

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees September 28, 2022

Meeting#: 1196

Call to order: 10:03 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
 Ksenija Hrvojevic, Benefits Manager
 Vrinda Kulkarni, Accountant

Also present: Mr. Kweku Obed, Investment Consultant, Marquette Associates
 Mr. Alberto Rivera, Marquette Associates
 Taylor Muzzy, JBOH
 Maria Bascetta, UBS Asset Management
 Paul Canning, UBS Asset Management
 Matt Johnson, UBS Asset Management
 Norton O'Mara, DWS RREEF
 Jacob Trujillo, DWS RREEF
 Mary Ann Boyle, MWRD 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, please sign in on the attendance sheet located at the back of the room.

Public Comment

President Young solicited public comments; there were none.

Regular Business

Approval Regular Meeting Minutes – 8/24/22

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

Approval Executive Session Minutes – 8/24/22

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

Approval of Meeting Agenda – 9/28/22

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

Consent Agenda

Administrative Expenses, 22 items, \$205,176.51

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

Investment Expenses, none

Employee Annuity - 4 new retirees, \$19,567.76

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

Surviving Spouse &- 3 new surviving spouses, \$20,916.13,

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

Child Annuity - 1 child annuitant, \$500.00.

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

Consent Agenda, continued

Refunds -- 9 refunds, \$283,933.48

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

Duty Disability, benefits for 10 persons, \$397.55

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

Ordinary Disability, benefits for 3 persons, \$614.04

Motion to approve by Vice President Kennedy. 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 October 2022 disbursements of (\$16.3M), (\$14M) will be needed to be liquidated to honor them. For November 2022 projected disbursements of (\$16.3M), Fund staff projects (\$14.8M) 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>
Garcia Hamilton	Core FI	\$8.0M
Neuberger Berman	Core+ FI	\$3.4M
Ramirez Asset Mgmt.	Core+ FI	\$3.4M

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

Staff Administrative Update

Elective Trustee Election – Update

Mr. Mohler informed the Board there is one elective Trustee position up for election and three certified candidates. Election is to be held on Tuesday October 18th. Ms. Hrvojevic, Benefits Manager, reported the ballots are ready for mailing on September 30. No actions taken.

Project Ascent – Update

Ms. Murphy, Operations Manager updated the Board on the progress on the PAS development project. LRS is offering a free teaming conversation in Springfield 10/4-10/6 that also results in 10 hours free support – RF Assistant Benefits Analyst Valerie Crouch will be attending. Provaliant, the consulting company that assisted with the RFP development is expected to resume engagement for project management services, beginning with the December 1st project kickoff. Data cleansing efforts in conjunction with MBS have resumed in preparation for kickoff.

SharePoint Migration – Update

Mr. Mohler reported that staff worked with Taylor Muzzy of JBOH on the contract with MXO Tech. Contract negotiations are expected to be completed soon, after which work on the SharePoint Migration will begin.

Security Remediation Project – Update

Mr. Bunimovich, Programmer/Analyst and Ms. Murphy reported to the Board the latest steps taken since the last meeting regarding the ongoing Security Remediation Project. Optimal configuration is being tested on a pilot group of three machines, for maximum security and least interference in performance. Discussion ensued. No actions taken. He also mentioned the weekly online security training that staff is completing, and an additional annual training that is provided for staff and managers separately. Discussion ensued. No actions taken.

Other Comments

President Young thanked Mr. Bunimovich and staff for obtaining and setting up the new laptops that were purchased for Board members to use at Board meetings going forward.

RFP Actuarial Services – Update

Mr. Mohler presented an informational matrix of the five respondent firms for Board review, after review of proposals by himself and Ms. Kulkarni, Accountant, reference calls he placed, and interviews conducted by himself and Mr. Gillespie with each firm. Discussion ensued. Board direction was given to staff to request Board interviews with Foster& Foster, Segal and Cavanaugh Macdonald at the October Board meeting.

