

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees May 31, 2023

Meeting#: 1204

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	
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, Investment Officer
 Ksenija Hrvojevic, Benefits Manager
 Vrinda Kulkarni, Accounting Supervisor

Also present: Kweku Obed, Investment Consultant, Marquette Associates
 Alberto Rivera, Investment Consultant, Marquette Associates
 Brett Graffy, Investment Consultant, Marquette Associates
 PJ Cox, Investment Consultant, Marquette Associates
 Tom Walsh, Legislative Liaison
 Colin Thompson, Legacy Professionals
 Angelica Palacios, Legacy Professionals
 Jon Bangor, Bank of New York / Mellon

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 – 4/26/23

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

Approval Executive Session Minutes – N/A

Approval of Meeting Agenda – 5/31/23

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

Consent Agenda

Administrative Expenses, 21 items, \$180,513.74

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

Investment Expenses, 19 items, \$802,232.97

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

Employee Annuity, 28 items, \$213,013.89

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

Surviving Spouse Annuity – 4 surviving spouses, \$18,657.65

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

Child Annuity – N/A

Refunds – 13 refunds, \$466,967.55

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

Duty Disability, benefits for 12 persons, \$680.08 combined daily rate

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

Ordinary Disability, benefits for 7 persons, \$1,248.03 combined daily rate

Motion to approve by Trustee Dalton. 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 June (\$18M). For July projected disbursements of (\$17.4M), Fund staff projects (\$10.3M) of invested assets will be needed to honor them and recommended the following sources for liquidity.

<u>Manager</u>	<u>Mandate</u>	<u>Liquidation Amount (\$)</u>
SSGA MSCI ACWI ex-US	Passive Intl. Equity	\$8.5M
SSGA S&P 500	Passive Domestic Equity	\$1.8M

Motion to liquidate up to \$10.3M from the investment portfolio as described by Fund staff by Commissioner Spyropoulos. Seconded by Trustee Dalton, unanimously approved by roll call vote.

2022 Audit Report – Legacy Professionals Presentation

Mr. Colin Thompson and Ms. Angelica Palacios presented to the Board the results of the 2022 Audit Report. Discussion ensued.

Motion to go into Executive Session in accordance with ILCS 120/2(c)(29) by Trustee Dalton. Seconded by Commissioner Spyropoulos, unanimously approved by roll call vote. 10:25 A.M.

Trustees came out of Executive Session. 10:31 A.M

Motion to accept the 2022 Audit Report and place on file made by Trustee Dalton. Seconded by Trustee Markovich, unanimously approved by roll call vote.

Project Ascent and Ancillary IT Projects Update

Ms. Murphy updated the Board on the progress on the PAS development project and the other ancillary IT projects that are in process. Discussion ensued.

Interest Rate Policy Discussion

Mr. Mohler presented to the Board an Interest Rate Policy to assist staff in determining the rates of interest to be used when the Pension Code calls for the application or charging of interest by does not define the interest rate. Discussion ensued.

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

Trustee Election 2023

Mr. Mohler and Ms. Hrvojevic discussed with the Board the steps taken to date regarding utilizing a third-party vendor to assist in having the 2023 Trustee Election done electronically instead of by mail. Staff will return to the Board at the June meeting with more specifics and a proposed direction. Discussion ensued.

Overpay Case Update

Mr. Mohler discussed with the Board the status of an overpay case for a deceased member. Discussion ensued.

Educational Opportunities 2023 Discussion

Mr. Gillespie reported on upcoming opportunities for Trustee education.

Legal & Legislative*

Illinois Legislative Spring Session 2023 – Legislative Liaison Presentation

Mr. Tom Walsh presented to the Board the highlights of the 2023 Spring Illinois Legislative session. The Fund's administrative bill, HB2035, passed both legislative chambers and will be sent to the Governor for his consideration of signature. President Young thanked Mr. Walsh for the update and his hard work in Springfield on the Fund's behalf.

Staff Investment Update(s)

Master Custodian Presentation

Jon Bangor from Bank of New York/Mellon presented to the Board the roll that BNYM plays as the Custodian of the Investment Portfolio on the Fund's behalf. Discussion ensued. President Young thanked Mr. Bangor for his 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.

MWDBE Utilization Quarterly Report

Mr. Gillespie presented to the Board the utilization of MWDBE firms for Investment Management and Brokerage Services. Discussion ensued. No action taken.

RFP Private Credit Update

Mr. Gillespie, Mr. Obed, Mr. Graffy, and Mr. Cox from Marquette Associates discussed with the Board the status of the Private Credit RFP. The Board was presented the process of getting the seventy plus submissions down to a group of ten for further due diligence. The ten firms were reviewed with the Board and questions were answered. After much discussion the Board requested that Fund staff and Investment Consultant reach out to six firms for presentations to the Board at their next available meeting.

Investment Consultant Report(s)

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

First Quarter 2023 Performance Report

Mr. Obed reviewed the performance of the Investment Portfolio for time periods ending 3/31/23. Discussion ensued.

Monthly Flash Report

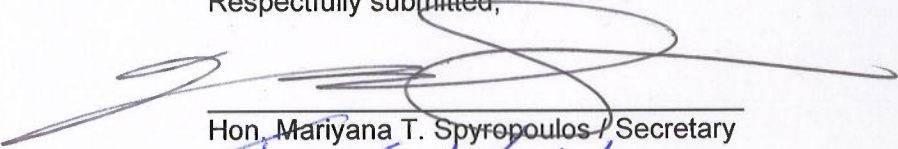
Mr. Obed presented the April 2023 Monthly Performance Report, which presents the performance of the Fund's portfolio by asset class and by manager.

Adjournment 5/31/23 Meeting

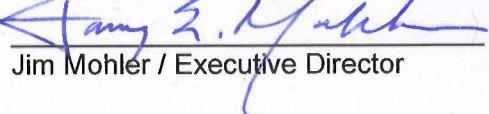
Motion was made by Commissioner Spyropoulos to adjourn the meeting. Seconded by Trustee Dalton, unanimously approved by roll call vote.

President Young adjourned the meeting at 12:53 p.m.

Respectfully submitted,



Hon. Mariyana T. Spyropoulos / Secretary



Jim Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accounting Supervisor