

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
REGULAR BOARD MEETING
THURSDAY, DECEMBER 19, 2019

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

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

ROLL CALL

Trustees present:

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

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

Also Present:

DEAN J. NIEDOSPIAL, Executive Director

JAIME L. MCCABE, Comptroller (was excused during the REPORT OF THE EXECUTIVE DIRECTOR, after the presentation of the Fund's Annual Operating Budget)

MICHAEL SPYCHALSKI and KEVIN ANDERSON, Marquette Associates

MINUTES OF THE LAST MEETING

A motion was made by Secretary HODOROWICZ to approve the minutes of the rescheduled regular Board meeting held on Wednesday, November 20, 2019. President AFFOLTER seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

READING OF COMMUNICATIONS

The Executive Director noted recent FOIA requests.

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

Motion carried by the following roll call:

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

NAYS: None

REPORT OF THE EXECUTIVE DIRECTOR

Actuarial and Consulting Services Proposal

The Executive Director distributed an updated proposal, which includes a ‘BEST AND FINAL OFFER,’ from Segal Consulting, Fund Actuary, to provide actuarial and consulting services for the Fund through June 30, 2024. The Trustees reviewed the proposal and compared it to the previous proposal presented at the November 20, 2019 Board meeting.

A motion was made by Secretary HODOROWICZ to appoint Segal Consulting as Fund Actuary through June 30, 2024 in accordance with the terms as presented in their updated proposal dated December 5, 2019, subject to approval of the necessary documents by Fund Counsel. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Annual Operating Budget

The Executive Director presented the Fund’s Projected Operating Budget, complete with details, for the year ending December 31, 2020, a draft of which had been previously emailed to the Trustees. He also distributed copies of the Fund staff job descriptions. The details within the budget and budget assumptions were discussed with the Trustees.

A motion was made by Trustee LUX to approve the budget as presented by the Executive Director for the year ending December 31, 2020, to be amended to reduce staff salaries by \$25,000. Vice President BIGGANE seconded the motion.

Motion carried by the following roll call:

YEAS: BIGGANE, DUGGAN, LUX, MUNIZZI, PRADO

NAYS: AFFOLTER and HODOROWICZ

2020 Board Meeting Schedule

The Executive Director distributed a proposed schedule of Board meeting dates for 2020 for approval by the Trustees and posting to the Fund’s website. He noted that the agendas of the meetings will include a format for focusing on investments, continuing education, professional services presentations, etc. and on quarterly basis, meetings will focus on benefits and financial reporting.

A motion was made by Vice President BIGGANE to approve the 2020 Board meeting schedule as presented, to authorize Fund staff to process benefits on a monthly basis ratified by the Board on quarterly basis and to authorize quarterly reporting of financial information. Trustee LUX seconded the motion.

Motion carried by the following roll call:

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

Fiduciaries Diversity Policy/Businesses Diversity Policy/Minority Broker-Dealer Policy

The Executive Director distributed copies of the Fund’s Fiduciaries Diversity, Businesses Diversity and Minority Broker-Dealer Policies as reviewed by Fund Counsel. The Trustees reviewed and discussed their support for the policies.

A motion was made by President AFFOLTER to approve the Fund’s Fiduciaries Diversity, Businesses Diversity and Minority Broker-Dealer Policies as presented. Trustee MUNIZZI seconded the motion.

Motion carried by the following roll call:

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

Other

Fund Auditor – The Executive Director reported that he has executed an engagement letter approved by Fund Counsel with Baker Tilly, the Fund’s new auditor. He also reported that he and Jaime McCabe, the Fund’s Comptroller, had met with Baker Tilly to begin the planning process for the 2019 audit.

Upcoming events – The Executive Director noted that the Fund’s current asset allocation will be reviewed with the fund’s investment consultant at the January Board meeting.

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. 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 ATTORNEY

None

REPORT OF THE ACTUARY

None

REPORT OF THE INVESTMENT CONSULTANT

Mr. Michael Spychalski and Mr. Kevin Anderson of Marquette Associates distributed the Preliminary Monthly Update report as of November 30, 2019, featuring investment performance, market environment analysis, asset allocation, rebalancing and individual investment manager performance. Mr. Spychalski also distributed a report entitled “Custom Cash Securitization” prepared by Parametric and a report entitled “Illinois Sustainable Investing legislative Update” prepared by Marquette Associates. The Trustees and the Investment Consultant reviewed and discussed the reports. The process of putting an investment manager on alert status and the concept of reinvesting distributions from the Ullico Infrastructure Taxable Fund, L.P. were also discussed.

A motion was made by Vice President BIGGANE to put Denali Advisors, an International Equity investment manager, on alert status due to poor performance. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

A motion was made by Vice President BIGGANE to amend the Fund’s Investment Policy to contain language recommended by Marquette Associates in their report entitled “Illinois Sustainable Investing Legislative Update”, subject to the approval of Fund Counsel. Trustee LUX seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

A motion was made by Trustee LUX to elect to reinvest distributions from the Ullico Infrastructure taxable Fund, L.P. and to authorize the Executive Director to execute the reinvestment election form. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

A motion was made by Trustee MUNIZZI 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, MUNIZZI, PRADO

NAYS: None

REPORT OF THE LOBBYIST

None

OLD BUSINESS

None

NEW BUSINESS

None

ADJOURNMENT

There being no further business, Trustee PRADO 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, January 16, 2020** at 9:30 A.M. in the Judith A. Flaherty Conference Room on the 27th floor of the 55 East Monroe Street Building, Suite 2720, Chicago, Illinois, 60603.

Respectfully submitted,



FRANK HODOROWICZ
Secretary