

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
REGULAR BOARD MEETING
THURSDAY, AUGUST 20, 2020

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

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

ROLL CALL

Trustees present:

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

PAMELA A. MUNIZZI, Trustee
(Participated by telephone)
STEVEN J. LUX, Trustee
CECILIA PRADO, Trustee

Also Present:

DEAN J. NIEDOSPIAL, Executive Director
JAIME L. MCCABE, Comptroller
MICHAEL SPYCHALSKI, Marquette Associates (entered during the REPORT OF THE ACTUARY)

REPORT OF THE ELECTION MONITOR

Mr. Tim Walsh of Governmental Business Systems, the Fund's Election Monitor, presented a letter of notification of the results of the election for Trustee of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago held on July 24, 2020 which indicated Brian Biggane as the winner.

A motion was made by Secretary HODOROWICZ to accept the official REPORT OF THE ELECTION MONITOR. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Mr. Walsh departed.

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

REORGANIZATION OF THE BOARD

President AFFOLTER 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 AFFOLTER announced that nominations for the office of President were open. Trustee LUX nominated EDWARD L. AFFOLTER for President of the Retirement Board, and the nomination was seconded by Trustee HODOROWICZ. There being no further nominations, the nominations were closed and Trustee AFFOLTER 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 AFFOLTER announced that nominations for the office of Vice President were open. Trustee HODOROWICZ nominated BRIAN BIGGANE for Vice President of the Retirement Board, and the nomination was seconded by Trustee DUGGAN. There being no further nominations, the nominations were closed and Trustee BIGGANE 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 AFFOLTER announced that nominations for the office of Secretary were open. Vice President BIGGANE nominated FRANK HODOROWICZ for Secretary of the Retirement Board, and 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 AFFOLTER announced that nominations for the office of Secretary Pro-Tem were open. Secretary HODOROWICZ nominated MATTHEW DUGGAN for Secretary Pro-Tem of the Retirement Board, and the nomination was seconded by Vice President BIGGANE. There being no further nominations, the nominations were closed and Trustee DUGGAN 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 AFFOLTER 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 HODOROWICZ and STEVEN J. LUX

A motion was made by Vice President BIGGANE to approve the appointment of EDWARD L. AFFOLTER, FRANK HODOROWICZ and STEVEN J. LUX to the Personnel Committee. Trustee DUGGAN 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 LUX to approve the minutes of the regular Board meeting held on Thursday, July 16, 2020. Vice President BIGGANE 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 a recent FOIA request.

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

Motion carried by the following roll call:

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

NAYS: None

BENEFIT DATA**Annuities Granted**

Applications for Service and Employees' Spousal Annuities as listed in Section IV (A) of the Benefit Data, dated March 19, 2020, April 16, 2020, May 21, 2020, June 18, 2020, July 16, 2020 and August 20, 2020, were presented to the Board with the recommendation for approval based upon the report of the President as to the eligibility of the applicants and the correctness of the amount of annuities and benefits indicated.

President AFFOLTER moved ratification of the Applications for Service and Employees' Spousal Annuities to the Omnibus.

Disabilities Granted

Applications for Ordinary and Duty Disability Benefits as listed in Section IV (B) of the Benefit Data, dated February 29, 2020, March 31, 2020, April 30, 2020, May 31, 2020, June 30, 2020 and July 31, 2020, were presented to the Board for approval.

President AFFOLTER moved ratification of the Ordinary and Duty Disability Benefits to the Omnibus.

Annuities in Force

The Secretary asked the Trustees to consider the statement of annuity benefit requirements for the months of March 2020, April 2020, May 2020, June 2020 July 2020 and August 2020 in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$6,332,122.38, \$6,358,296.74, \$6,320,689.45, \$6,308,951.56, \$6,387,412.61 and \$6,371,939.21, respectively.

President AFFOLTER moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$6,332,122.38, \$6,358,296.74, \$6,320,689.45, \$6,308,951.56, \$6,387,412.61, and \$6,371,939.21 to the Omnibus.

Report on Death Claims

The following report, Section IV (D) was submitted for ratification as indicated:

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>	<u>To Whom Payable</u>
Thomas McGuire Plumber Annuitant, 6-089520	10/01/19	\$ 3,000.00 Death Benefit	John T. McGuire, Personal Representative
Vera Cassata Senior Clerk Annuitant, 6-079500	12/25/19	\$ 3,000.00 Death Benefit	Deborah Cassata, Designated Beneficiary
Julie Ann White Art Craft Instructor Annuitant, 6-091280	02/19/20	\$ 3,000.00 Death Benefit	Lachelle Bowens, Designated Beneficiary
Jacque J. Garceau Stationary Engineer Annuitant, 6-097030	02/10/20	\$ 3,000.00 Death Benefit 300.00 Optional Death Benefit <u>\$ 3,300.00</u>	Maria Garceau, Surviving Spouse

