

Metropolitan Water Reclamation District Retirement Fund

Minutes Regular Meeting Board of Trustees July 26, 2023

Meeting#: 1206

Call to order: 10:01 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	
John P. Dalton	X	
John R. Markovich	X	
Robert Quezada	X	
Hon. Kari K. Steele	X	

Staff present: Jim Mohler, Executive Director
Mary Murphy, Operations Manager
Ksenija Hrvojevic, Benefits Manager
Vrinda Kulkarni, Accounting Supervisor
Ka Yu Cuchra, Benefits Analyst

Also present: Kweku Obed, Investment Consultant, Marquette Associates
Mary Ann Boyle, MWRD Treasurer
Ms. Stephanie Roberts, Garcia Hamilton
Mr. Mark Delaney, Garcia Hamilton
Mr. Benjamin Monkiewicz, Garcia Hamilton
Mr. Jason Pomatto, Kayne Anderson
Mr. Craig Thrasher, Kayne Anderson
Mya Neal, Guest
Christine Hill-Steele, Guest
Matthew Neal, Guest
Delores Walton, MWRD Employee
Catherine Meyer, MWRD Intern

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

Oath of Office – Honorable Kari K. Steele

Commissioner Steele took the Oath of Office for the remaining term of an appointed Trustee ending January 31, 2024.

Regular Business

Approval Regular Meeting Minutes – 6/28/23

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

Approval Executive Session Minutes – N/A

Approval of Meeting Agenda – 7/26/23

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

Consent Agenda

Administrative Expenses, 19 items, \$172,134.16

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

Investment Expenses - N/A

Employee Annuity, 8 annuities, \$59,120.62

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

Surviving Spouse Annuity – 3 surviving spouses, \$23,070.12

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

Child Annuity – N/A

Refunds – 11 refunds, \$307,098.37

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

Duty Disability, benefits for 8 persons, \$318.23 combined daily rate

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

Ordinary Disability, benefits for 6 persons, \$1,271.63 combined daily rate

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

Administrative, cont.

Cash Allocation

Mr. Mohler reported that (\$10.6M) is necessary to cover the projected disbursements for August (\$16.7M). For September projected disbursements of (\$18.1M), Fund staff projects (\$16.7M) 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 S&P500	Passive LC	\$9.6M
SSgA MSCI ACWI ex-US	Passive Intl. Equity	\$7.1M

Motion to liquidate up to \$16.7M from the investment portfolio for September projected disbursements as described by Fund staff by Commissioner Spyropoulos. Seconded by Trustee Dalton, unanimously approved by roll call vote.

Trustee Election 2023

Ms. Hrvojevic and Ms. Cuchra updated the Board on the status of the preparation for the 2023 Trustee Election, which will be done electronically for the first time. The proposed Rules of Election were discussed, and approval was requested.

Motion to approve by Trustee Quezada. 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.

Direct Deposit Policy

Mr. Mohler discussed with the Board a Direct Deposit Policy that codifies the Fund's historic practice. Discussion ensued.

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

Presentation to District Commissioners – Post Comments

Mr. Mohler summarized to the Board the presentation to the District Commissioners regarding the Fund's Annual Comprehensive Financial Report (ACFR) for 2022. Discussion ensued.

Educational Opportunities 2023 Discussion

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

Executive Session Transcripts Review – 5 ILCS 120/2(c)(21)

The matter was deferred to the next meeting of the Board.

Legal & Legislative

N/A

Staff Investment Update(s)

Manager Presentations – Garcia Hamilton & Kayne Anderson

Ms. Roberts, Mr. Delaney, and Mr. Monkiewicz from Garcia Hamilton discussed with the Board the performance of their Core Fixed Income account as of 6/30/23. Discussion ensued. No actions were taken.

Mr. Pomatto and Mr. Thrasher from Kayne Anderson discussed with the Board the performance of their International Small Cap account as of 6/30/23. Discussion ensued. No actions were taken.

Current vs. Target Asset Allocation

Mr. Mohler presented to the Board the Fund's current asset allocation compared to the target allocation. Discussion ensued. No actions taken.

Watchlist Update

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

(Exit Commissioner Spyropoulos at 11:39 a.m.)

RFP Private Credit Update

A motion was made by Trustee Quezada, seconded by Trustee Dalton to go into Executive Session, approved by roll call vote.

This matter went into Executive Session at 11:47 a.m. in accordance with 5 ILCS 120/2(c)(7) of the Illinois Open Meetings Act. The Board moved back to open session at 12:13 p.m.

Once in open session a motion was made by Trustee Dalton to approve an approximately \$70 million mandate to Private Credit, to be split evenly between Brightwood Capital and Neuberger Berman, subject to successful contract negotiations by Fund staff and Fund counsel. Seconded by Trustee Quezada, approved by roll call vote. Commissioner Steele votes present.

Investment Consultant Report(s)

Market Environment

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

Monthly Flash Report

Mr. Obed presented the June 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 7/26/23 Meeting

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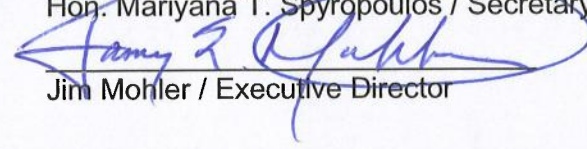
Motion was made by Trustee Quezada to adjourn the meeting. Seconded by Trustee Markovich, unanimously approved by roll call vote.

President Young adjourned the meeting at 12:14 p.m.

Respectfully submitted,

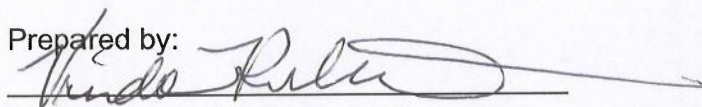


Hon. Mariyana T. Spyropoulos / Secretary



Jim Mohler / Executive Director

Prepared by:



Vrinda Kulkarni / Accounting Supervisor