

# Metropolitan Water Reclamation District Retirement Fund

## Minutes Regular Meeting Board of Trustees June 28, 2023

Meeting#: 1205

Call to order: 9:11 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	
John P. Dalton		X
John R. Markovich	X	
Robert Quezada	X	

Staff present: Jim Mohler, Executive Director  
Brian Gillespie, Investment Officer  
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  
Susan Kasser, Neuberger Berman  
Cheryl Cannistra, Neuberger Berman  
Douglas Goodwillie, Kayne Anderson  
Orr Shepherd, Kayne Anderson  
Mike Nieves, 50 South  
Kathleen Switala, 50 South  
Chip Davis, 50 South  
Sachin Goel, Brightwood  
Sengal Selassie, Brightwood  
Zakira Ralling, Brightwood  
Catherine Haviland, Angelo Gordon  
Andy Knapp, Angelo Gordon

Also present, cont.:

Drew Guyette, Angelo Gordon  
Jillian Long, Carlyle Group  
Aren LeeKong, Carlyle Group

### **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 – 5/31/23

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

Approval Executive Session Minutes – 5/31/23

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

Approval of Meeting Agenda – 6/28/23

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

### **Consent Agenda**

Administrative Expenses, 26 items, \$219,067.15

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

Investment Expenses - N/A

Employee Annuity, 6 items, \$37,465.70

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

Surviving Spouse Annuity – 3 surviving spouses, \$28,432.58

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

Child Annuity – N/A

Refunds – 4 refunds, \$119,434.54

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

Duty Disability, benefits for 7 persons, \$279.16 combined daily rate

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

Ordinary Disability, benefits for 6 persons, \$1,061.00 combined daily rate and one 30-day waiver

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

## **Administrative**

### **Cash Allocation**

Mr. Mohler reported that (\$8.8M) is necessary to cover the projected disbursements for July (\$16.8M). For August projected disbursements of (\$17M), Fund staff projects (\$15.5M) of invested assets will be needed to honor them and recommended the following sources for liquidity.

<b><u>Manager</u></b>	<b><u>Mandate</u></b>	<b><u>Liquidation Amount (\$)</u></b>
SSgA MSCI ACWI ex-US	Passive Intl. Equity	\$7.5M
SSgA Russell 1000 Growth	Passive Domestic Equity	\$4.5M
Wasatch Advisors	Active Domestic Equity SCV	\$3.5M

*Motion to liquidate up to \$15.5M from the investment portfolio as described by Fund staff by Vice President Kennedy. Seconded by Trustee Quezada, unanimously approved by roll call vote.*

### **Board Resolution – Former Commissioner Kimberly Du Buclet**

President Young read into the record a Board Resolution recognizing former Commissioner Kimberly Du Buclet for her years of service as a Trustee of the Fund.

*Motion to accept and place on file by Commissioner Spyropoulos. Seconded by Vice President Kennedy, unanimously approved by roll call vote.*

### **Employer Contribution 2024 Request**

Mr. Mohler shared with the Board the 2024 Employer Contribution Request to the Plan Sponsor in accordance with ILCS 40 5/13-503.

*Motion to approve and distribute to the Plan Sponsor by Trustee Quezada. Seconded by Trustee Markovich, unanimously approved by roll call vote.*

### **Trustee Election 2023**

Mr. Mohler updated the Board on the status of the preparation for the 2023 Trustee Election, which will be done electronically for the first time. Discussion ensued. No action taken.

### **Project Ascent and Ancillary IT Projects Update**

Ms. Mohler updated the Board on the progress on the PAS development project and the other ancillary IT projects that are in process. Discussion ensued. No actions taken.

## **Illinois Department of Insurance Annual Report Filing**

Mr. Gillespie updated the Board on the timely filing of the annual and biannual reports to the Illinois Department of Insurance. Discussion ensued. No actions taken.

## **Annual Comprehensive Financial Report 2022**

Ms. Kulkarni discussed the DRAFT Annual Comprehensive Financial Report for 2022 that will be finalized and submitted to the Government Finance Officers Association (GFOA) for their annual certificate program. This is the Fund's 30<sup>th</sup> year participating in the program. Discussion ensued. No actions taken.

## **Actuarial Five-Year Experience Study**

Mr. Mohler informed the Board that an Actuarial Experience Study will be conducted to examine, among other things, the assumptions utilized in doing the annual Actuarial Valuation compared to the Fund's experience over the last five years (2018-22). Discussion ensued. No actions taken.

## **Educational Opportunities 2023 Discussion**

Mr. Gillespie reported on upcoming opportunities for Trustee education. Discussion ensued. No actions taken.

## **Legal & Legislative\***

### **Illinois Legislative Spring Session 2023**

Mr. Mohler informed the Board that HB 2035 was sent to the Governor for signature consideration. He will have 60 days to act on the bill. Discussion ensued. No actions taken.

## **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. Discussion ensued. No actions taken.

## **Watchlist Update**

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

## **RFP Private Credit Candidate Presentations**

*(This matter was moved to the end of the meeting)*

Six firms presented to the Board regarding their Private Credit product for the Board's consideration. Discussion ensued. No actions were taken. President Young thanked the presenters for their presentations.

## **Investment Consultant Report(s)**

### **Market Environment**

Mr. Obed reviewed the investment markets through May 2023. Discussion ensued. No action taken.

## **Monthly Flash Report**


Mr. Obed presented the May 2023 Monthly Performance Report, which presents the performance of the Fund's portfolio by asset class and by manager. Discussion ensued. No action taken.

**Adjournment 6/28/23 Meeting**

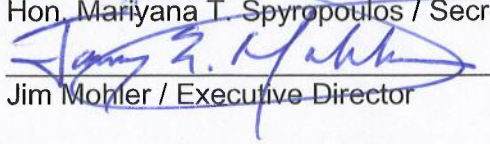
*Motion was made by Vice President Kennedy to adjourn the meeting. Seconded by Trustee Quezada, unanimously approved by roll call vote.*

President Young adjourned the meeting at 2:28 p.m.

Respectfully submitted,



Hon. Mariyana T. Spyropoulos / Secretary



Jim Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accounting Supervisor