

# Metropolitan Water Reclamation District Retirement Fund

## Minutes Regular Meeting Board of Trustees July 31, 2024

Meeting#: 1218

Call to order: 10:02 a.m.

Place: MWRD Board Room, 100 E. Erie St. Chicago, IL

Presiding: Bonnie T. Kennedy, President

### Roll Call:

<b>Trustees:</b>	<b>Present</b>	<b>Absent</b>
Bonnie T. Kennedy, President	X	
John R. Markovich, Vice President	X	
Hon. Mariyana T. Spyropoulos, Secretary	X	
John P. Dalton	X	
Robert Quezada	X	
Hon. Kari K. Steele	X	
Bruce Sullivan, Jr.	X	

Staff present: Jim Mohler, Executive Director  
Mary Murphy, Operations Manager  
Brian Gillespie, Investment Officer

Also present: Alberto Rivera, Marquette Associates  
Kirstin Carlson, Provaliant  
Jason Franken, Foster & Foster  
Steve Lux, MWRD Treasurer  
Shellie Riedle, MWRD Administrative Services Officer  
Irene Green, MWRD Budget Officer  
Craig Thrasher, Kayne Anderson  
Hyung Kim, Kayne Anderson  
Jason Pomatto, Kayne Anderson  
Dan Burr, Driehaus Capital  
Tom Seftenberg, Driehaus Capital

### Public Comment

President Kennedy solicited public comments; there were none.

## **Trustee Vacancy Discussion / Selection**

The Board made a motion to appoint Bruce Sullivan, Jr. to fill the vacancy of an Elective Trustee with the Retirement of Kevin Young.

*Motion to approve: Commissioner Spyropoulos*

*Second: Trustee Dalton*

*Unanimously approved by roll call vote.*

## **Oath of Office – New Trustee**

Trustee Bruce Sullivan, Jr. took the Oath of Office as an Elective Trustee. Trustee Sullivan received a round of applause and congratulations.

## **Regular Business**

Approval Regular Meeting Minutes – 6/26/24

*Motion to approve: Commissioner Spyropoulos*

*Second: Trustee Dalton*

*Approved by roll call vote. Trustee Sullivan votes present.*

Approval Executive Session Minutes – 6/26/24 and to remain closed

*Motion to approve: Trustee Dalton*

*Second: Commissioner Steele*

*Approved by roll call vote. Trustee Sullivan votes present.*

Approval of Meeting Agenda – 07/31/24

*Motion to approve: Trustee Quezada*

*Second: Vice President Markovich*

*Approved by roll call vote. Trustee Sullivan votes present.*

## **Consent Agenda**

Administrative Expenses – 21 items, \$620,632.05

*Motion to approve: Trustee Dalton*

*Second: Trustee Quezada*

*Approved by roll call vote. Trustee Sullivan votes present.*

Investment Expenses – N/A

Employee Annuity - 7 annuities, \$27,647.74

*Motion to approve: Trustee Quezada*

*Second: Trustee Dalton*

*Approved by roll call vote. Trustee Sullivan votes present.*

Surviving Spouse Annuity - 5 annuities, \$30,682.73

*Motion to approve: Commissioner Spyropoulos*

*Second: Commissioner Steele*

*Approved by roll call vote. Trustee Sullivan votes present.*

Child Annuity - 1 annuity, \$500.00

*Motion to approve: Trustee Dalton*

*Second: Commissioner Spyropoulos*

*Approved by roll call vote. Trustee Sullivan votes present.*

Refunds – 6 refunds, \$93,610.78

*Motion to approve: Trustee Quezada*

*Second: Trustee Dalton*

*Approved by roll call vote. Trustee Sullivan votes present.*

Duty Disability Benefits - 13 members, \$ 492.16 combined daily rate

*Motion to approve: Vice President Markovich*

*Second: Commissioner Steele*

*Approved by roll call vote. Trustee Sullivan votes present.*

Ordinary Disability Benefits - 9 members, \$2,283.46 combined daily rate

*Motion to approve: Commissioner Spyropoulos*

*Second: Commissioner Steele*

*Approved by roll call vote. Trustee Sullivan votes present.*

## **Administrative**

### **Cash Allocation**

Liquidity needs for projected disbursements:

Month: September 2024

Projected Disbursements: (\$18.8M)

Requested Liquidity Needs: \$15.5M

Proposed Liquidity Sources:

<u>Manager</u>	<u>Mandate</u>	<u>Liquidation Amount (\$)</u>
SSgA S&P500	Domestic Equity Passive	9.5M
DFA EM	International Equity EM	6.0M

*Motion to approve: Vice President Markovich*

*Second: Trustee Dalton*

*Approved by roll call vote. Trustee Sullivan votes present.*

### **Project Ascent & Ancillary IT Projects**

Subject Matter: Fund staff and Consultant updated the Board on Project Ascent and ancillary IT projects. A request was made to approve staff change requests that would incur \$46,530 in projected cost.

