

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees April 27, 2022

Meeting#: 1191

Call to order: 10:01 a.m.

Place: MWRD Board 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
Mary Murphy, Operations Manager
Ksenija Hrvojevic, Benefits Manager
Vrinda Kulkarni, Accountant

Also present: Mr. Kweku Obed, Marquette Associates
Mr. Alberto Rivera, Marquette Associates
Mr. Jason Franken, Foster & Foster Actuaries and Consultants
Mr. Thomas Walsh
Ms. Mary Ann Boyle, MWRDGC Treasurer
Mr. Robert Deere, DFA Advisors
Mr. Jeff Antonacci, DFA Advisors

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 – 3/23/22

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

Approval Executive Session Minutes – 3/23/22

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

Approval of Meeting Agenda – 4/27/22

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

Consent Agenda

Administrative Expenses, 31 items, \$282,595.53

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

Investment Expenses, none

Employee Annuitants - 1 new retirees, \$3,101.85

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

Surviving Spouse & Child Annuitants – 6 new surviving spouses, \$28,874.80

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

Refunds – 4 refunds, \$100,829.63

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

Duty Disability, benefits for 9 persons, \$333.67

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

Ordinary Disability, benefits for 8 persons, \$1,420.15, and one 30-day waiver

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

Administrative

Cash Allocation

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

For May 2022 disbursements of (\$16.2M), (\$0M) will be needed to honor them. For June 2022 projected disbursements of (\$17.3M), Fund staff projects (\$2.7M) of invested assets will need to be liquidated to honor them.

<u>Investment Manager</u>	<u>Investment Mandate</u>	<u>(\$M)</u>
Ariel Investments	Domestic Equity-SMID	\$2.7

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

Introduction of New Staff Member

Mr. Mohler introduced the Retirement Fund's new staff member, Petrice Whitehead, who joined the team as Office Services Assistant in early April.

Staff Administrative Update

Election of Officers – 5/13-704 */**

This item was taken out of order and considered at the end of the meeting.

Elective Board Member Vacancy – 5/13-704 */**

Mr. Mohler stated that the Board is expecting to have an elected Board member vacancy as of May 1, and he presented a draft Notice of Trustee Vacancy that will be distributed to the active members of the Fund. The Notice solicits letters of interest and resumes from prospective candidates; per Statutes, the Board will consider and appoint an employee to serve the remainder of the unexpired term (November 30, 2025).

Application for Retirement Activity 4/30/22 Update

Ms. Hrvojevic reported on the YTD retirement activity; 44 retirements have been processed (same as last year), and 6 applications provided to prospective retirees have not been returned. Staff has provided 283 estimates to employees YTD; the number at this time last year was 563 or approximately double.

As a soon-to-be- retiree, President Dalton thanked Ms. Hrvojevic and staff who did an excellent job counseling he and his wife through the entire retirement process.

Statement of Economic Interest – Update

Mr. Mohler asked the Trustees to be on the lookout for an email from the Illinois Secretary of State requesting the annual Statement of Economic Interest be completed and submitted before the deadline of May 1st.

Project Ascent (PAS) - Update

Ms. Murphy reported that staff and JBOH are nearing completion of contract negotiation with LRS for the PAS system development project. Ancillary projects of data migration and cleansing are moving along. Discussion ensued.

Information Technology Consulting Services RFQ

Mr. Mohler reviewed a detailed Memorandum from Ms. Murphy and Mr. Bunimovich outlining the need for IT Consulting services to augment the staff's current expertise and manpower. He reported that staff is moving along on a RFQ for IT Consulting Services and will come back to the Board to provide updates and, if necessary, to consider any additional budget requirements.

2021 Actuary Report – Foster & Foster Presentation*

Mr. Jason Franken presented highlights from the 2021 Actuarial Valuation Report; the actuarial funded ratio has improved from 57.3% at 12/31/20, to 58.3% at 12/31/21. The MWRDRF is a mature plan with more retirees than actives; at year end there were approximately 1,700 actives and 2,600 retirees and beneficiaries. He also noted the net cash flow ratio of negative 4.5%, which shows that payments for benefits and administrative expenses exceed contributions received into the plan each year. Discussion ensued.

