

BOARD OF TRUSTEES

KEVIN YOUNG
BONNIE T. KENNEDY
HON. MARIYANA SPYROPOULOS
JOHN P. DALTON, JR.
HON. KIMBERLY DU BUCLET
CARMEN SCALISE

**VOLUME 30, ISSUE 1
JUNE 2022**

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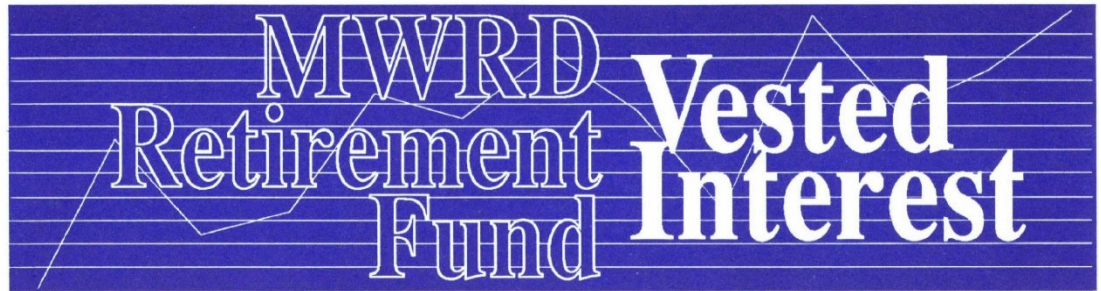


Extended Office Hours



VESTED INTEREST

is published for
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**MWRD
Retirement Fund**
111 E. Erie Street
Chicago, IL 60611
(312) 751-3222
www.mwrdrf.org



PROVIDING A FORUM FOR AN ACTIVE MEMBERSHIP

RETIREMENT BOARD CHANGES

The makeup of the Retirement Board over the last six months has been fluid:



- **12/2021** M. Frank Avila stepped down from his appointment as retiree trustee. We thank Frank for his service.
- **01/2022** Board of Commissioners re-appointed Commissioner Mariyana Spyropoulos to the Retirement Board. We look forward to her continued leadership.
- **04/2022** Board President John P. Dalton, Jr. began his hard earned retirement close of business April 30, 2022. Congratulations to John and thank you for your leadership as President over the last four years.
- **04/2022** A new slate of Board officers was unanimously approved; President Kevin Young, Vice-President Bonnie T. Kennedy, and Secretary Commissioner Mariyana Spyropoulos. Congratulations to the group.
- **05/2022** The MWRD Board of Commissioners appointed John P. Dalton, Jr. as retiree trustee. We are excited to continue to have John's leadership on the Retirement Board.
- **05/2022** With a vacancy in an Elective Trustee position, the Retirement Board has begun to review qualifications of interested candidates to fill the position.



About the Retirement Board . . .

With all these changes, members may wonder how the Retirement Board is constituted. In accordance with the Illinois Pension Code, the Retirement Board is comprised of the following seven members:

- Four trustees are active employees elected to rotating four-year terms by the active Fund members.
- Three trustees are appointed by the District's Board of Commissioners. One must be a retiree of the Fund and be approved by the Board of Trustees. Appointed trustees serve rotating three-year terms.



Each year, the Trustees appoint a President (Kevin Young), a Vice-President (Bonnie T. Kennedy) and a Secretary (Honorable Mariyana Spyropoulos).

Elective trustees are up for election in October. Appointed trustees are appointed in January.



The Government Financial Officers Association awarded the Certificate of Achievement for Excellence in Financial Reporting to the Fund for its Annual Comprehensive Financial Report for the fiscal year ending December 31, 2020. This award recognizes excellence in the preparation of state and local government financial reports. Our annual report has received this award for the last 28 years. A copy of our 2021 ACFR report will be submitted to the GFOA for award consideration in late June, and will be posted on the Fund's website.

