

RECORD OF PROCEEDINGS  
of the  
RETIREMENT BOARD (the "BOARD") of the  
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")  
REGULAR BOARD MEETING  
THURSDAY, SEPTEMBER 20, 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  
EDWARD L. AFFOLTER, Vice President  
FRANK HODOROWICZ, Secretary

BRIAN BIGGANE, Trustee  
MATTHEW DUGGAN, Trustee  
STEVEN J. LUX, Trustee

Also Present:

DEAN J. NIEDOSPIAL, Executive Director  
MICHAEL SPYCHALSKI, Marquette Associates (attended the entire meeting)

Absent:

CECILIA PRADO, Trustee

**MINUTES OF THE LAST MEETING**

A motion was made by Secretary HODOROWICZ to approve the minutes of the regular Board meeting held on Thursday, August 16, 2018. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

**READING OF COMMUNICATIONS**

The Executive Director noted a recent FOIA request.

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

Motion carried by the following roll call:

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

NAYS: None

### **REPORT OF THE COMMITTEES**

None

### **REPORT OF THE EXECUTIVE DIRECTOR**

#### **Tax Levy Requirement Letter**

The Executive Director presented to the Trustees the Tax Levy Requirement Letter to the Chicago Park District Board of Commissioners for 2019. He noted that the letter contains the amount as prescribed in the Illinois Pension Code and also indicates the annual Actuarially Determined Contribution as determined by the Fund's Actuary.

A motion was made by Trustee DUGGAN to approve submission of the Tax Levy Requirement Letter for 2019 to the Chicago Park District Board of Commissioners. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

#### **Approval of Conference Schedule**

The Executive Director presented the Fund's 2018 Conference schedule. The Trustees reviewed the year's remaining conferences.

A motion was made by Trustee DUGGAN to approve the attendance of any of the Trustees or the Executive Director at any of the remaining conferences in 2018 on the Fund's Conference Schedule subject to limitations imposed within the Fund's Rules and Regulations, Ethics Policy or Travel Policy. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

#### **Biedron**

The Executive Director reported that the next status hearing is scheduled for October 2, 2018.

**Other**

Actuarial Experience Review – The Executive Director noted that the Fund’s Actuary, the Segal Company, will attend the October meeting to discuss the results of their Actuarial Experience Review, which is almost complete.

Senate Hearings – The Executive Director reported that he and the Fund’s Investment Consultant, Marquette Associates, will attend a hearing and present a report on the Fund’s use of minority and female-owned investment managers and brokers/dealers to the Illinois State Senate Special Committee on State and Pension Fund Investments on Tuesday, October 16<sup>th</sup> and Wednesday, October 17<sup>th</sup>. The Executive Director and the Trustees discussed the importance of continuing to support minority and female-owned investment managers, brokers and businesses.

October Board Meeting – The Executive Director reminded the Trustees that the October Board meeting has been rescheduled from Thursday the 18<sup>th</sup> to Thursday the 25<sup>th</sup>.

Fiduciary Responsibility and Ethics Training – The Executive Director noted that a Continuing Education Session to be presented by Fund Counsel on Fiduciary Responsibility and Ethics, Securities Litigation, Fiduciary Liability Insurance and the Importance of Trustee Education will follow the October 25, 2018 Board meeting.

Pension Verification Letters - The Executive Director reminded the Trustees that pension verification letters have been mailed to the annuitants and that the letters must be returned by September 30, 2018 to avoid suspension of pension benefit.

Securities Litigation – The Executive Director reminded the Trustees that the law firm representing the Fund in the matter captioned Pelletier v. Endo International PLC, et al., in the U.S. District Court for the Eastern District of Pennsylvania, will attend the October Board meeting to discuss the matter with the Trustees.

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

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI,  
NAYS: None

**REPORT OF THE ATTORNEY**

None

**REPORT OF THE ACTUARY**

None

**REPORT OF THE INVESTMENT CONSULTANT**

Mr. Michael Spychalski of Marquette Associates distributed the Preliminary Monthly Update report as of August 31, 2018, featuring investment performance, market environment analysis, asset allocation and individual investment manager performance. The report was reviewed in detail and the Investment Consultant responded to numerous questions raised by the Trustees. The Trustees and the Investment Consultant also discussed the possibility of asking RBC, the Fund's small-cap core investment manager, to attend the November Board meeting to discuss performance.

A motion was made by Secretary HODOROWICZ to accept the Report of the Investment Consultant. Trustee LUX seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI  
NAYS: None

**EXECUTIVE SESSION**

A motion was made by Trustee DUGGAN to go to Executive Session for the purpose of discussing litigation. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI  
NAYS: None

A motion was made by Secretary HODOROWICZ to return to open session. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI  
NAYS: None

A motion was made by Vice President AFFOLTER to approve the action discussed in Executive Session as recommended by Fund Counsel in regard to a securities litigation matter. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ,  
LUX, MUNIZZI  
NAYS: None

**OLD BUSINESS**

None

**NEW BUSINESS**

None

**ADJOURNMENT**

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

The next regular meeting of the Retirement Board will be on **Thursday, October 25, 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