

## **BOARD OF TRUSTEES**

JOHN P. DALTON, JR  
KEVIN YOUNG  
HON. MARIYANA T. SPYROPOULOS  
M. FRANK AVILA  
HON. KIMBERLY DU BUCLET  
BONNIE T. KENNEDY  
ROBERT REGAN

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## ***VESTED INTEREST***

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Retirement Fund**  
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**Editors:**  
Retirement Fund Staff



PROVIDING A FORUM FOR AN ACTIVE MEMBERSHIP

## **Welcome Trustee M. Frank Avila**



At the January 27, 2021 meeting, former Commissioner M. Frank Avila took the Oath of Office as Retiree Trustee to fill the unexpired term of Kathleen T. Meany. As Commissioner, Mr. Avila chaired the District's Committee on Finance. Mr. Avila served three six-year terms as an elected commissioner and retired November 30, 2020. His background with the District dates back to the days when it was still called the Metropolitan Sanitary District. His service began in 1962 while earning

degrees in finance and engineering and starting his family. We look forward to Trustee Avila's contributions to the Fund. Join us in welcoming former Commissioner Avila to the Retirement Board.

## **New Retirement Fund Board Vice President**

In accordance with the Illinois Pension Code, the Retirement Board annually elects Board officers as President, Vice President, and Secretary. Officers hold their positions until a successor is elected. At the December 17, 2020 Board meeting, then-sitting Vice President, Robert Regan moved to nominate John P. Dalton, Jr. as President, Kevin Young as Vice President, and Commissioner Mariyana T. Spyropoulos as Secretary. The Board confirmed the slate of officers.



We congratulate all the Board officers and specifically recognize Trustee Kevin Young as the new Vice President. Mr. Young was appointed on September 25, 2019, to fill the vacancy created by the retirement of Joseph Kennedy. Mr. Young was then elected to a four-year-term beginning December 1, 2020.

We thank Trustee Regan for his service as Vice President and continue to appreciate his contributions to the Retirement Fund Board.

Join us as we welcome Kevin Young as Vice President.



## **Kathleen T. Meany Resigns as Retiree Trustee**

Retiree Trustee Kathleen T. Meany informed her fellow Board members that she would be stepping down from the Retirement Board effective January 27, 2021. Ms. Meany served on the Retirement Board beginning on September 28, 2016. Accomplishments during her tenure included diversifying the Fund's portfolio to include core real estate, ensuring diversity in the Fund's service providers, and assuring continued Fund operations during the COVID-19 pandemic.

We would like to extend our thanks to Kathy for her service to the Retirement Fund membership.

# Remembering George Burns

By Thomas A. White, Retired MWRD Retirement Fund Executive Director



The Fund mourns the passing of former Executive Director George Burns, who died on December 31, 2020 at the age of 78. To recognize the impact Director Burns had on the services provided by the Fund, we asked Tom White, who succeeded Director Burns upon his retirement, to reflect on George's many accomplishments.

George's career at the MWRD began in 1975 as a management analyst. Because of his organizational skills, attention to detail, and professional acumen, he was chosen to serve as the MWRD Retirement Fund's Deputy Director in 1989, becoming Executive Director in 1991. He served in that capacity until his hard-earned retirement in 1997. His leadership and accomplishments continue to be reflected in the services that the Fund provides today.

George's efforts to incorporate best practices have benefited the Fund in many ways:

**Financial Reporting:** George began the production of a Comprehensive Annual Financial Report in accordance with the requirements of the Government Finance Officers Association (GFOA). To date, the Fund has received the GFOA Certificate of Achievement for Excellence in Financial Reporting for all 27 reporting years.

**Legislative:** George represented the Fund membership before the State Legislature on issues impacting the Fund. George also initiated actions federally with the U.S. Department of Treasury regarding tax sheltering of employee contributions.