Richard Vasile Auto Checker Annuitant, 6-083520	01/07/20	\$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Judith Vasile, Surviving Spouse
Gerald L. Tourville Park Supervisor of Recreation Annuitant, 6-090540	03/14/20	\$ 3,000.00	Death Benefit	Claudette Y. Tourville, Surviving Spouse
Bobby Lester Laborer Annuitant, 6-083350	04/05/20	\$ 3,000.00	Death Benefit	Laverne Pettis, Designated Beneficiary
George F. Wolf Trades Coordinator Annuitant, 6-078170	03/16/20	\$ 3,000.00	Death Benefit	Marian Beth Manheim Tinney and Carole Manheim Warcop, Co-Trustees
Gladys Caldwell Attendant Annuitant, 6-010431	04/08/20	\$ 3,000.00	Death Benefit	Anna M. Simmons, Designated Beneficiary
Dante DiMenna General Foreman of Trades Annuitant, 6-085840	03/06/20	\$ 3,000.00	Death Benefit	Maria O'Brien and Daniel G. DiMenna, Designated Beneficiaries
Arthur Nimz Construction Coordinator Annuitant, 6-082320	04/28/20	\$ 3,000.00	Death Benefit	Sandra Nimz, Designated Beneficiary
O.V. Ola Fisher Attendant Annuitant, 6-083870	02/16/20	\$ 3,000.00	Death Benefit	Curtis Bill, Verna Bill, Pamela Hughes, Rachell Fisher & Jacquelyn Fisher-Blunt, Designated Beneficiaries
Lawrence Moser Facilities Manager Employee, 62089	04/11/20	\$ 17,118.03 10,000.00 <u>300.00</u> <u>\$ 27,418.03</u>	Refund of AI Death Benefit Optional Death Benefit	Darlene Moser, Surviving Spouse
Guadalupe Falcon Artcraft Instructor Annuitant, 6-010504	04/19/20	\$ 3,000.00	Death Benefit	Minerva Falcon, Surviving Spouse
Luis Gonzales Insulation Worker Employee, 65138	03/24/20	\$ 6,849.89 <u>6,000.00</u> <u>\$ 12,849.89</u>	Refund of AI Death Benefit	Laura M. Gonzales, Surviving Spouse
Paul Cruse Director of Internal Investigation Annuitant, 6-08605	03/09/20	\$ 3,000.00	Death Benefit	Paul Cruse, Jr., Designated Beneficiary
Gilbert Lee Clark Assistant Engineer Annuitant, 6-078990	04/20/20	\$ 3,000.00	Death Benefit	Carolyn Pieza and Brian Clark, Designated Beneficiaries
Vincent DeNardo Laborer Annuitant, 6-010918	05/20/20	\$ 3,000.00	Death Benefit	Jason M. DeNardo, Designated Beneficiary

Lorraine Tropper Physical Instructor Annuitant, 6-087250	05/11/20	\$ 3,000.00	Death Benefit	Lynn Cavalier and William Tropper, Designated Beneficiaries
William McCoy Account Supervisor Annuitant, 6-010222	03/19/20	\$ 3,000.00	Death Benefit	Victoria McCoy, Sarah McCoy & Ashlee McCoy, Designated Beneficiaries
NOTE: Ashlee McCoy has not yet returned her applications. This case will remain open until receipt of the completed forms.				
Elizabeth Ragan Field Attendant Annuitant, 6-083850	03/22/20	\$ 3,000.00	Death Benefit	Christine E. Randin, Designated Beneficiary
Bernice Padgurskis Attendant Annuitant, 6-088090	05/10/20	\$ 3,000.00	Death Benefit	David J. Padgurskis, Mark A. Padgurskis and Charles D. Padgurski, Designated Beneficiaries
Carroll W. Guise Rigger Employee, 55145	10/09/09	\$ 7,014.71 <u>10,000.00</u> <u>\$ 17,014.71</u>	Refund of AI Death Benefit	Regina Guise, Surviving spouse
Robert Piotrowski Stationary Engineer Class 2 Annuitant, 6-073690	06/09/20	\$ 3,000.00	Death Benefit	Diane S. Pienkos, Designated Beneficiary
Robert Cawley Floriculturist Annuitant, 6-081910	06/20/20	\$ 3,000.00	Death Benefit	Kelly Chester, Designated Beneficiary
Joan F. Janda Fiscal Analyst Class I Annuitant, 6-077310	06/16/20	\$ 3,000.00	Death Benefit	Thomas S. Quinlan, Designated Beneficiary
Martha O'Brien Music Instructor Annuitant, 6-072250	04/03/20	\$ 3,000.00	Death Benefit	Annemarie Maciorowski, Designated Beneficiary
Kenneth Reingruber Accounting Clerk Annuitant, 6-096870	01/27/20	\$ 300.00	Optional Death Benefit	Helen Reingruber, Surviving Spouse
Total amount of death claims submitted for approval		<u>\$130,182.63</u>		

The information in the files supporting these claims and the facts relative hereto have been gathered in the office of the Retirement Board. Based on this information, the Executive Director certifies to the correctness and validity of the above claims.

