

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees February 22, 2023

Meeting#: 1201

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
Brian Gillespie, Investment Officer
Ksenija Hrvojevic, Benefits Manager
Vrinda Kulkarni, Accounting Supervisor
Vitaliy Bunimovich, IT Supervisor

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

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

Approval of Retiree Trustee Recommendation*

Motion was made by Commissioner Spyropoulos to approve the MWRD BOC's recommendation for Retiree Trustee, John P. Dalton for the term ending January 31, 2026. Seconded by Vice President Kennedy, unanimously approved by roll call vote.

Oath of Office – Retiree Trustee

Vice President Kennedy administered the Oath of Office to John P. Dalton.

Regular Business

Approval Regular Meeting Minutes – 1/25/23

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

Approval Executive Session Minutes – none

Approval of Meeting Agenda – 2/22/23

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

Consent Agenda

Administrative Expenses, 19 items, \$173,736.24

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

Investment Expenses, 17 items, \$719,888.29

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

Employee Annuity - 4 new retirees, \$23,649.06

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

Surviving Spouse Annuity – 7 new surviving spouses, \$41,980.21

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

Child Annuitants – 2 new child annuitants, \$1,000.00

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

Refunds – 4 refunds, \$72,543.11

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

Duty Disability, benefits for 5 persons, \$180.38 combined daily rate

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

Ordinary Disability, benefits for 3 persons, \$501.12 combined daily rate

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

Administrative

Cash Allocation

Mr. Mohler reported that due to the availability of Employer Contributions no investment withdrawals are necessary to cover the projected disbursements for March (\$17.0M) or April (\$16.5M).

Project Ascent and Ancillary IT Projects Update

Mr. Mohler and Mr. Bunimovich updated the Board on the progress on the PAS development project and the other ancillary IT projects that are in process, including the AVD migration, SharePoint utilization and accounting software replacement.

(Enter Commissioner Du Buclet at 10:18 a.m.)

40 ILCS 5/1-135 Requirement to Report Fraud – 5 ILCS 120/2(c)(11) */**

Mr. Mohler reported a case where a deceased annuitant's family member took funds to which she was not entitled. Due to repeated failed attempts to engage her cooperation and agreement on a payment plan, Fund is requesting approval to work with Fund counsel to pursue fraud charges.

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

Discussion of Open Meeting Transcripts – Record Retention.

Mr. Mohler discussed the proposed practice of retaining the transcripts of open meetings used to prepare the Open Meeting Minutes for a certain number of years – as opposed to the past practice of retaining paper transcripts and e-files indefinitely. Open Meeting Minutes must be retained permanently per the Local Records Act.

After some discussion, it was decided to retain e-files of open meeting transcripts for 3 years, then annually dispose of 1 year's transcripts.

Educational Opportunities 2023 Discussion

Mr. Gillespie reported on upcoming opportunities for Trustee education. Some Trustees have registered for the University of Chicago Booth School Women Connect Conference on March 3rd, and the NCPERS conference in May.

Legal & Legislative*

Illinois Legislative Spring Session 2023 – Pension Bills Update

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. Mr. Mohler also summarized some other pension related bills that are being discussed in Springfield that may or may not affect the Fund.

Staff Investment Update(s)

RFP International Equity - Developed Countries Update

Mr. Gillespie reported that contracts have been signed with both new managers, Aristotle, and Earnest Partners. Aristotle has been funded, and Earnest Partners will be funded on Friday. The funding is to be \$25M and \$45M respectively, from SSgA MSCI ACWI Index fund.

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.

Utilization of MWDBE Managers/Brokers

Mr. Gillespie reported on the 2022 MWDBE Manager and Broker utilization.

RFP Private Credit Update

Mr. Gillespie reported that the answers to the Private Credit RFP questions were posted on February 3rd, and the RFP submission deadline is Friday February 24th. The mandate will be for 3%-5% of investment assets.

Investment Consultant Report(s)

Market Environment

Mr. Obed reviewed the investment markets through January 2023. Discussion ensued.

Fourth Quarter 2022 Investment Report – 5 ILCS 120/2(c)(7) */**

Mr. Obed discussed the performance of the investment portfolio for 2022. Discussion ensued.

Monthly Flash Report

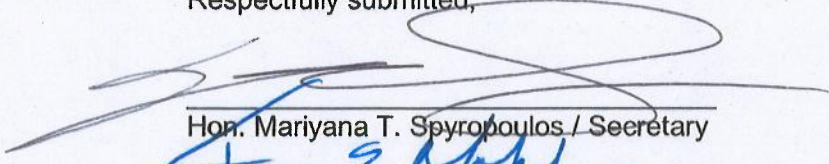
Mr. Obed presented the January 2023 Monthly Performance Report, which presents the performance of the Fund's portfolio by asset class and by manager.

Adjournment 2/22/23 Meeting

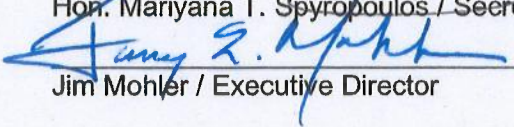
Motion was made by Commissioner Spyropoulos to adjourn the meeting. Seconded by Vice President Kennedy, unanimously approved by roll call vote.

President Young adjourned the meeting at 11:50 a.m.

Respectfully submitted,

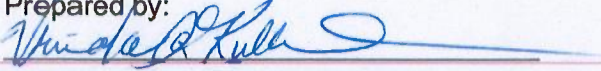


Hon. Mariyana T. Spyropoulos / Secretary



Jim Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accountant