

# Metropolitan Water Reclamation District Retirement Fund

## Minutes Regular Meeting Board of Trustees January 25, 2023

Meeting#: 1200

Call to order: 10:00 a.m.

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

Presiding: Kevin Young, President

### Roll Call:

<b>Trustees:</b>	<b>Present</b>	<b>Absent</b>
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  
Brian Gillespie, Investment Officer  
Ksenija Hrvojevic, Benefits Manager  
Vrinda Kulkarni, Accounting Supervisor  
Vitaliy Bunimovich, IT Supervisor

Also present: Alberto Rivera, Investment Consultant, Marquette Associates  
Mary Guy, State Street Global Advisors  
Rob Spencer, State Street Global 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**

### **Regular Business**

Approval Regular Meeting Minutes – 12/21/22

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

Approval Executive Session Minutes – 12/21/22

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

Approval of Meeting Agenda – 1/25/23

*Motion to approve by Commissioner Spyropoulos. Seconded by President Young, unanimously approved by roll call vote.*

### **Consent Agenda**

Administrative Expenses, 23 items, \$327,918.91

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

Investment Expenses, none

Employee Annuitants - 1 new retiree, \$2,261.76

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

Surviving Spouse – 5 new surviving spouses, \$19,717.18

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

Refunds – 4 refunds, \$72,752.26

*Motion to approve by President Young. Seconded by Vice President Kennedy, unanimously approved by roll call vote.*

Duty Disability, benefits for 2 persons, \$75.32

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

Ordinary Disability, benefits for 11 persons, \$2,144.13

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

## **Administrative**

### **Cash Allocation**

Mr. Mohler reported that no liquidity is necessary for projected disbursements for February or March.

## **Staff Administrative Update**

### **Project Ascent – Update**

Mr. Mohler and Mr. Bunimovich updated the Board on the progress on the PAS development project and other ancillary IT projects in process.

## **Fund Logo Discussion**

The Retirement Board and Fund staff discuss the options presented for a new Fund logo. After much discussion, two logos were considered for additional changes for Board consideration. Fund staff will send updated versions of the two and get final opinions from Board members.

## **2022 Audit and Actuarial Reports**

Ms. Kulkarni, Accounting Supervisor, explained to the Board the necessary procedures for completing the annual audit and actuarial valuation that is normally completed by mid-April.

## **Internal Controls Discussion**

Mr. Mohler discussed with the Board a recent case of theft at a local sister fund by one of their employees. The theft centered around the ability to falsify a fund document and approve a payment, to the best of our knowledge, by one employee. Fund staff believes that our own internal controls are strong and would not permit the ability for one employee to create and approve a Fund payment solely. With that though, Fund staff recommended considering a deeper dive into our internal controls by a third-party expert to ensure that our controls are considered best practices. Fund staff will report back to the Board of possible costs and timelines.

## **Employee Handbook Revisions Discussion**

Mr. Mohler discussed with the Board recommended changes to the Fund's Employee Handbook from their Fiduciary Counsel in accordance with the Chicago Human Rights Ordinance and the Illinois Human Rights Act. In addition, Fund staff has recommended a few changes based on changes made since COVID. Fund staff answered questions from the Board and asked the Board for approval of the recommended changes.

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

## **Duty Disability Offset**

Mr. Mohler reminded the Board of the offset steps now taken as of 1/1/23 in accordance with the Illinois Pension Code and the Board's fiduciary responsibility.

## **Requirement to Report Fraud**

As done annually, Mr. Mohler reminded the Board of their responsibility to report to the proper authorities if there is a reasonable suspicion that fraud has occurred against the Fund in accordance with the Illinois Pension Code.

## **Educational Opportunities 2023 Discussion**

Mr. Gillespie reported on upcoming opportunities for Trustee education.

## **Legal & Legislative\***

### **Legislative Liaison Presentation**

Mr. Mohler updated the Board on the two legislative initiatives the Fund is working on during this legislative session. Both are administrative matters that should not trigger any issues. The Plan Sponsor has been notified of the initiatives.

## **Staff Investment Update(s)**

### **State Street Global Advisors Presentation**

Ms. Guy and Mr. Spencer from SSgA presented to the Board the products their firm manages on behalf of the Fund and discussed their opinions on the markets in 2022 and what they are seeing in 2023. Questions ensued. President Young thanked them for their presentation.

### **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. Rivera reviewed the investment markets through December 2022. Discussion ensued.

### **Monthly Flash Report**

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

**Adjournment 1/25/23 Meeting**

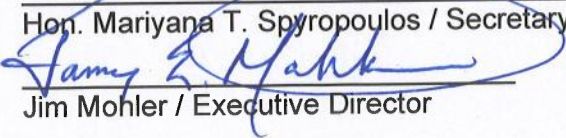
*Motion was made by Commissioner Spyropoulos to adjourn the meeting. Seconded by Trustee Markovich, unanimously approved by roll call vote.*

President Young adjourned the meeting at 12:03 p.m.

Respectfully submitted,



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Hon. Mariyana T. Spyropoulos / Secretary



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Jim Mohler / Executive Director

Prepared by:



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Jim Mohler / Executive Director