

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
REGULAR BOARD MEETING
THURSDAY, June 18, 2020

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

Meeting chaired by President AFFOLTER; Trustees in person except the Trustee MUNIZZI participated by telephone.

ROLL CALL

Trustees present:

EDWARD L. AFFOLTER, President
BRIAN BIGGANE, Vice President
FRANK HODOROWICZ, Secretary
MATTHEW DUGGAN, Trustee

STEVEN J. LUX, Trustee
PAMELA A. MUNIZZI, Trustee

Trustees absent:

CECILIA PRADO, Trustee

Also Present:

DEAN J. NIEDOSPIAL, Executive Director
MIKE SPYCHALSKI, Marquette Associates

MINUTES OF THE LAST MEETING

A motion was made by Trustee LUX to approve the minutes of the regular Board meeting held on Thursday, May 21, 2020. Trustee DUGGAN 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 recent FOIA requests.

A motion was made by Vice President BIGGANE to accept the Reading of Communications. Secretary HODOROWICZ seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

REPORT OF THE COMMITTEES

Secretary HODOROWICZ reported on behalf of the Opportunistic Fixed Income Search Committee that the Committee and the Investment Consultant met on Monday, June 15, 2020. He noted that the Investment Consultant received 40 responses to the Fund's RFP. He also noted that the Committee and the Investment Consultant reviewed the responses and based on the Investment Consultant's recommendation and the consensus of the Opportunistic Fixed Income Search Committee, the Fund should invite the firms most consistent with the Fund's performance objectives and other requirements to make a virtual presentation at the Fund's July Board meeting.

A motion was made by Trustee DUGGAN, based on the Investment Consultant's recommendation and the consensus of the Opportunistic Fixed Income Search Committee, to invite the firms most consistent with the Fund's performance objectives and other requirements to make a virtual presentation at the Fund's July Board meeting. Motion was seconded by Secretary HODOROWICZ.

Motion carried by the following roll call:

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

NAYS: None

REPORT OF THE EXECUTIVE DIRECTOR

Reorganization of the Board

The Executive Director noted that the Board of Trustees normally reorganizes the Board and elects Officers at the July Board meeting after the winner of the June Trustee election is sworn in. He also noted that since the Trustee election is postponed until July due to Covid-19, the Trustees should consider reorganizing the Board and electing Officers at the August meeting instead, an approach approved by Fund Counsel.

A motion was made by Trustee LUX, since the Trustee election is postponed until July due to Covid-19, to move reorganizing the Board and electing Officers from the July Board meeting to the August Board meeting. Motion was seconded by Trustee DUGGAN.

Motion carried by the following roll call:

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

NAYS: None

COVID-19 Crisis and Day to Day Operations

The Executive Director reported that the Fund has continued to provide services to its members and annuitants without interruption. The staff of the Fund has been returning to the Fund office on a phased in basis and working remotely when appropriate.

2020 Trustee Election

The Executive Director distributed a copy of the Board approved schedule for the Fund's Annual Election of Trustee for the term ending June 30, 2024, on Friday, July 24, 2020. The Trustees and the Executive Director discussed the dates on the schedule corresponding with moving the Trustee Election date to July 24, 2020, and the necessity to amend the election policy where necessary to accommodate the move.

A motion was made by Trustee LUX to approve the dates on the schedule corresponding with moving the Trustee Election date to July 24, 2020, and to amend the election policy where necessary to accommodate the move. Motion was seconded by President AFFOLTER.

Motion carried by the following roll call:

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

NAYS: None

Member's Annual Statements

The Executive Director reported that due to the Covid-19 Crisis, the STATEMENT OF PARTICIPANT'S CONTRIBUTIONS AS OF DECEMBER 31, 2019 have not been mailed yet but are being printed. The Statements will be mailed together with the 100th ANNUAL REPORT of the PRESIDENT and the Fund's Principal Provisions in July.

Compensation Study

The Executive Director reported that he has been in contact with the qualified consulting firms that have submitted proposals to perform a compensation study for the Fund and has advised the candidates that the Board will select a firm in August.

Other

Chicago Park District Tax Levy – The Executive Director reported that on May 22, 2020, the Fund received a supplemental contribution from the Chicago Park District PPRT in the amount of \$5.8 million.

Upcoming Events – The Executive Director reported that the Segal Company, the Fund's Actuary, and Baker Tilly, the Fund's auditor, will attend the August Board meeting to review their respective December 31, 2019 reports.

Fiduciary Responsibility and Ethics Training – The Executive Director reported he is in the process of scheduling a fall 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.

Actuarial Liability Breakdown - The Executive Director distributed a copy of the Fund’s actuarial liability as of December 31, 2018, provided by the Fund’s Actuary, and noted that he will email a copy of the December 31, 2019 breakdown to the Trustees.

Conferences - The Executive Director distributed an updated 2020 Conference Schedule to the Trustees and highlighted upcoming local conferences and events.

A motion was made by Secretary HODOROWICZ to accept the Report of the Executive Director. President AFFOLTER 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 May 31, 2020, featuring investment performance, market environment analysis, asset allocation and individual investment manager performance. The Trustees reviewed the -report and the Investment Consultant responded to numerous questions raised by the Trustees. The Investment Consultant also discussed the possibility of the Fund issuing an RFP for a fixed income investment manager due to the recent closure of Chicago Equity Partners.

A motion was made by Vice President BIGGANE to authorize issuance of an RFP for a fixed income investment manager, for a mandate of approximately \$19 million, due to the recent closure of Chicago Equity Partners to be posted in a reasonable timeframe. Secretary HODOROWICZ 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 accept the Report of the Investment Consultant. President AFFOLTER 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, Trustee LUX moved to adjourn the meeting. Trustee DUGGAN seconded the motion. Motion prevailed unanimously and the meeting was adjourned.

The next regular meeting of the Retirement Board will be on **Thursday, July 16, 2020** at 9:30 A.M. in the Judy Flaherty Conference Room on the 27th floor of the 55 East Monroe Street Building, Suite 2720, Chicago, IL 60603.

Respectfully submitted,



FRANK HODOROWICZ
Secretary