicion of a false statement or falsified record being submitted to the Fund and the Board's need to immediately notify the State's Attorney of the relevant jurisdiction. He recited Section 135 of Article 1 of the pension code.

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

Ms. Murphy reported that two vendors remain under consideration and will be further vetted this week with customization demos attended by staff and Provaliant. She also stated the two finalists are revising their initial quotes at this time.

#### **Fund Staffing Update**

Mr. Mohler reported that there were approximately 50 resumes received for the Office Services Assistant position; of those applicants, 20 have been chosen by Ms. Hrvojevic and Ms. Murphy for testing. The test will be administered February 8<sup>th</sup>. It is expected that after test scoring, a smaller number of applicants will be selected for interviewing by mid-February, with the expectation that staff will present a hiring recommendation at the February meeting.

#### **2021 FOIA Requests Report**

Ms. Kulkarni presented a report summarizing the number and nature of the FOIA Requests received in 2021. Discussion ensued.

### **District Policy Consideration\***

Mr. Mohler requested direction from the Board in light of the recently announced COVID-19 vaccine/testing policy of the MWRD. Discussion ensued, and Trustees agreed that the Fund should follow suit and institute a similar policy, with the only difference being the method by which staff would report their vaccination status.

*Motion by Commissioner Spyropoulos to institute the MWRD's COVID-19 vaccine/testing policy at the Retirement Fund. Seconded by Trustee Kennedy, unanimously approved by roll call vote.*

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

Mr. Gillespie reported on upcoming opportunities for Trustee education, including the JPM Asset Management webinar, and the NCPERS Trustee Education Seminar held in May in Washington D.C.

### **Legal & Legislative\***

#### **102<sup>nd</sup> Session of the Illinois General Assembly Update – Tom Walsh Presentation**

Mr. Tom Walsh, Legislative Liaison, reported on the ongoing session of the Illinois Legislature. Discussion ensued. President Dalton thanked Mr. Walsh for the update.

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

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

#### **Settlement Proceeds – Duplicate Payment Received \***

Mr. Gillespie informed the Board that the Fund received a duplicate payment regarding the settlement of the Alibaba securities litigation. He requested approval from the Board to return the duplicate proceeds to the claims administrator.

*Motion by Vice President Young to direct staff to return the duplicate receipt of class action proceeds in the amount of \$24,567.84 to the claims administrator. Seconded by Commissioner Du Buclet, unanimously approved by roll call vote.*

#### **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. Discussion ensued; no action taken by the Board.

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

#### **Market Environment**

Mr. Obed reviewed the investment markets through December 31, 2021. Discussion ensued.