

**BOARD OF TRUSTEES**

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HON. MARIYANA SPYROPOULOS  
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ROBERT C. QUEZADA  
HON. KARI K. STEELE  
BRUCE SULLIVAN, JR.



# VESTED INTEREST

**VOLUME 32, ISSUE 1  
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**VESTED INTEREST**

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**MWRD**

**Retirement Fund**

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**Editors:**

Retirement Fund Staff

## Farewell to Retirement Board President Kevin Young

On behalf of the Board of Trustees and Retirement Fund staff, we extend our heartfelt thanks to Retirement Board President Kevin Young for his years of selfless service to the Fund and its members.

President Young was first appointed to the Retirement Fund Board on September 25, 2019, to fill a Trustee vacancy. He was then elected as a Trustee in 2020 and became President in 2022. Kevin's service on the Retirement Fund Board was a homecoming. His Fund membership began in 1996, when he accepted a position with the Retirement Fund as a Programmer. Kevin joined the District in 2007, and retired effective close of business April 30, 2024, as a Senior Applications Administrator.



Accomplishments during President Young's tenure were many.

Thank you, Kevin. You may be retired, but you'll be "Forever Young" to us.

## Welcome Aboard Newly Appointed Trustee



Please join us as we welcome Trustee Bruce Sullivan to the Retirement Board. Bruce was selected by the Board to complete Trustee Kevin Young's term. Trustee Sullivan is a Principal Mechanical Engineer in M & O. He began his career with the MWRD in 2010. He has worked in three different sections across two departments during his District tenure, having worked in both –Construction and Design in the Engineering Department, and his current post in M & O as the collections team lead in the Asset Management Group.

Trustee Sullivan and his spouse have been blessed with four beautiful children. His outside interests include coaching youth sports and teaching in his church's youth ministry. When all of that is not keeping him busy, he enjoys reading mystery novels. Some of his favorite authors are James Patterson and Sue Grafton. He has a passion for seeing people flourish and is always willing to serve any way possible to help others achieve their goals.

Your Retirement Board is comprised of the following seven members:

- Four elected active employee Trustees serving staggered four-year terms.
- Two Trustees appointed by the District's Board of Commissioners serving three-year terms.
- One retired member Trustee recommended by the Board of Commissioners and approved by the Board of Trustees, serving a three-year term.

# Investment Update

## Invested Assets as of 06/30/2024

The Fund's total investment portfolio value as of June 30, 2024 was \$1.55 billion. This represents an increase in value compared to year-end 2023 which was \$1.46 billion. The YTD return for the portfolio for the first half of 2024 was +5.4%. As you see below, down markets in 2022 reduced returns over longer time periods.



The broad fixed income market, as measured by the Bloomberg Aggregate Index, posted a -0.7% return for the first half of 2024. All other indices have been broadly positive for the year led by the S&P 500 large-cap index up 15.3% YTD. The recent increase in equities has been led by a boom in Artificial Intelligence (AI) related stocks. The focus on these AI stocks have led to technology and growth stocks outperforming value stocks so far this year.

The Retirement Board of Trustees issued an RFP in January 2023 for a new Private Credit allocation. The issuance of the RFP was the first planned allocation into this asset class. The size of the mandate is expected to represent 5% of Fund's total assets. The decision was made to split the mandate equally between two firms.

Brightwood Capital Advisors, LLC was initially funded with approximately \$15 million in October 2023. Subsequent investments have followed. As of 6/30/24, roughly half of the \$35 million has been invested with Brightwood. During this timeframe, the Fund has received distributions in return totaling \$2.7 million. The other Private Credit provider is Partners Group. Being an open-ended Fund, the full \$35 million investment with that firm was completed on July 31<sup>st</sup>.

Fund Performance (6/30/24)	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Fund (net of fees)	5.4%	10.8%	2.1%	6.4%	5.9%
Custom Benchmark	4.4%	9.8%	1.3%	6.0%	6.0%

## DECEASED EMPLOYEES AND RETIREES (Since October 2023)

We thank them for their service and extend condolences to their families.

Adkisson, Marilyn	Faruzzi, Rosemary	Magnanao, Hector	Pfeiffer, Hans	Sukis, Michael
Banks, Margaret	Flagg, Emma	Mavromatis, Nick	Povilaitis, Stanley	Sweeney, Michael
Bernatek, Kenneth	Fundich, George	McKay Hudak, Joanne	Quinn, James	Tamkevic, William
Blasky, Christopher*	Grinis, Catherine	McDevitt, Jr., Kevin*	Richmann, Arlene	Venuso, Pasquale
Brahmbhatt, Hemant	Gutkowski, Robert	Mihalejevich, Norman	Rimkus, Raymond	Wagner, Camille
Braje, James	Hall, Ricky	Morales, John	Robinson, George	Webb Jr., Lesley
Cate, Norine	Handy, Cecilia	Morgan, Albert	Sandman, Carole	Whelan, Sean
Clark, Dorothy	Harlston, James*	Mundo, Luke	Schmeelk, William	Williams, Donald
Conrick, Charles	Hoekstra, John	O'Brien, James	Scott, Robert	Woodson, Terry
Curran, Timothy	Hollingsworth, Kent*	Patel, Vinod	Scrima, Joan	Wright, Jr., Johnny
DeSalvo, Paul	Jackson, Roger	Payne, Dorothy	Siegel, Bennett	Wysocki, Paul
Dobo, Francis	Lacey, Edward	Peters, Robert	Smith, James	Yarnik, Gregory
Downs, Harold	Langdo, Andrew	Petrin, Anthony	Struwe, Donald	Zumpano, Anthony
Evans, David				

