

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees July 28, 2022

Meeting#: 1194

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 T. Kennedy, Vice President	X		
Hon. Mariyana T. Spyropoulos, Secretary	X		
Hon. Kimberly Du Buclet	X		
John P. Dalton	X		
Carmen F. Scalise	X		
John R. Markovich	X		

Staff present: Jim Mohler, Executive Director
 Mary Murphy, Operations Manager
 Brian Gillespie, Financial Analyst, via videoconference
 Ksenija Hrvojevic, Benefits Manager

Also present: Mr. Mike Spychalski, Investment Consultant, Marquette Associates
 Mr. Alberto Rivera, Marquette Associates
 Ms. Mary Ann Boyle, MWRDGC Treasurer
 Ms. Kathryn Vorisek, Mesirow Financial
 Mr. Eric Welt, Mesirow Financial
 Mr. Austin Boone, Wasatch Advisors
 Ms. Kitty Swenson, Wasatch Advisors

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, please sign in on the attendance sheet located at the back of the room.

Public Comment

President Young solicited public comments; there were none.

Administrative

Oath of Office – New Elective Trustee

The Oath of Office was administered to new trustee, John Markovich, by Vice President Kennedy.

(Enter Commissioner Du Buclet)

Regular Business

Approval Regular Meeting Minutes – 6/22/22

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

Approval Executive Session Minutes – 6/22/22

Motion to approve and keep closed Executive Session made by Trustee Scalise. Seconded by Vice President Kennedy, unanimously approved by roll call vote.

Approval of Meeting Agenda – 7/28/22

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

Consent Agenda

Administrative Expenses, 24 items, \$159,298.90

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

Investment Expenses, none

Employee Annuity - 11 new retirees, \$64,345.52

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

Surviving Spouse & Child Annuity – 3 new surviving spouses, \$16,590.92

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

Consent Agenda, continued

Refunds – 7 refunds, \$131,778.94

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

Duty Disability, benefits for 7 persons, \$283.03

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

Ordinary Disability, benefits for 13 persons, \$2,674.22, and 3 30-day waivers

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

Administrative

Cash Allocation

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

For August 2022 disbursements of (\$16.6M), (\$12.8M) will be needed to be liquidated to honor them. For September 2022 projected disbursements of (\$17.2M), Fund staff projects (\$15.8M) of invested assets will be needed to honor them and recommend the following sources for liquidity.

Manager	Mandate	Liquidation Amount (\$)
Garcia Hamilton	Core FI	\$5.5M
Mesirow Financial	Small Cap Value	\$4.5M
Wasatch Advisors	Small Cap Value	\$3.4M
State Street	S&P 500	\$2.4M

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

Staff Administrative Update

Elective Trustee Election – Rules of Election DRAFT and Confirmation of Judges * (Document)

Mr. Mohler noted that the Rules of Election were revised in 2020 to incorporate the use of District computers to submit a nominating petition.

Motion to approve the Rules of Election was made by Commissioner Spyropoulos. Seconded by Vice President Kennedy, unanimously approved by roll call vote.

Presentation to the District Commissioners – Post Comments

Mr. Mohler reported that his presentation to the MWRD BOC on July 14th went well. He highlighted recent years' of high returns on the portfolio, and reductions in the MWRD Pension Liability.

Project Ascent (PAS) - Update

Mr. Mohler stated that the contract with LRS has been completed; the actual build phase of the project is to start December 1st. Ms. Murphy has made the introductions between LRS staff and MBS (data migration) staff. LRS has announced an upgrade of the system to version 4.0, which will be the version that the RF will implement.

RFP SharePoint – Update

Ms. Murphy reported that three responses were received by deadline of 7/27/22 – from MXOTech, ConvergeOne, and TeamLogic. Staff will begin review of the proposals shortly.

Security Remediation Project – Update

Mr. Mohler reported to the Board that the nature of the RF's IT expenditures has been evolving from a single budget line item to its own subsection of the Budget, and he expects to present the 2022 IT Budget and Administrative Expense Budget to the Board separately in the coming months. Mr. Bunimovich reported that of the 39 issues identified by LaSalle Consulting, there are a few that will require security specialists to help implement – Genuity will be assisting the RF with these items.

RFP Actuarial Services – Update

Mr. Mohler reported that the question submission deadline is August 5th. He expects to come to the Board with recommendations for frontrunners, and request direction as to whether interviews will be held, either by the Board or staff only.

November Board Meeting – Date Change

Mr. Mohler requested input on a proposed date/location change for the November Board meeting, from the 16th to the 30th when the Board Room is available.

Trustee Education Discussion/Opportunities *

Mr. Gillespie reported on the upcoming opportunities for education, noting the IFEPB annual conference is being held the last full week of October; the conference is being offered in both in-person and virtual formats.

Matter of Personnel – 5 ILCS 120/2(c)(1) */ *This matter was considered at the end of meeting.***

Legal & Legislative*

N/A

Staff Investment Update(s)

Mesirow Financial Presentation – Small Cap Value

Ms. Kathryn Vorisek and Mr. Eric Welt presented a performance update for the Small Cap Value portfolio. Discussion ensued.