

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees March 29, 2023

Meeting#: 1202

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

Also present: Kweku Obed, Investment Consultant, Marquette Associates
Alberto Rivera, Investment Consultant, Marquette Associates
Taylor Muzzy, JBOH, Fund Counsel
Valerie King, Ariel Investments
John Rogers, Ariel Investments
Charlie Bobrinskoy, Ariel Investments
Bob Deere, DFA
Jeff Antonacci, DFA

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 – 2/22/23

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

Approval Executive Session Minutes – none

Approval of Meeting Agenda – 3/29/23

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

Consent Agenda

Administrative Expenses, 24 items, \$395,784.60

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

Investment Expenses - none

Employee Annuitants - none

(Enter Commissioner Du Buclet at 10:04 a.m.)

Surviving Spouse Annuitants – 2 surviving spouses, \$19,511.60

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

Child Annuitants – 1 new child annuitants, \$500.00

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

Refunds – 3 refunds, \$10,043.33

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

Duty Disability, benefits for 5 persons, \$482.83 combined daily rate

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

Ordinary Disability, benefits for 8 persons, \$1,304.99 combined daily rate

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

Administrative

Cash Allocation

Mr. Mohler reported that due to the availability of necessary liquidity no investment withdrawals are necessary to cover the projected disbursements for May (\$16.5M).

Executive Session

Motion by the Board to go into executive session in accordance with Illinois Pension Code 120/2(c)(11) and (21).
Motion by Trustee Dalton. Seconded by Vice President Kennedy, unanimously approved by roll call vote. The Board came out of executive session at 10:39 a.m.

40 ILCS 5/1-135 Requirement to Report Fraud (Taken out of order)

The Board move to have Fund Counsel and Fund staff continue the collection attempts of the overpayment discussed in executive session and report the matter to the proper State's Attorney office if the collection attempts are unsuccessful.

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

Closed Executive Session Minutes / Six Month Review – 5 ILCS 120/2(c)(21) (Taken out of order)

Motion by Board to approve the opening of executive session minutes identified by Fund staff and post on the Fund's website in accordance with the requirements of the law.

Motion by Trustee Du Buclet. Seconded by Trustee Dalton, unanimously approved by roll call vote.

Project Ascent and Ancillary IT Projects Update

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

Ancillary IT Projects – Budget Carryover Discussion

Mr. Mohler discussed with Board the timing of some of the ancillary IT projects and how some carried into 2023 but were budgeted to be completed or close to it in 2022. Mr. Mohler recommended that the Board carryover the budget IT items that were completed in early 2023 to the 2023 Administrative Budget.

April 30 Retirements

Mr. Mohler let the Board know as of the date of the meeting, Fund staff have received or are working on 34 retirements for April 30. The number will obviously increase as we get closer to April 30.

Statement of Economic Interest 2022 Filing

Mr. Mohler reminded the Board to file their 2022 Statement of Economic Interest prior to the April 30 deadline.

Educational Opportunities 2023 Discussion

Mr. Gillespie reported on upcoming opportunities for Trustee education.

Legal & Legislative*

Illinois Legislative Spring Session 2023 – Pension Bills Update

Mr. Mohler updated the Board on the Fund’s legislative initiative (HB2035) and other bills that may be relevant to the Fund.

Staff Investment Update(s)

Investment Manager Presentations (Take out of order)

Representatives from Ariel Investments presented to the Board regarding their S/Mid Cap Value mandate. Discussion ensued.

Representatives from DFA presented to the Board regarding their Emerging Markets mandate. Discussion ensued.

Current vs. Target Asset Allocation

Mr. Gillespie presented to the Board the Fund’s current asset allocation compared to the target allocation.

Investment Additional Funding – Update

Mr. Gillespie reminded the Board that the District distributed \$30 million to the Fund in additional employer contributions in early March. The assets were invested in underweighted allocations compared to the Board’s target asset allocation.

Watchlist Update

Mr. Gillespie commented on the current Watchlist. Discussion ensued. No action taken.

Custodial Services Discussion

Mr. Mohler and Mr. Gillespie discussed with the Board a recent correspondence received from BNYM, the Fund’s Master Custodian, regarding a significant increase in their fees starting 7/1/23. Discussion ensued. Fund staff will continue to review this increase and discuss with the Board their options at the next meeting.

RFP Private Credit Update

Mr. Gillespie and Mr. Obed from Marquette Associates discussed with the Board the status of the Private Credit RFP. Discussion with the Board included steps to be taken over the next few months to position the Board to interview candidates for mandate consideration.

Investment Consultant Report(s)

Market Environment

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

Monthly Flash Report

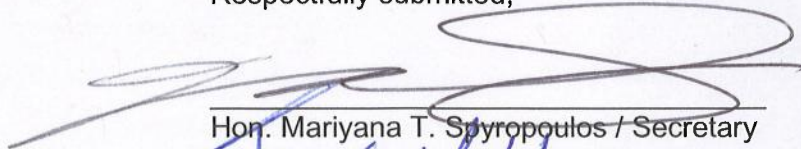
Mr. Obed presented the February 2023 Monthly Performance Report, which presents the performance of the Fund’s portfolio by asset class and by manager.

Adjournment 3/29/23 Meeting

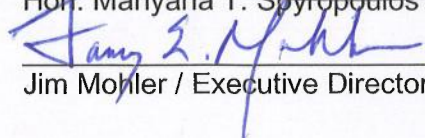
Motion was made by Vice President Kennedy to adjourn the meeting. Seconded by Trustee Dalton, unanimously approved by roll call vote.

President Young adjourned the meeting at 12:22 p.m.

Respectfully submitted,



Hon. Mariyana T. Spyropoulos / Secretary



Jim Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accountant