\*Death in Service

## NEW RETIREES (Board Approved October 2023 – July 2024)

Join us as we congratulate our new retirees!

Abrego, Luis	Combest, Wendelle	Jeffries, Richard	Mastin, Clayton	Riew, Vit
Barker, Nehemiah	Dubczuk, Anton	Kennedy, Jerome	McNamara, John	Rivero, Carlos
Becerra, Angelina*	Fields, Gregory	Kim, Yong	Meter, Howard	Spieß, Robert
Beck, Kim	German, Diane.	Kogucki, Simon	Okoli, Uchechukwu	Tannehill, Matt
Beilfuss, William	Giersch, Steven	Kos, Chester	Ozmina, Victoria	Tate, Tiffany
Berry, Regina	Gierut, Daniel	Laskowiecki, James	Patel, Kamlesh	Thurmond, Debra
Boyle, Mary Ann	Godley, Richard	Lee, Duane	Poulos, John	Velez, Antonio
Carlson, Jay	Gottstein, Robert	Lowery, Duane	Quezada, Leonardo	Vollriede, Jack
Carter, Hugh	Horvath, Beverly	Luszczak, Jerry	Radavich, John	Wilson, Craig
Chinn, Russell	Ignacio, Edwin	Mangan III, George	Razo, James	Young, Kevin
Coleman, Patrick				

\* Retirement from a reciprocal fund.

## Pre-Retirement Seminars Scheduled for Fall 2024

The Retirement Fund, in conjunction with the Human Resources Department, will be presenting pre-retirement seminars this Fall. Invitations will be sent to identified members who are eligible to retire before December 31, 2027. Seminar topics will include separation benefits, retiree healthcare options and eligibility, and the discuss retirement benefits eligibility.

The pre-retirement seminars have tentatively been scheduled for the dates and locations listed below. Eligible employees should watch their mailbox for the invitation later this Summer. Please join us for one of these informative presentations.

Tier 1		
Location	Date	Time
MOB Board Room	Wednesday, September 11, 2024	4:00 p.m. - 6:00 p.m.
Egan Auditorium	Tuesday, September 17, 2024	3:00 p.m. - 5:00 p.m.
Stickney Auditorium	Saturday, September 21, 2024	10:30 a.m. - 12:30 p.m.
Calumet Lunchroom	Tuesday, October 1, 2024	3:00 p.m. - 5:00 p.m.

For the first time, a separate presentation will be offered to Tier 2 members who could be eligible to retire within the next three calendar years. Because the Tier 2 audience is smaller, one presentation will be offered depending on the demand for a session.

Tier 2		
Location	Date	Time
Stickney Auditorium	Saturday, October 5, 2024	10:30 a.m. - 12:30 p.m.

## “But he was so young . . .”

Too often, we find ourselves saying this about a co-worker who died an untimely death. If it were you, do you know who would receive any refund or benefits payable from the Retirement Fund? The best way to be sure is to update your Retirement Fund membership records. When a major event occurs in your life, such as marriage, divorce, births, adoptions, or a death of a beneficiary, inform the Retirement Fund. If you last completed membership records when you began District employment, it may be time to update your information. Keep in mind that the Retirement Fund, Human Resources, the Credit Union, and Deferred Compensation keep their own file. When there are changes to your information, be sure to keep all parties informed. Contact the Retirement Fund to make sure your wishes are followed.

**MWRD RETIREMENT FUND**  
**111 East Erie Street, Suite 330**  
**Chicago, IL 60611-2898**

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**MWRD Retirement Fund Staff Directory**

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**BENEFITS**

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Benefits Analyst .....	Valerie Crouch .....	<u>x6641</u> .....	<u>CrouchV@mwrdrf.org</u>
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IT Supervisor .....	Vitaliy Bunimovich .....	<u>x3284</u> .....	<u>BunimovichV@mwrdrf.org</u>
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**EXECUTIVE**

Operations Manager .....	Mary Murphy .....	<u>x3220</u> .....	<u>MurphyM1@mwrdrf.org</u>
Executive Director .....	Jim Mohler .....	<u>x3230</u> .....	<u>MohlerJ@mwrdrf.org</u>

**Contact us by...**

- Phone** From District locations dial 1 + the underlined phone extension, above.  
 From non-District locations, dial (312) 751 + the underlined phone extension above.
- E-mail** Contact us via our e-mail addresses, shown above. Provide a phone number where you can be contacted on weekdays between 8:00 a.m. and 4:30 p.m. (Central time).
- U.S. mail** Refer to our mailing address above.

