

RECORD OF PROCEEDINGS  
of the  
RETIREMENT BOARD (the "BOARD") of the  
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")  
REGULAR BOARD MEETING  
THURSDAY, JULY 19, 2018

The 55 East Monroe Building  
55 East Monroe Street, Suite 2720  
Chicago, Illinois 60603

President MUNIZZI called the meeting to order at 9:30 A.M.

**ROLL CALL**

Trustees present:

PAMELA A. MUNIZZI, President	MATTHEW DUGGAN, Trustee
EDWARD L. AFFOLTER, Vice President	STEVEN J. LUX, Trustee
FRANK HODOROWICZ, Secretary	CECILIA PRADO, Trustee
BRIAN BIGGANE, Trustee	

Also Present:

DEAN J. NIEDOSPIAL, Executive Director  
TAYLOR MUZZY, Jacobs, Burns, Orlove & Hernandez, Fund Counsel  
JAMES BROSNAHAN, Fund Lobbyist (entered during the REPORT OF THE ACTUARY)  
GARY PATER, Bansley & Kiener, LLP (departed after the REPORT OF THE ELECTION MONITOR)  
MATTHEW STROM, JACOB LIBAUSKAS and PATRICK TABERNACKI, The Segal Company, Fund Actuary (entered during the REPORT OF THE EXECUTIVE DIRECTOR)

**REPORT OF THE ELECTION MONITOR**

Mr. Gary Pater of Bansley & Kiener, Election Monitor, distributed a letter of notification dated June 25, 2018, of the results of the election for Trustee, for a full term of four years, expiring June 30, 2022, held Friday, June 22, 2018. Based on the results of the vote, MATTHEW DUGGAN was elected Employee Trustee.

Trustee DUGGAN presented his written "Oath of Office" which was found to be in the form required by law, whereupon Secretary AFFOLTER certified him Trustee of the Retirement Board for his term.

**APPOINTMENT OF TRUSTEES BY THE BOARD OF COMMISSIONERS OF THE CHICAGO PARK DISTRICT**

The Executive Director presented a Certified Copy of the reappointments of Cecilia Prado and Pamela Munizzi as Trustees of the Fund for a term of three years each ending June 30, 2021, adopted by the Board of Commissioners of the Chicago Park District, certified by its Board Secretary.

President MUNIZZI and Trustee PRADO presented their written "Oath of Office" which were found to be in the form required by law, whereupon Secretary AFFOLTER certified them Trustees of the Retirement Board for their terms.

**REORGANIZATION OF THE BOARD**

President MUNIZZI announced that the reorganization of the Board and the election of officers for the ensuing year was the next item of business on the agenda.

**ELECTION OF OFFICERS****President**

Trustee MUNIZZI announced that nominations for the office of President were open. Trustee HODOROWICZ nominated PAMELA A. MUNIZZI for President of the Retirement Board, and the nomination was seconded by Trustee LUX. There being no further nominations, the nominations were closed and Trustee MUNIZZI was elected President by the following vote:

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI, PRADO

NAYS: None

**Vice President**

President MUNIZZI announced that nominations for the office of Vice President were open. Trustee HODOROWICZ nominated EDWARD L. AFFOLTER for Vice President of the Retirement Board, and the nomination was seconded by Trustee LUX. There being no further nominations, the nominations were closed and Trustee AFFOLTER was elected Vice President by the following vote:

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI, PRADO

NAYS: None

**Secretary**

President MUNIZZI announced that nominations for the office of Secretary were open. Trustee BIGGANE nominated FRANK C. HODOROWICZ for Secretary of the Retirement Board, and Vice President AFFOLTER seconded the nomination. There being no further nominations, the nominations were closed and Trustee HODOROWICZ was elected Secretary by the following vote:

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI, PRADO

NAYS: None

**Secretary Pro-Tem**

President MUNIZZI announced that nominations for the office of Secretary Pro-Tem were open. Secretary HODOROWICZ nominated BRIAN BIGGANE for Secretary Pro-Tem of the Retirement Board, and the nomination was seconded by Vice President AFFOLTER. There being no further nominations, the nominations were closed and Trustee BIGGANE was elected Secretary Pro-Tem by the following vote:

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI, PRADO

NAYS: None

**APPOINTMENT OF COMMITTEES**

President MUNIZZI declared the following Committee appointments for the ensuing year:

**Investment Committee** – Committee of the Whole

**Pension Laws and Rules Committee** - Committee of the Whole

**Personnel Committee** (appointed by the President of the Board and approved by the Board) - EDWARD L. AFFOLTER, FRANK C. HODOROWICZ and STEVEN J. LUX

A motion was made by Trustee PRADO to approve the appointment of EDWARD L. AFFOLTER, FRANK C. HODOROWICZ and STEVEN J. LUX to the Personnel Committee. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI, PRADO