President Dalton conducted a roll call vote to accept the 2021 Actuarial Valuation Report into the records of the MWRDRF (unanimously approved).

Trustee Education Discussion / Opportunities*

Mr. Mohler reported on upcoming opportunities for Trustee education, including the Dimensional Fund Advisors virtual symposium next week.

Ratification of Board Vote for Educational Mission Participation 5/1-150*

This matter was not addressed.

Meeting Attendance (Reminder)

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Legal & Legislative*

102nd Session of the Illinois General Assembly Update – Tom Walsh Presentation

Mr. Tom Walsh, Legislative Liaison, reported on the completion of the 2022 legislative session and the status of relevant bills that passed both Houses and have gone to the Governor for consideration and signature. President Dalton thanked Mr. Walsh for his presentation and for his hard work during the legislative session.

Staff Investment Update(s)

DFA Advisors Presentation – Emerging Markets

Mr. Robert Deere and Mr. Jeff Antonacci presented a report on the recent performance of the DFA emerging markets mutual fund and addressed country selection and market environment.

Current vs. Target Asset Allocation

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

Watchlist Update

Mr. Mohler commented on the current Watchlist. Discussion ensued; no action taken by the Board.

RFP International Equity - Developed Countries Update*/**

Mr. Mohler updated the Board on the status of the recent allocation to the International Equities – Developed Countries.

Fund Exposure – Russia*/ 5 ILCS 120/2(c)(7)**

This matter was discussed during the presentation of DFA Advisors. No action taken by the Board.

Investment Consultant Report(s)

Market Environment

Mr. Obed reviewed the investment markets through March 31, 2022. Discussion ensued.

Investment Consultant Report(s), continued

Monthly Flash Report

Mr. Obed presented the March 2022 Performance Report, which presents the performance of the Fund’s portfolio by asset class and by manager. Discussion ensued. No action taken.

Staff Administrative Update, continued

Election of Officers – 5/13-704 */**

President Dalton nominated Vice President Young for President, Trustee Kennedy for Vice President, and Commissioner Spyropoulos for Secretary of the MWRD Retirement Fund. Commissioner Du Buclet seconded the nomination, unanimously approved by roll call vote.

Other Comments

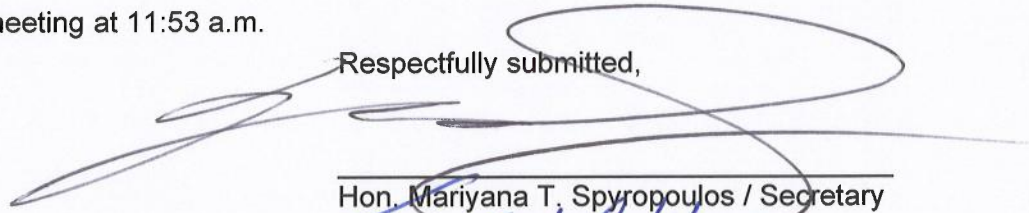
Mr. Mohler thanked President Dalton for all the hard work he’s done over the last four years in the role of President, and for all the years he served at Trustee. He thanked him for his strong leadership and wished him well.

Adjournment 4/27/22 Meeting

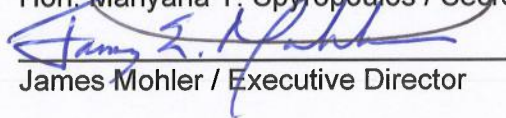
Motion was made by Vice President Young to adjourn the meeting. Seconded by Commissioner Spyropoulos, unanimously approved by roll call vote.

President Dalton adjourned the meeting at 11:53 a.m.

Respectfully submitted,



Hon. Mariyana T. Spyropoulos / Secretary



James Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accountant