## FIDUCIARY NET POSITION

The Fund's fiduciary net position was \$1.55 billion on December 31, 2023, up \$109 million from last year and up \$203 million over the last five years. Fiduciary net position will either increase or decrease based on annual investment returns and will decrease each year based on benefits paid exceeding contributions made. Over the last five years, the Fund's investment portfolio earned \$508 million in returns, but liquidation of assets to pay benefits of (\$305 million) reduced asset growth to \$203 million.

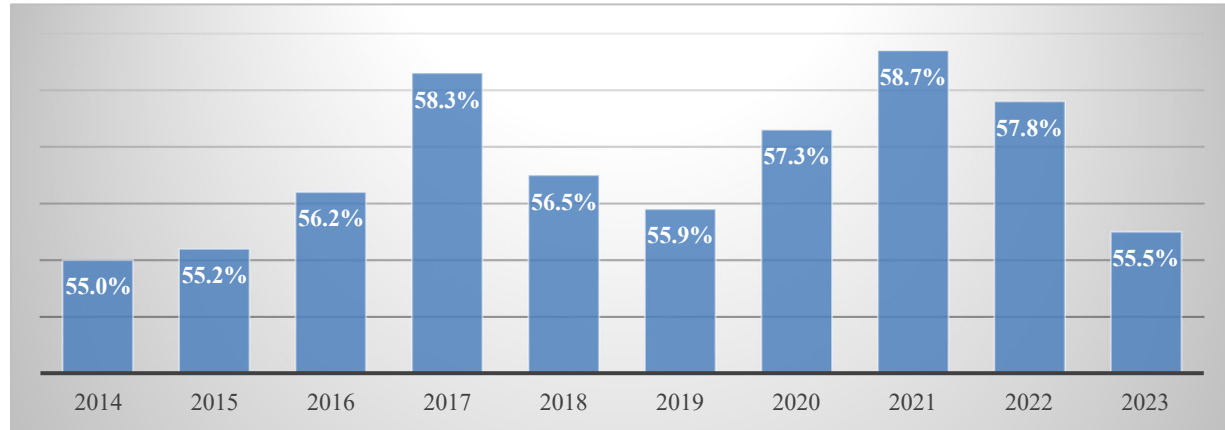
## CONDENSED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

This schedule shows the results of operations for the last two years; it is a condensed version of the audited financial statements which are available for review on the Fund website, [mwrdrf.org](http://mwrdrf.org).

	<u>2023</u>	<u>2022</u>
Beginning Net Position	\$ 1,437,656,196	\$ 1,724,179,948
Operating Additions	139,040,303	139,643,651
Operating Deductions	<u>(200,083,586)</u>	<u>(193,718,289)</u>
Operating Surplus/(Deficit)	(61,043,283)	(54,074,638)
Net Investment Income/(Loss)	<u>169,966,970</u>	<u>(232,449,114)</u>
Increase/(Decrease) in Net Position	<u>108,923,687</u>	<u>(286,523,752)</u>
Ending Net Position	<u>\$ 1,546,579,883</u>	<u>\$ 1,437,656,196</u>

## FUNDING STATUS

Funding status is a key indicator of the Fund’s financial health. It reflects the percentage of projected future benefits for which the Fund currently has assets to pay. An upward trend in this ratio started in 2013 as a result of solid investment returns, special contributions from the MWRD (the Plan Sponsor), and legislative changes that resulted in increased employee and employer contributions; in 2023 the funding ratio dropped due primarily to a change in the interest rate assumption, lowered from 7.25% to 7.00%. The MWRD has adopted a funding policy with the goal to be fully funded by the year 2050.



## FUND MEMBERSHIP STATISTICS

Fund membership data is used by the Fund actuary in preparing the annual actuarial valuation report. Shown below are selected membership statistics as of December 31, 2023.

Active Members			
Average Pensionable Salary	\$116,767		
Average Years of Service			
Tier 1	19.0		
Tier 2	5.6		
Average Age			
Tier 1	54.4		
Tier 2	44.6		
	<u>Count</u>	<u>%</u>	
Tier 1	916	52%	
Tier 2	855	48%	
Total	1,771		
Male	1,294	73%	
Female	477	27%	
Total	1,771		

New Retirees in 2023	
Number of New Retirees	66
Average Years of Service at Time of Retirement	22.9
Average Age at Retirement	64.4
Average Annual Pension at Retirement	\$72,135

Annuitants					
<b>Employee Annuitants</b>			<b>Spouse Annuitants</b>		
Average Annual Pension	\$85,031		Average Annual Pension	\$60,083	
Average Age	73.2		Average Age	79.9	
	<u>Count</u>	<u>%</u>		<u>Count</u>	<u>%</u>
Male	1,436	75%	Male	28	5%
Female	484	25%	Female	521	95%
Total	1,920		Total	549	