

RECORD OF PROCEEDINGS  
of the  
RETIREMENT BOARD (the "BOARD") of the  
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")  
REGULAR BOARD MEETING  
THURSDAY, July 16, 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  
CECILIA PRADO, Trustee

Trustees absent:

PAMELA A. MUNIZZI, Trustee

Also Present:

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

**MINUTES OF THE LAST MEETING**

A motion was made by President AFFOLTER to approve the minutes of the regular Board meeting held on Thursday, June 18, 2020. Trustee LUX seconded the motion.

Motion carried by the following roll call:

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

**READING OF COMMUNICATIONS**

None

**REPORT OF THE COMMITTEES**

## **REPORT OF THE EXECUTIVE DIRECTOR**

### **COVID-19 Crisis and Day to Day Operations**

The Executive Director reported that the Fund has continued to provide services to 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.

### **Securities Litigation**

The Executive Director reported that he is in the process of preparing for a deposition regarding the Endo securities litigation matter.

### **2020 Trustee Election**

The Executive Director distributed a copy of the previously approved schedule for the Fund's Annual Election of Trustee on Friday, July 24, 2020 and noted that Vice President BIGGANE, Andrew Del Rivero and Valerie Tines-Lyons have been certified as eligible.

### **Member's Annual Statements**

The Executive Director reported that the STATEMENT OF PARTICIPANT'S CONTRIBUTIONS AS OF DECEMBER 31, 2019 have been mailed. The Statements were mailed together with the 100<sup>th</sup> ANNUAL REPORT of the PRESIDENT and the Fund's Principal Provisions.

### **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's staff and advised them that Board intends to select a firm in August.

### **Other**

GFOA/Department of Insurance Reports – The Executive Director reported that the Fund submitted its Comprehensive Annual Financial Report (CAFR) to the GFOA on time and that copies of the CAFR are available to the Trustees. He also noted that the Fund files its annual report to the Illinois Department of Insurance on time as well.

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 and to address any questions that the Trustees may have.

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, 2019, provided by the Fund's Actuary.

Chicago Park District PPRT – The Executive Director reported that the Fund expects to receive an additional advance of \$3.2 million on July 24, 2020, of its share of the Chicago Park District PPRT.

Conferences - The Executive Director distributed a copy of the Board approved 2020 Conference Schedule to the Trustees and highlighted upcoming local conferences, virtual remote conferences and events.

A motion was made by Trustee PRADO to accept the Report of the Executive Director. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

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 June 30, 2020, 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.

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

Motion carried by the following roll call:

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

NAYS: None

The following opportunistic fixed income candidates were allocated time to make remote virtual presentations to the Board.

#### **National Investment Services – Dynamic Fixed Income**

Mark Anderson, Ray Caprio

#### **Crescent Capital – Crescent Credit Opportunities Fund**

Pete Mitchell, John Fekete

#### **Corbin Capital – Corbin ERISA Opportunity Fund**

Ralph Vasami, Craig Bergstrom

**Kayne Anderson – Kayne Loan Recovery Fund**

Cade McNown, John Eanes

**BMO – Multi-Sector Bond Fund**

Kevin Gergirs, Adam Phillips, Ronald Salinas

**EnTrust – Global Recovery Fund**

Gregg Hymowitz, Sophia Mullen, Anne Olaimy and Josephine Shea

Each candidate made a presentation and answered numerous questions from the Trustees. After the presentations, President AFFOLTER thanked each candidate.

The Trustees and the Investment Consultant discussed the presentations and the pros and cons of the candidates.

A motion was made by Vice President BIGGANE to appoint the following opportunistic fixed income managers at the indicated allocation: National Investment Services – Dynamic Fixed Income, \$7 million; Crescent Capital – Crescent Credit Opportunities Fund, \$5 million; and EnTrust – Global Recovery Fund, \$5 million, all allocations subject to execution of an investment management agreement approved by Fund Counsel. Trustee LUX seconded the motion.

Motion carried by the following roll call:

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

**OLD BUSINESS**

None

**NEW BUSINESS**

None

**ADJOURNMENT**

There being no further business, President AFFOLTER moved to adjourn the meeting. Vice President 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 20, 2020** at 9:30 A.M. in the Judy Flaherty Conference Room on the 27<sup>th</sup> floor of the 55 East Monroe Street Building, Suite 2720, Chicago, IL 60603.

Respectfully submitted,



FRANK HODOROWICZ  
Secretary