Until We Meet Again

Effective May 1, 2022, Retirement Board President John P. Dalton, Jr., retired from his District position as Master Mechanic II, thereby concluding nearly 29 years with the District and 17 years of selfless service as an employee Trustee of the Retirement Board. John served as Board President for four of those 17 years. However, we are pleased to announce that Mr. Dalton will continue service to the Fund as the appointed retiree Trustee.



Join us as we wish John a long, healthy retirement, and welcome him in his new capacity as retiree Trustee.

Petrice Whitehead Joins Staff



On April 12, 2022, Petrice Whitehead joined the Retirement Fund staff as its Office Services Assistant. She joins us from Riverside Insights where she was a customer experience specialist.

In the off-hours, Petrice practices visual arts. She is skilled in various art mediums and participates in local art shows in Chicago and surrounding suburbs. She also enjoys nature walks with her pup, who never misses the opportunity to show off his colorful personality.

Petrice looks forward to assisting our membership as well as all callers and visitors to the Fund office. Hers is the friendly voice that you hear when you dial the Retirement Fund's main number. Help us in welcoming Petrice to the Fund team.

Ka Yu Promoted

We are pleased to announce the promotion of Ka Yu Cuchra to Assistant Benefits Analyst effective November 22, 2021. Ka Yu joined the Fund in April 2019 as the Office Services Assistant. Though she will no longer be the initial friendly voice when calling the Fund, she will be at your service, learning benefit administration and member counseling.

Please join us as we congratulate Ka Yu on her promotion.

Investment Update

The Fund's investment portfolio value as of December 31, 2021, was \$1.64 billion, a net return of 15.2%, compared to \$1.49 billion as of 12/31/20. The Fund's performance for 2021 ranked just outside the top quartile (27%) compared to all Public DB Plans as reported by Investment Metrics, a global leading provider of portfolio analytics. For the ten-year period ending December 31, 2021, we are proud to report the Fund's annualized net return was 9.7%. This 10-year annualized performance exceeded the actuarially assumed rate of return of 7.25% by 245 basis points, net of fees. The 10-year annualized performance ranked in the top half of all Public DB plans according to Investment Metrics. The table below shows cumulative performance for the Fund as of 12/31/21.



INVESTED ASSETS AS OF 12/31/2021

Fund performance	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Fund (net of fees)	15.2%	14.2%	9.8%	9.7%
Actuarial Rate	7.25%	7.25%	7.25%	7.25%

So far in 2022, markets have reflected increased volatility, posing significant challenges for investors. The impact of geopolitical events and inflationary pressure has factored into declines across most asset classes.

As mentioned in our last newsletter, the Retirement Board issued an RFP in August 2021 for Developed International Equity mandates in All Cap and Small Cap companies. During the 1st quarter 2022, the Retirement Board completed the Small Cap mandate by selecting Chicago-based Driehaus Capital Management and Los Angeles-based Kayne Anderson Rudnick Investment Management to manage \$40 million each. The All Cap mandate portion of the RFP process is ongoing. The funding of the mandate is expected to be completed soon.

Please review our website periodically for further information about the Fund's investment portfolio.

MWRD Retirees on the Move

Retirement from the MWRD looks different ways to different people. Some move on to a life of leisure, hobbies, hard-earned rest, etc. For others, the end of one career is the beginning of another, using their work experiences in new ways. Two MWRD retirees, former Commissioner Debra Shore, and former MWRD Head Assistant Attorney, Judge Diane Shelley were recently appointed to federal positions. Former Commissioner Shore (photo, left) was appointed Regional Administrator for EPA Region 5. Judge Shelley (photo, right) was appointed HUD Regional Administrator, Region 5. Join us as we congratulate these retirees on their new posts.



RETIREES (Since December 2021)

Join us as we congratulate our new retirees!