Office Services Assistant (OSA) Search - Update

Ms. Murphy reviewed progress on the OSA search; there were 63 responses to the job posting, and 25 respondents have been selected for an employment exam to be held on October 12th in the MWRD Cafeteria at 100 E. Erie. She expects to interview some of those applicants after the exam, and to have a recommendation for hire at the October meeting.

Trustee Education Discussion/Opportunities *

Mr. Gillespie reported on the upcoming opportunities for education and reviewed the annual training requirement for the Trustees. Discussion ensued. No actions taken.

Executive Session Minutes Review - 5 ILCS 120/2(c)(21)

Mr. Mohler reported that the Executive Sessions of the last 6 months were reviewed, noting no changes in status of those closed Executive Sessions; he recommended keeping them closed (no Board action necessary.)

Legal & Legislative*

Workers' Compensation Settlement / Duty Disability Offset

Mr. Taylor Muzzy of JBOH presented a memorandum and discussed with the Board the Fund's current practice regarding offsetting duty disability settlements made by the District against any duty disability benefit paid by the Fund (i.e. recouping prior RF benefit payments from settlements.) Specifically, prospectively, legal counsel's recommendation is that offsets (recoupment) may be taken against any settlement monies awarded. Mr. Muzzy recommended to apply prospectively, and change the disability application documents. Discussion ensued. Mr. Mohler recommended staff communicate with appropriate personnel at the District to apprise them of the upcoming changes; the Board indicated their agreement and gave direction to staff to do so. No actions taken.

Staff Investment Update(s)

UBS Asset Management – Core Real Estate

DWS RREEF – Core Real Estate

Mr. Norton O'Mara and Mr. Jacob Trujillo presented a performance update for the DWS RREEF Core Real Estate portfolio. Discussion ensued.

(Whereupon a short recess was taken.)

Current vs. Target Asset Allocation

Mr. Gillespie presented to the 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.

Investment Consultant Report(s)

Market Environment

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

Monthly Flash Report

Mr. Obed presented the August 2022 Monthly Performance Report, which presents the performance of the Fund's portfolio by asset class and by manager.

UBS AM – Selection of Advisory Board Members – 5 ILCS 120/2(c)(7) */**

Mr. Obed reviewed a memorandum on organizational changes at UBS and recommended the Board approve the slate of candidates recommended by UBS.

Motion by Vice President Kennedy to approve the recommended candidates for the new UBS Advisory Board. Seconded by Trustee Dalton, approved by roll call vote (Commissioners Spyropoulos & Du Buclet were not present for the vote.).

Asset Allocation Discussion – Private Credit & Infrastructure

Mr. Obed summarized to the Board the educational discussion with the Board on August 16th, regarding Private Credit and Infrastructure. Mr. Mohler stated that the next steps would be for Marquette to run numbers of various allocation models incorporating these asset classes and considering acceptable levels of risk. Projections would be presented to the Board for their review. The Board directed staff and Marquette to proceed with the allocation analysis.


RFP International Equity - Developed Countries Update*/**

Mr. Gillespie and Mr. Obed discussed with the Board candidates to interview for the International Equity search. Mr. Gillespie will identify a date for the Board to interview candidates and confirm availability by the Trustees.

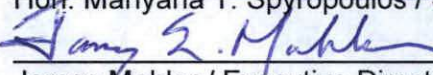
Adjournment 9/28/22 Meeting

Motion was made by Trustee Scalise to adjourn the meeting. Seconded by Vice President Kennedy, unanimously approved by roll call vote.

President Young adjourned the meeting at 12:40 p.m.

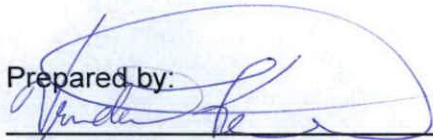


Hon. Mariyana T. Spyropoulos / Secretary



James Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accountant