NAYS: None

**MINUTES OF THE LAST MEETING**

A motion was made by Trustee PRADO to approve the minutes of the regular Board meeting held on Thursday, June 21 2018. Secretary HODOROWICZ seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI, PRADO

NAYS: None

**READING OF COMMUNICATIONS**

None

**REPORT OF THE COMMITTEES**

None

**REPORT OF THE EXECUTIVE DIRECTOR**

**Communication Letters to Governance and Management from Bansley & Kiener, LLP, Fund Auditor**

The Executive Director presented (during the REPORT OF THE ELECTION MONITOR) the required letters to the Board and management in accordance with AICPA-Statements on Auditing Standards (SAS), numbers 114 and 115 on the audit of the Fund’s financial statements for the year ended December 31, 2017 received from Bansley & Kiener, LLP, the Fund’s auditor. Mr. Gary Pater of Bansley & Kiener, LLP reviewed the contents of the letters with the Trustees.

**Biedron v. PEABF**

The Executive Director distributed and reviewed with the Trustees a sample of the calculation of the court ordered refund of the additional 1% contribution improved with 3% simple interest. He also reported that the next status hearing is scheduled for October 2, 2018.

**Other**

GFOA/Department of Insurance Reports – The Executive Director noted that the Fund submitted its Comprehensive Annual Financial Report (CAFR) to the GFOA on time and that copies of the CAFR will be distributed at the August Board meeting. He also noted that the Fund filed its annual report to the Illinois Department of Insurance on time as well.

Securities Litigation – The Executive Director reported that he has been advised that the Fund has been appointed lead plaintiff in the matter captioned Pelletier v. Endo International PLC, et al., in the U.S. District Court for the Eastern District of Pennsylvania, discussed at a previous Board meeting in executive session, and that the law firm representing the Fund will attend a Board meeting in the near future to discuss the matter with the Trustees.

Fiduciary Responsibility and Ethics Training – The Executive Director reported he is in the process of scheduling a fall or winter Continuing Education Session to be presented by Fund Counsel of fiduciary Responsibility and Ethics, Securities Litigation, Fiduciary Liability Insurance and the Importance of Trustee Education.

Conferences – The Executive Director distributed an updated 2018 Conference Schedule and highlighted upcoming local conferences. He also noted the importance of the Trustees meeting their annual requirement of a minimum of 8 hours of continuing education and ethics training.

A motion was made by Vice President AFFOLTER to accept the Report of the Executive Director. Secretary HODOROWICZ seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI, PRADO

NAYS: None

**REPORT OF THE ATTORNEY**

Mr. Taylor Muzzy of Jacobs, Burns, Orlove & Hernandez, Fund Counsel, reported that at the status hearing for Biedron v. PEABF held on July 18, 2018, all parties reported that they are in compliance with the Agreed Order entered March 21, 2018, and that the next status hearing is scheduled for October 2, 2018, at which time the matter will probably be concluded.

A motion was made by Trustee LUX to accept the Report of the Attorney. Vice President AFFOLTER seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI, PRADO

NAYS: None

**REPORT OF THE ACTUARY**

Mr. Matthew Strom, Mr. Jacob Libauskas and Mr. Patryk Tabernacki of the Segal Company, Fund Actuary, presented the Fund's Actuarial Valuation and Review as of December 31, 2017. The Trustees reviewed the report and the Segal representatives responded to numerous questions from the Trustees. The Fund Actuary also noted that they are in the process of completing an Actuarial Experience Review, which is performed every five years.

A motion was made by Secretary HODOROWICZ to accept the Report of the Actuary. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI, PRADO

NAYS: None

**REPORT OF THE LOBBYIST**

Mr. James Brosnahan, Fund Lobbyist, commented on recent activity of the Illinois General Assembly and issues regarding pension legislation. He responded to numerous questions and comments from the Trustees.

A motion was made by Secretary HODOROWICZ to accept the Report of the Lobbyist. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI, PRADO

NAYS: None

**REPORT OF THE INVESTMENT CONSULTANT**

None

**OLD BUSINESS**

None

**NEW BUSINESS**

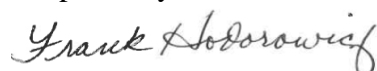
None

**ADJOURNMENT**

There being no further business, Trustee DUGGAN moved to adjourn the meeting. Trustee BIGGANE seconded the motion. Motion prevailed unanimously and the meeting was adjourned.

The next regular meeting of the Retirement Board will be on **Thursday, August 16, 2018**, at 9:30 A.M. in the Judith A. Flaherty Conference Room on the 27<sup>th</sup> floor of the 55 East Monroe Street Building, Suite 2720, Chicago, Illinois, 60603.

Respectfully submitted,



FRANK HODOROWICZ  
Secretary