Abedin, Zainul	Danak, Mahesh	Hawkins, Marquita	Owens, Carlando	Soto, Antonio
Andersen, Laura	Delessa, Mamitu	Hayes, Franklin	Patel, Jayshree	Svoboda, Dennis
Benigno, Tom	Dring, Maureen	Hayes, Joseph	Patel, Sanjay	Tala, Mary Jane
Beyer, Jeffrey	Farnan, Maureen	Hewitt, Stephanie	Prior, Ron	Talbot, Michael
Buck, Joseph	Faul, Terrence	Hultgren, Ronald	Quinlan, Kathleen	Ude, Patrick
Calhoun, Freida	Fleet, Sean	Kirkland, Ryan	Rasmussen, John	Ware, Robert
Castro, Martin	Gavin, Kenneth	Koney, Henry	Rhodes, Dan	Warner, Michael
Clancy, Robert	Gladych, Terry	Lloyd, Henry	Riley, Kevin	White, Eric
Coffey, William	Glowacki, John	Morales, Henry	Roth, Scott	Zefeldt, Daniel
Cohran, Linda	Gotsch, Ronald	Murphy, Nancy	Schackart, Richard	Zirbes, Keith
Cosentino, Sam	Griffin, Brian	Nichols, Jr., Peter*	Scrima, Joan	
Dalton, Jr., John	Hall, Walter S.	Olchowka, Victor	Shelley, Diane*	

* Retirement from a Reciprocal Fund



DECEASED EMPLOYEES AND RETIREES (since December 2021)

We thank them for their service and extend condolences to their families.

Alexander, Charles	Gallo, Nicholas	Lenkowski, Donald	Randle, Johnny	Tatman, James
Anderson, O. Steven	Glavas, Michael	McEvoy, Thomas	Salinas, Miguel	Thigpen, Fred
Bezaitis, John	Hackney, Michael	Megurdichian, Paul	Schimick, Michael	Thomas, Jr., John
Bickert, Thomas	Jesernik, Patrick	Mornar, Frederick	Shah, Chamanlal	VanWeelden, Richard
Bikonis, Richard	Kosek, Louis	O'Grady, Michael	Skipton, Dorothea	Vincent, Eugene
Cook, Stephen*	Koukol, Thomas*	O'Reilly, Tim	Sorenson, Willard	Watley, James
Coughlin, Thomas	Kuffel Jr., Frank	Panczyszyn, George	Stromblad, Artie	Willborn, William
Docherty, Beverly	Kujawa, Roman	Pellegrini, Anthony	Tarpanoff, George	Williams, Mary
Flowers, Shannon	Lemon, John	Qureshi, Fahim		Zielinski, Richard*

* Death in service

MWRD RETIREMENT FUND
111 East Erie Street, Suite 330
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Telephone line, give me some time♪

The Retirement Fund office is now open from 8:00 a.m. to 4:30 p.m., Monday through Friday. These expanded hours provide members earlier access to our Fund staff.

MWRD Retirement Fund Staff Directory

(312) 751-3222

BENEFITS

Benefits Manager.....	Ksenija ('Senya') Hrvojevic.....	<u>x3229</u>	<u>HrvojevicK@mwrdrf.org</u>
Asst. Benefits Analyst.....	Valerie Crouch.....	<u>x6641</u>	<u>CrouchV@mwrdrf.org</u>
Asst. Benefits Analyst.....	Ka Yu Cuchra.....	<u>x3225</u>	<u>CuchraK@mwrdrf.org</u>
Asst. Benefits Analyst.....	Debra Kozlowski.....	<u>x3227</u>	<u>KozlowskiD@mwrdrf.org</u>
Asst. Benefits Analyst.....	Jessica Taylor.....	<u>x3224</u>	<u>TaylorJ@mwrdrf.org</u>
Office Services Assistant.....	Petrice Whitehead.....	<u>x3222</u>	<u>WhiteheadP@mwrdrf.org</u>

