

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees October 26, 2022

Meeting#: 1197

Call to order: 10:07 a.m.

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

Presiding: Kevin Young, President

Roll Call:

Trustees:	Present	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, Investment Consultant, Marquette Associates
Mr. Jason Franken, Actuary, Foster & Foster
Ms. Heidi Andorfer, Actuary, Foster & Foster
Mr. Matt Strom, Actuary, Segal Advisors
Ms. Tatsiana Dybal, Actuary, Segal Advisors
Mr. Geoff Bridges, Actuary, Segal Advisors
Mr. Larry Langer, Actuary, Cavanaugh Macdonald
Mr. Ryan Gundersen, Actuary, Cavanaugh Macdonald
Jason Parks, Loop Capital
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 – 9/28/22

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

Approval Executive Session Minutes – none

Approval of Meeting Agenda – 10/26/22

Motion to approve by Commissioner Spyropoulos. Seconded by Commissioner Du Buclet, unanimously approved by roll call vote.

Consent Agenda

Administrative Expenses, 23 items, \$154,573.33

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

Investment Expenses, none

Employee Annuitants - 2 new retirees, \$13,513.29

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

Surviving Spouse – 6 new surviving spouses, \$32,171.91

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

Refunds – 2 refunds, \$24,605.05

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

Duty Disability, benefits for 12 persons, \$460.15

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

Ordinary Disability, benefits for 7 persons, \$1,554.36 and one 30-day waiver

Motion to approve by Commissioner Spyropoulos. Seconded by Commissioner Du Buclet, unanimously approved by roll call vote.

Administrative

Cash Allocation

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

For November 2022 disbursements of (\$16.3M), (\$13.5M) will be needed to be liquidated to honor them. For December 2022 projected disbursements of (\$17.1M), 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>
MFS	Global Low Vol	\$4M
Northern Trust	Global Low Vol	\$4M
DFA	Emerging Markets	\$3.8M
Ariel Investments	S/Mid Value	\$3.8M

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

Staff Administrative Update

Elective Trustee Election – Certification of Results *

Mr. Mohler requested the Trustees accept the results of the election, as certified by the Judges of Election (Judges Kennedy and Young.)

Motion by Vice President Kennedy to accept the Certification from the Judges and place it on file for the Fund. Seconded by Trustee Markovich, unanimously approved by roll call vote

Project Ascent – Update

Ms. Murphy, Operations Manager updated the Board on the progress on the PAS development project. Assistant Benefits Analyst Valerie Crouch attended the free LRS teaming conversation in Springfield 10/4-10/6 and was very impressed with the new Pension Gold 4.0 product the Fund will be implementing. The project management kickoff meeting will be November 8th, with Provaliant, LRS, and staff. Data cleansing efforts in conjunction with MBS continue.

IT Budget 2023 – Scope Memorandum

Mr. Mohler presented a memorandum to the Board on the considerable scope of the 2023 IT Budget. Due to the increased reliance on the expertise of outside consultants and the use of subscription services, the IT Budget has been expanded significantly. Prior to the next board meeting he plans to hold small group meetings with the Trustees for review and discussion of the listed projects and services needed; these will be separate from discussion of the Fund Administrative Budget in December.

District Budget 2023 – Retirement Fund Presentation Notification

Mr. Mohler reported that next week he will present to the MWRD Commissioners at their 2023 Budget Hearings. He will discuss the status of the Fund as of December 31, 2021.

Trustee Education Discussion/Opportunities *

Mr. Gillespie reviewed the annual training requirement for the Trustees. Discussion ensued. No actions taken.

RFP Actuarial Services – Update

Three finalist actuarial firms made presentations to the Board: Foster& Foster, Segal Advisors and Cavanaugh Macdonald. Discussion ensued. The Board thanked the presenters and took the presentations under advisement.

Office Services Assistant (OSA) Search - Update

Motion by Vice President Kennedy to enter Executive Session for discussion of OSA candidates and recommendation. Seconded by Trustee Markovich, unanimously approved by roll call vote

Whereupon the Executive Session began at 12:15 p.m., and President Young, upon roll call vote, reconvened the Regular Meeting at 12:26 p.m.

Action taken by the Board was done later in the meeting.

Commissioner Spyropoulos exited the meeting

Legal & Legislative*

Mr. Mohler reported that the Illinois Legislature Veto Session will be held November 15th -17th, and November 29th-Dec 1st.

Staff Investment Update(s)

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.

RFP International Equity - Developed Countries Update – 5 ILCS 120/2(c)(7) */**

Mr. Gillespie reported a Special Meeting will be held on November 10th at 10:00 a.m. to hear presentations from four finalists of the Developed International Equity search: Earnest Partners, Hardman Johnston, Acadian Asset Management, and Aristotle Capital Management. Marquette Associates will prepare a search book including various metrics for the firms.

Office Services Assistant (OSA) Search - Update

Motion by Vice President Kennedy to approve the staff's recommendation regarding next steps in filling the OSA position. Seconded by Trustee Markovich, unanimously approved by roll call vote

Investment Consultant Report(s)

Market Environment

Mr. Obed reviewed the investment markets through Q3 2022. Discussion ensued.

Commissioner Du Buclet exited the meeting.

Monthly Flash Report

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

Asset Allocation Discussion – Private Credit & Infrastructure

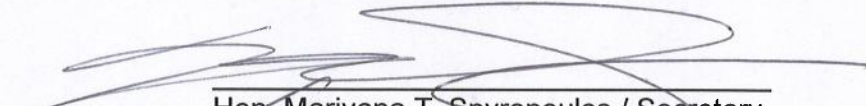
Mr. Obed presented a report summarizing the results of an analysis of various allocation models incorporating these asset classes and considering acceptable levels of risk. Six sample allocation options were analyzed and discussed.

Adjournment 10/26/22 Meeting

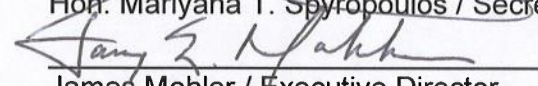
Motion was made by Trustee Scalise to adjourn the meeting. Seconded by Vice President Kennedy, unanimously approved by roll call vote.

President Young adjourned the meeting at 12:59 p.m.

Respectfully submitted,




Hon. Mariyana T. Spyropoulos / Secretary



James Mohler / Executive Director

Prepared by:



Vrinda Kulkarni /Accountant