

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees December 21, 2022

Meeting#: 1199

Call to order: 10:00 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	
John R. Markovich	X	
Robert Quezada	X	

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

Also present: Kweku Obed, Investment Consultant, Marquette Associates
Alberto Rivera, Investment Consultant, Marquette Associates
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.

Administrative

Oath of Office – Elected Trustee – 40 ILCS 5/13-701

Vice President Kennedy administered the Oath of Office to the new Elected Trustee, Mr. Robert Quezada.

Regular Business

Approval Regular Meeting Minutes – 11/30/22

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

(Enter Commissioner Du Buclet at 10:03 a.m.)

Approval Executive Session Minutes – 11/30/22

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

Approval of Meeting Agenda – 12/21/22

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

Consent Agenda

Administrative Expenses, 21 items, \$155,376.04

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

Investment Expenses, none

Employee Annuitants - 1 new retiree, \$5,014.91

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

Surviving Spouse – 2 new surviving spouses, \$4,549.36

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

Refunds – 6 refunds, \$102,318.65

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

Duty Disability, benefits for 2 persons, \$75.80

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

Ordinary Disability, benefits for 4 persons, \$762.59

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

Administrative

Cash Allocation

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

For January 2023 disbursements of (\$16.5M), (\$10.0M) will be needed to be liquidated to honor them. For February 2023 projected disbursements of (\$16.5M), Fund staff projects (\$15M) 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>
Neuberger Berman	FI/Core +	\$5M
MFS	Global Low/Vol	\$3.5M
Mesirow	Small Cap Value	\$3.5M

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

Staff Administrative Update

Comments by Executive Director

Mr. Mohler introduced the newly hired Office Services Assistant, Ms. Kathleen Hanrahan who started with the RF on November 28, 2022.

Election of Board Officers – 40 ILCS 5/13-704*

Trustee Dalton made a motion to retain the existing Elected Officers. Seconded by Commissioner Spyropoulos, unanimously approved by roll call vote.

Proposed Manager Presentation Dates 2023*

Mr. Gillespie presented the proposed manager presentations for 2023.

Project Ascent – Update

Ms. Murphy updated the Board on the progress on the PAS development project. The project kickoff meeting was held on December 14th, with LRS, Provaliant, and staff; MBS attended virtually. She expects to present the project milestones and plan prepared with Provaliant for approval at the January 25th Board meeting. Mr. Mohler commented that he was pleased with the level of vendor participation in the kickoff meeting; he looks forward to a good project and will be updating the Board on progress each month.

RFP Actuarial Services – Provider Consideration

Following direction from the Board at the last meeting, Mr. Mohler and legal counsel were able to negotiate a contract with Foster & Foster that included a favorable fee structure.

Duty Disability Settlement Offset – Update

Mr. Mohler presented the draft disability forms which include the requirements of the new offset procedure that follows the Statutes, in a visible area next to the applicant signature line. He reported that in the lead-up meetings held with appropriate MWRD staff, the RF has answered the MWRD's questions; he has recommended a procedure start date of 1/1/23.

Mr. Mohler also mentioned that staff is looking at developing a more formal and cohesive Interest Policy on the various receivables the Fund may have from its members, in place of the currently used ad hoc procedures that have been developed over time. Discussion ensued.

Educational Opportunities 2023 Discussion

Mr. Gillespie reported on upcoming opportunities for Trustee education.

FOIA Requests 2022 Overview

Ms. Kulkarni, the Fund's designated FOIA Officer, gave a report on the 2022 FOIA requests received by the Fund; in 2022 there were 48 requests, most of which were requests for the Investment related documents presented at the Board meetings.

2023 Administrative Budget Presentation 5 ILCS 120/2(c)(1) */**

This agenda item was moved to the end of the Regular meeting.

Legal & Legislative*

Legislative Liaison Presentation

Mr. Thomas Walsh, Legislative Liaison, updated the Retirement Board on the Veto Session of the Illinois General Assembly and discussed the upcoming 103rd Session of the General Assembly.

Illinois Legislative Spring Session 2023 – Possible Initiatives*

Mr. Mohler discussed two administrative initiatives that staff will work with the Fund's Legislative Liaison for possible introduction in the upcoming session of the General Assembly. Staff will keep the Board abreast on the status of the initiatives as the session begins.

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

Mr. Gillespie reported work on contracts with Aristotle Capital Management and Earnest Partners is ongoing but expected to be completed soon.

Investment Consultant Report(s)

Market Environment

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

Monthly Flash Report

Mr. Obed presented the November 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 reviewed prior discussions on the role that private credit and infrastructure could play in the portfolio. Mr. Gillespie presented a draft example RFP to the Board, to give the Trustees an idea of what a potential RFP could look like. Mr. Mohler requested and received direction from the Board to issue an RFP for Private Credit; this process will be part of the educational process for the Trustees, and they will have the opportunity to decide they do or do not want to proceed with an actual allocation at any time.

Administrative, continued

2023 Administrative Budget Presentation 5 ILCS 120/2(c)(1)

Commissioner Spyropoulos made a motion to enter Executive session pursuant to 5 ILCS 120/2(c)(1) to discuss personnel matters in conjunction with the 2023 Administrative Budget. Seconded by Vice President Kennedy, unanimously approved by roll call vote.

(Whereupon an Executive Session was held; the Regular meeting reconvened at 11:53 a.m. President Young conducted a roll call prior to reconvening the Regular meeting. All Trustees were present.)

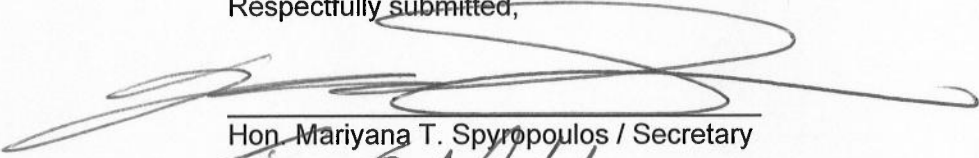
Commissioner Spyropoulos made a motion to approve the 2023 Administrative Budget. Seconded by Vice President Kennedy, unanimously approved by roll call vote.

Adjournment 12/21/22 Meeting

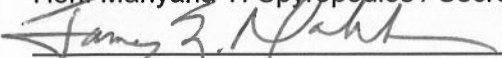
Motion was made by Trustee Markovich to adjourn the meeting. Seconded by Vice President Kennedy, unanimously approved by roll call vote.

President Young adjourned the meeting at 11:55 a.m.

Respectfully submitted,



Hon. Mariyana T. Spyropoulos / Secretary


James Mohler / Executive Director

Prepared by:



Vrinda Kulkarni /Accountant