**Plan Sponsor Relationships:** Under the Board's direction, George maintained a strong dialogue with the MWRD Administration regarding any proposed legislation, and necessary funding requirements.

**Consultant Oversight:** George initiated standardized procedures in reviewing consulting relationships (investment, custodial, actuarial, financial). Fund consultants were considered business partners and, when required, to act as Fiduciaries in the best interest of the membership.

**Investments:** George, under the direction of the Retirement Board, led efforts to allocate Fund assets efficiently and in accordance with the Board's Investment Policy. During his tenure investment reporting to the Trustees was standardized to assist them in their review of the Fund's investment portfolio.

**Member Services:** George required staff to professionally engage members, providing efficient, accurate, and timely responses to inquiries. In 1995, George spurred pre-retirement seminars, and production of *Vested Interest*, the Fund's newsletter.

George dedicated his work to the welfare of the Retirement Fund membership. George would be the first to say that Fund accomplishments were team efforts, which would not have been possible without the commitment of the Retirement Fund Board and Fund staff.

George, your leadership was life changing for me and paved the way for accomplishments achieved during my stewardship. Thank you for always supporting Fund staff and your selfless service to the Fund membership.

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## Investment Update

The Fund's investment portfolio as of February 28, 2021 was \$1.52 billion, a net growth of 15.2%, compared to \$1.32 billion a year ago. Over a ten-year period as of year-end 2020, we are proud to report the Fund's annualized net return was 8.2%. This 10-year annualized performance exceeded the actuarially assumed rate of return of 7.25% by approximately 100 basis points, net of fees.

### FUND PERFORMANCE REVIEW

### INVESTED ASSETS AS OF 2/28/2021

| Fund performance as of   | YTD  | 1 Yr. | 3 Yr. | 5 Yr. | 10 Yr. |
|--------------------------|------|-------|-------|-------|--------|
| Total Fund (net of fees) | 2.9% | 20.3% | 7.1%  | 10.1% | 8.0%   |
| Actuarial Rate           | 1.2% | 7.25% | 7.25% | 7.25% | 7.25%  |

### FUND HIGHLIGHTS

The Retirement Board continuously examines the Fund's investment portfolio to help achieve set investment goals over time. For example, the Retirement Board terminated three mandates during 2020. These long-term relationships were all underperforming over varying timeframes. These assets were then targeted to better performing managers or moved to low-cost passive mandates. Additionally, the Fund was able to renegotiate management fees with several of the Fund investment

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## Investment Update *continued from previous page . . .*

managers, which will reduce fees by approximately \$800,000 annually, roughly 15%. At the direction of the Retirement Board, the Fund will continue to discuss ways to reduce fees and expenses with our investment partners.



Also, in 2020 the Retirement Board modified an existing Mid Cap mandate to a Small/Mid Cap mandate. This allowed the underlying manager to search for investment opportunities in a larger universe. We are happy to report that this mandate change is off to a great start. Through February, the strategy has returned 14.8% (net of fees) compared to the benchmark return of 11.3% over the same timeframe.

Recently, the Retirement Board approved a Request for Proposal (RFP) for a Global Low Volatility Equity mandate. The size of the mandate is projected to be approximately 5% of Fund assets or \$75 million. The goal of this mandate is to maintain the Fund's equity exposure while reducing the portfolio's overall risk profile.

The Fund received 23 responses to the RFP. Fund staff and the Retirement Board's investment consultant will work with the Retirement Board to identify top candidates for their consideration.

Please review our website periodically for further information about the Fund's investment portfolio.



