

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees May 25, 2022

Meeting#: 1192

Call to order: 10:01 a.m.

Place: MWRD Board Room, 100 E. Erie St. Chicago, IL

Presiding: Kevin Young, President

Roll Call:

Trustees:	Present	Present via videoconference	Absent
Kevin Young, President	X		
Bonnie Kennedy, Vice President	X		
Hon. Mariyana T. Spyropoulos, Secretary	X		
Hon. Kimberly Du Buclet	X		
John P. Dalton	X		
Carmen F. Scalise	X		

Staff present: Jim Mohler, Executive Director
 Mary Murphy, Operations Manager
 Brian Gillespie, Financial Analyst
 Ksenija Hrvojevic, Benefits Manager
 Vrinda Kulkarni, Accountant

Also present: Mr. Kweku Obed, Investment Consultant, Marquette Associates
 Mr. Alberto Rivera, Marquette Associates
 Ms. Stephanie Roberts, Garcia Hamilton & Associates
 Mr. Jeff Detwiler, Garcia Hamilton & Associates
 Mr. Mark Delaney, Garcia Hamilton & Associates
 Mr. Paul Doetsch, Audit Partner, Legacy Professionals LLP (via
 videoconference)
 Ms. Mary Ann Boyle, MWRDGC Treasurer

Roll Call

President Young 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 Young solicited public comments; there were none.

Staff Administrative Update

Retiree Trustee Appointment (5/13-701) - 5 ILCS 120/2(c)(3) */ Oath of Office – Retiree Trustee (5/13-701)**

President Young reported that on May 12th the MWRD BOC voted to recommend John P. Dalton Jr. as the Retiree Trustee for the remaining term ending January 31, 2023.

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

Whereupon the Oath of Office was administered by Vice President Kennedy to John P. Dalton.

Regular Business

Approval Regular Meeting Minutes – 4/27/22

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

Approval Executive Session Minutes – N/A

Approval of Meeting Agenda – 5/25/22

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

Consent Agenda

Administrative Expenses, 21 items, \$148,103.44

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

Investment Expenses, 15 invoices, \$814,418.59

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

Employee Annuity - 29 new retirees, \$181,974.14

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

Consent Agenda , continued

Surviving Spouse & Child Annuitants – 2 new surviving spouses, \$7,854.68

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

Refunds – 14 refunds, \$468,405.86

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

Duty Disability, benefits for 12 persons, \$431.54

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

Ordinary Disability, benefits for 7 persons, \$1,385.24

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

Administrative

Cash Allocation

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

For June 2022 disbursements of (\$17.3M), (\$1.3M) will be needed to be liquidated to honor them. For July 2022 projected disbursements of (\$16.7M), Fund staff projects (\$15.6M) of invested assets will be needed to honor them and recommend the following sources for liquidity.

<u>Manager</u>	<u>Mandate</u>	<u>Liquidation Amount \$</u>
Ariel SMID Value	Domestic Equity	\$12.0 million
SSGA S&P 500	Domestic Equity	\$3.6 million

(Enter Commissioner Spyropoulos at 10:15 a.m.)

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

Staff Investment Update(s)

Garcia Hamilton & Associates Presentation – Core Fixed Income

Ms. Stephanie Roberts, Mr. Jeff Detwiler and Mr. Mark Delaney presented a report on the recent performance of the Core Fixed Income portfolio, firm updates, and market environment including inflation. Discussion ensued.

Staff Administrative Update

Project Ascent (PAS) - Update

Ms. Murphy reported that staff and JBOH are very near completion of contract negotiation with LRS for the PAS system development project. LRS has also communicated mapping strategies for converting the PBMS data to the new system, and records have been cleansed or slated for migration. Mr. Mohler stated the goal is to get the PAS development under contract shortly, with the actual build phase of the project to start by December 1st. In the interim, staff will be working on collecting documents, and developing new procedures for use with the new system.

Information Technology Consulting Services RFQ

Ms. Murphy stated the detailed Memorandum presented to the Board at the last meeting outlined the need for IT Consulting service and identified six different projects that will require assistance. She reported that the SharePoint prototype has been completed, and the RFP will be issued by late June. Staff has also begun discussions regarding migrating PBMS to the cloud, with the assistance of MWRD IT staff. Migrating Great Plains (Fund's general ledger and accounts payable software) to the cloud will be considered, as will projects of disaster recovery, business continuity and security.

Mr. Mohler mentioned that as IT needs have increased, he foresees the IT budget to be a more significant part of the overall administrative budget, which may warrant in-depth discussion before the budget is brought to the Board for approval.

2021 Audit Report – Legacy Professionals LLP Presentation 5 ILCS 120/2(c)(29) */**

Mr. Paul Doetsch presented the 2021 Financial Statement Report, reviewing the highlights for 2021. Discussion ensued.

Trustee Dalton made a motion to enter Executive Session pursuant to 5 ILCS 120/2(c)(29) to discuss internal controls and any Audit concerns with Legacy. Seconded by Vice President Kennedy, approved by roll call vote (BK, KDB, CS, JD, KY voted yes.)

(Whereupon the Regular meeting was recessed and reconvened at 11:26 a.m.)

Trustee Education Discussion / Opportunities*

Mr. Gillespie reported on upcoming opportunities for Trustee education. President Young and Commissioner Du Buclet commented that the NCPERS conference they attended was very informative and worthwhile.

Mr. Gillespie also pointed out that the IFEBP website has various webinars that can be attended to fulfill the Trustee Training requirements.

Trustee Dalton made a motion to approve the attendance of the NASP conference by any interested Trustees. Seconded by Vice President Kennedy, unanimously approved by roll call vote.

District OPEB Admin Support Discussion (Document 4.1)

Mr. Mohler reviewed the needs of the Fund to continue to support the District's OPEB Plan. The goal is to have access to the District's current software, Benefit Focus, to automate the process with the current providers (BCBS and United Healthcare). Currently these changes are processed manually by the Fund. In addition, the Fund's legal counsel recommends that the District indemnify the Trustees and relevant Fund staff regarding any liability that may arise based on the Fund's administrative support.