INVESTMENTS & ACCOUNTING

Financial Analyst.....	Brian Gillespie.....	<u>x3226</u>	<u>GillespieB@mwrdrf.org</u>
Accountant.....	Vrinda Kulkarni.....	<u>x3036</u>	<u>KulkarniV@mwrdrf.org</u>

INFORMATION TECHNOLOGY

Programmer Analyst.....	Vitaliy Bunimovich.....	<u>x3284</u>	<u>BunimovichV@mwrdrf.org</u>
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EXECUTIVE

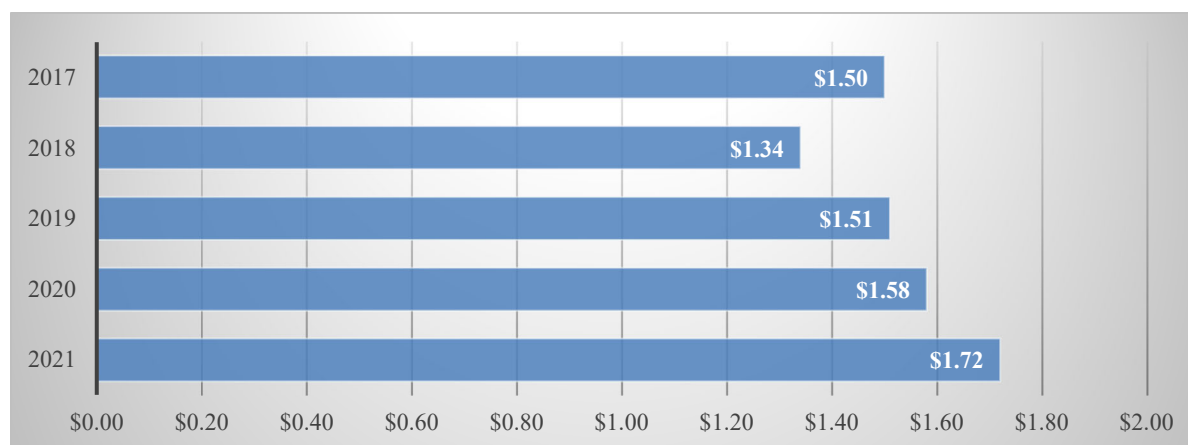
Operations Manager.....	Mary Murphy.....	<u>x3220</u>	<u>MurphyM1@mwrdrf.org</u>
Executive Director.....	Jim Mohler.....	<u>x3230</u>	<u>MohlerJ@mwrdrf.org</u>

Contact us by...

- Phone** From District locations dial 1 + the underlined phone extension, above.
 From non-District locations, dial (312) 751 + the underlined phone extension above.
- E-mail** Contact us via our e-mail addresses, shown above. Provide a phone number where you can be contacted on weekdays between 8:00 a.m. and 4:30 p.m. (Central time).
- U.S. mail** Refer to our mailing address above.

FIDUCIARY NET POSITION

The Fund's fiduciary net position – total assets minus liabilities – was \$1.72 billion as of December 31, 2021. That was an increase of \$143.3 million, or 9.1%, from 2020, mainly due to positive investment returns in 2021. Investment returns vary from year to year; over the last five years, the Fund's fiduciary net position has averaged \$1.53 billion, and over the last 10 years it has increased by \$703 million.



The above graph is shown in Billions.