### RETIREEES (Since September 2020)

Join us as we congratulate our new retirees!

|                    |                           |                   |                       |                         |
|--------------------|---------------------------|-------------------|-----------------------|-------------------------|
| Acker, Aaron       | Formosa, Richard          | Gupta, Vijai      | Le, Hoanh             | Ritza, Michael          |
| Avila, M. Frank    | Gage, Anthony             | Hackett, Ronald   | Ludwig, Frederick     | Rokaitis, William       |
| Bernatek, Kenneth  | Ganta, Frank              | Harmon, Patricia  | McElligott, Eileen    | Salinas, Miguel         |
| Bodnar, Robert     | Ghandi, Bharat            | Harris, Earlean   | Murray, John          | Sanchez, Victor         |
| Brooks, Marvin     | Giamarusti, Gabrielle     | Hickey, Michael   | Orawiec, Tomasz       | Shah, Rita              |
| Brust, John        | Goldberg, Lisa            | Jacobs, Joanna    | Osagiede, Jacqueline  | Simon, Eileen           |
| Buettner, Mark     | Gornicka, Elzbieta        | Jamil, Syed       | Patel, Suryakant      | Toner, Terrence         |
| Carbonara, Anthony | Grant, Dwight             | Janulis, Jerald   | Rad, Masoud           | Vagvala, Rajendraprasad |
| Davis, Cherry      | Gray-Kimbrough, Geraldine | Johnson, Robin    | Rainey, Thomas        | Vaitla, Ramam           |
| Deitz, Brian       | Greenfield, John          | Kampfert, Michael | Ramashauskas, Charles | Vela, Constantino       |
| Durkin, Thomas     | Griffin, Nathaniel        | Landmichl, James  | Reddy, Thota          | Whitehead, Cynthia      |
|                    |                           |                   |                       | Young, Valerie          |



### DECEASED EMPLOYEES AND RETIREES (since September 2020)

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

|                     |                    |                   |                       |                       |
|---------------------|--------------------|-------------------|-----------------------|-----------------------|
| Adduci, Carmen      | DeSmidt, Herman    | Krcmaric, Edward  | O'Donnell, Michael    | Ryan, Thomas*         |
| Ahern, Michael      | Efrati, Moshe      | Lukas, Jill       | Ostrowski, James      | Schonsett Jr., Edward |
| Arch, William       | Everson, Ann       | Maciaszek, Robert | Palojarvi, David      | Sears, Robert         |
| Atwood, Brian       | Fox, John*         | Mack, Joseph      | Palomar, Carmen       | Simon, Kathleen       |
| Barnett, Owen       | Gafeney Jr., Fred  | Mardoian, Milton  | Pearson, Donald       | Sugg, Neil            |
| Bartolomeo, Anthony | Grosskurth, Elaine | Mitchell, Thomas  | Poulos, Demetrios     | Swanson, Gail         |
| Beers, Robert       | Haennicke, George  | Navratil, Thomas  | Ratajczyk, Theodore   | Talianko, Steve       |
| Belair, Richard     | Hall, Jack*        | Newhouse, John    | Ritza, Michael        | Vering, Robert        |
| Burns, George       | Harting, Arnulfo   | Nitcy, Robert     | Robinson, Mary        | Weinshenker, Joseph   |
| Bzdek, Robert       | Haw III, Fred      | O'Brien, Joseph   | Robinson Jr., William | Wilczak, Alexander    |
| Chrisos, Charles    | Irons, Joseph      | O'Brien, Terrence | Rojas, Antonio        | Yandel, Walter        |
| Cobb, Gloria        | Kawa Jr., Stan     | O'Connor, Patrick | Ryan, John            | Yesencki, Alan        |

\* Death in service

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## **Submit Retirement Applications Early to Ensure Timely Processing**

Although the Retirement Fund's office is closed to non-staff, we are here for you. If you plan to retire, call the Retirement Fund office to request the retirement packet. Applications will be sent via US mail. To avoid delay in benefits, promptly return the completed retirement packet to the Retirement Fund. Keep in mind, your first payment may be 60-90 days from the annuity effective date. Please plan accordingly.

### **MWRD Retirement Fund Staff Directory**

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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 8:45 a.m. and 4:30 p.m. (Central time).
- U.S. mail** Refer to our mailing address above.