*Motion to approve: Trustee Dalton*

*Second: Vice President Markovich*

*Approved by roll call vote. Trustee Sullivan votes present.*

### **2023 Projection Modeler Review**

Subject Matter: Jason Franken from Foster & Foster, Consulting Actuary presented to the Board the 2023 Actuarial Projection Modeler, which is an interactive tool to make financial projections regarding the Fund over the next 50 years. Much discussion ensued.

Board Action: None. Update only.

### **2023 Annual Comprehensive Financial Report – Presentation to District**

Subject Matter: Fund staff informed the Board that they would be presenting the 2023 Annual Comprehensive Financial Report to the District Commissioners on August 8<sup>th</sup>.

Board Action: None. Update only.

## **2024 Trustee Election**

Subject Matter: Fund staff requested Board to approve the draft Rules of Election; Rules are largely the same as prior year, with only date changes.

*Motion to approve: Trustee Quezada*

*Second: Trustee Dalton*

*Approved by roll call vote. Trustee Sullivan votes present*

Subject Matter: Fund staff informed the Board the annual Trustee Election will begin in September and, if there is a need for an election, it will be done online to help streamline the voting process for members and encourage a larger voter turnout.

Board Action: None. Update only.

## **NCPERS CEO Summit – Post Conference Memorandum**

Subject Matter: Fund staff presented to the Board the highlights of the NCPERS CEO Summit.

Board Action: None. Update only.

## **Fund Newsletter Update**

Subject Matter: Fund staff updated the Board on the status of the Fund newsletter which should be ready for distribution by next week.

Board Action: None. Update only.

## **Educational Opportunities 2024 Discussion**

Subject Matter: Fund staff updated the Board on upcoming opportunities for Trustee and Staff education.

Board Action: None. Update only.

## **Legal & Legislative**

### **Legal Matters**

Subject Matter: Fund staff presented to the Board the revised Employee Handbook for Board consideration. Changes included necessary revisions to be in compliance with the Illinois Paid Leave Act.

*Motion to approve: Commissioner Spyropoulos*

*Second: Commissioner Steele*

*Unanimously approved by roll call vote.*

Subject Matter: Fund staff informed the Board of the status of the Benefit Focus/Business Associates Agreement revisions in regards to providing administrative assistance to the District regarding their retiree Healthcare OPEB plan

Board Action: None. Update only.

**Legislative Update** N/A

## **Staff Investment Update(s)**

### **Manager Presentations –**

Subject Matter: Annual presentations from Kayne Anderson and Driehaus Capital. Questions ensued.

Board Action: None. Update only.

### **Current vs. Target Asset Allocation**

Subject Matter: Staff presentation of the Fund's investment portfolio allocation in comparison to targets.

Board Action: None. Update only.

### **Watchlist Update**

Subject Matter: Staff presentation of the status of investment managers currently on watch.

Board Action: None. Update only.

## **RFP Private Credit Contract & Funding Update**

Subject Matter: Staff informed the Board that we are under contract with Partners Group and funding will occur in the beginning of August.

Board Action: None. Update only.

**Investment Consultant Contract Update**

Subject Matter: Staff informed the Board the we are successfully under contract with the Investment Consultant.

Board Action: None. Update only.

**Investment Consultant Report(s)**

**Market Environment**

Subject Matter: Investment Consultant update on the investment markets.

Board Action: None. Update only.

**Monthly Flash Report**

Subject Matter: Monthly presentation of investment performance by Investment Consultant.

Board Action: None. Update only.

**Miscellaneous** N/A

**Adjournment 07/31/24 Meeting**

*Motion to approve: Commissioner Spyropoulos*

*Second: Commissioner Steele*

*Unanimously approved by roll call vote.*

Meeting adjourned. 12:26 p.m.

Respectfully submitted,

Mariyana T. Spyropoulos

Hon. Mariyana T. Spyropoulos / Secretary

*James Mohler*  
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Jim Mohler / Executive Director

Prepared by:

*James Mohler*  
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Jim Mohler / Executive Director