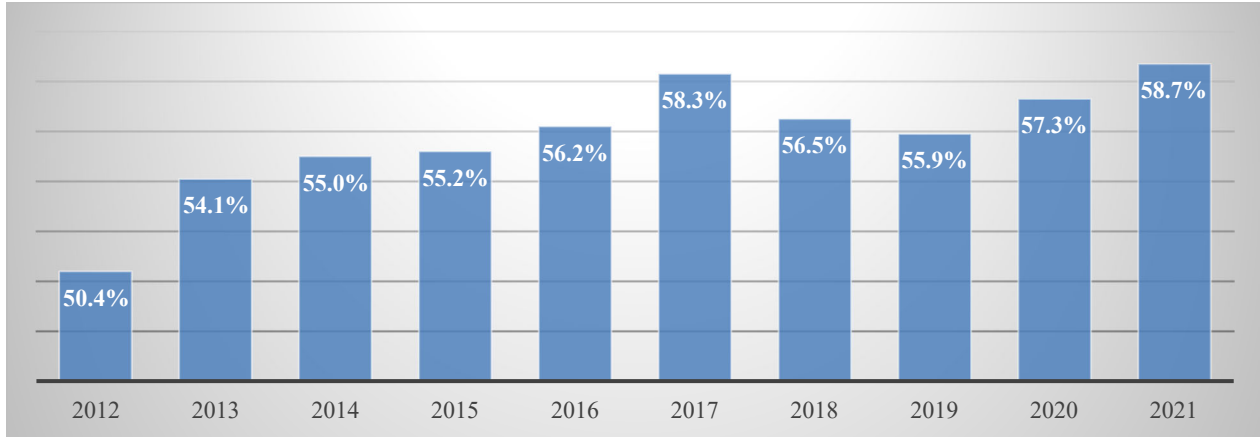
CONDENSED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

This schedule shows the results of operations for the last two years; it is a condensed version of the audited financial statements which are available for review on the Fund website, mwrdrf.org.

	<u>2021</u>	<u>2020</u>
<u>ADDITIONS:</u>		
Employer contributions	\$ 88,803,958	\$ 107,852,191
Employee contributions	20,630,052	20,982,056
Total contributions	<u>109,434,010</u>	<u>128,834,247</u>
Net investment income	<u>220,776,847</u>	<u>124,099,459</u>
Other	<u>5,213</u>	<u>2,738</u>
Total additions	<u>330,216,070</u>	<u>252,936,444</u>
<u>DEDUCTIONS:</u>		
Annuity & disability benefits	182,857,341	174,996,453
Refunds	2,281,407	2,290,858
Administrative expense	<u>1,788,002</u>	<u>1,592,783</u>
Total deductions	<u>186,926,750</u>	<u>178,880,094</u>
INCREASE (DECREASE)		
IN NET POSITION	143,289,320	74,056,350
Beginning net position	<u>1,580,890,628</u>	<u>1,506,834,278</u>
Ending net position	<u>\$ 1,724,179,948</u>	<u>\$ 1,580,890,628</u>

FUNDING STATUS

The Fund's funding status is a key indicator of its financial health. It reflects the percentage of projected future benefits for which the Fund has assets to pay. An upward trend in this ratio started in 2013 as a result of solid investment returns, special contributions from the MWRD (the plan sponsor), and legislation changes that resulted in increased employee and employer contributions. The MWRD has adopted a funding policy with the goal to be fully funded by the year 2050.



FUND MEMBERSHIP STATISTICS

Fund membership data is used by the Fund actuary in preparing the annual actuarial valuation report. Shown below are selected membership statistics as of December 31, 2021.

Active Members			
Average Pensionable Salary	\$107,780		
Average Years of Service	13.0		
Average Age	49.7		
		<u>Count</u>	<u>%</u>
Tier 1		1,044	60%
Tier 2		693	40%
Total		1,737	
Male		1,280	74%
Female		457	26%
Total		1,737	

New Retirees in 2021	
Number of New Retirees	92
Average Years of Service at Time of Retirement	24.3
Average Age at Retirement	63.1
Average Monthly Pension at Retirement	\$6,294

Annuitants					
Employee Annuitants			Spouse Annuitants		
Average Monthly Pension	\$6,708		Average Monthly Pension	\$4,556	
Average Age	72.5		Average Age	79.5	
		<u>Count</u>	<u>%</u>		
Male		1,449	76%	Male	25 5%
Female		469	24%	Female	518 95%
Total		1,918		Total	543