President AFFOLTER moved ratification of the Report on Death Claims to the Omnibus.

Applications for Refunds – over \$5,000

Application for refund of pension contributions, Section IV (E), involving payment in excess of \$5,000 were received from the following former employees of the Chicago Park District and presented to the Board by the Secretary:

<u>Name and Occupation</u>	<u>Amount</u>	<u>Age</u>	<u>Years of Service</u>
Don Buzzard , Lifeguard	\$ 9,293.46	53	4.25
Tony Carrasco , Natatorium Instructor	9,640.94	26	4.25
James Chambers , Lifeguard	17,699.13	37	8.75
Markita Earving , Attendant	21,895.99	34	9.25
Brittany Hogen , Physical Instructor	22,590.03	31	5.75
Josefina Jacobo , Attendant	15,113.13	66	8.50
Carol Kim , Project Manager	16,472.17	30	3.00
Kelsey Leake , Junior Tree Surgeon	21,227.13	29	4.25
Joseph Molina , Security Guard (per QILDRO ex-wife received half of the amount)	6,454.40*	52	4.00
Angelica Reyes , Lifeguard	5,539.58	24	2.75
Devin Rigolino , Project Manager	15,896.74	29	3.25
Julian Santos , Junior Tree Surgeon	21,726.59	29	4.25
Natashee Scott , Counsel	6,299.16	39	1.25
Erich Sprague , Senior Landscape Technician	21,382.36	38	5.50
Nicholas Stamates , Program Specialist	29,567.93	37	6.75
Terrence Tounsel , Compliance Officer	16,333.73	30	4.00
Zhanna Yermakov , Project Manager	<u>60,748.22</u>	41	9.75
Total:	<u>\$ 317,880.69</u>		

The preceding individuals were duly informed regarding the effect of their refunds on their rights in the Fund and were given full explanation to the credit they would be forfeiting by acceptance of the refunds.

President AFFOLTER moved ratification of the Applications for Refunds over \$5,000 to the Omnibus.

Refunds of Spouse's Annuity Deduction – over \$5,000

Application for refund of the following spousal annuity deductions are submitted for ratification by the Trustees. These employees are unmarried at the date of his/her retirement and are entitled to these refunds.

<u>NAME</u>	<u>AGE</u>	<u>YEARS OF SERVICE</u>	<u>AMOUNT</u>
Franca Sambucaro	65	24.00 years	\$ 7,958.39
Hector J. Escudero	64	34.75 years	10,422.81
Humberto Ortiz	55	30.00 years	11,751.82
Guadalupe Pedroza	68	20.50 years	6,491.24
Mary A. Hart	64	26.00 years	6,760.20
Kenneth J. Madura	61	39.50 years	23,134.49
Glenn M. Alexander	70	32.25 years	14,799.04
Brian Johnson	62	30.50 years	9,061.71
Larry Shulich	71	46.50 years	<u>11,969.16</u>
Total			<u>\$ 102,348.86</u>

President AFFOLTER moved ratification of the refunds of Spouse's Annuity Deductions over \$5,000 to the Omnibus.

Nursing Home Care

None

FINANCIAL DATA

Expenditure Report

Disbursements as listed in Section V (A) of the Financial Data, dated March 19, 2020, April 16, 2020, May 21, 2020, June 18, 2020, July 16, 2020 and August 20, 2020, were presented to the Board for approval.

Trustee LUX moved ratification of the Expenditure Report to the Omnibus.

Summary of Investment Fees, Administrative, and General Expenses

Investment Fees, Administrative and General Expenses as listed in Section V (B) of the Financial Data, as of March 31, 2020 and June 30, 2020, were presented to the Board for ratification.

Trustee LUX moved ratification of the Summary of Investment Fees, Administrative and General Expenses to the Omnibus.

Cash Account - Reconciliation and Cash Flow Report

Cash Account – Reconciliation and Cash Flow Report as listed in Section V (C) of the Financial Data, as of March 19, 2020, April 16, 2020, May 21, 2020, June 18, 2020, July 16, 2020 and August 20, 2020, were presented to the Board for approval. The Trustees discussed maintaining the cash balance in the Northern Trust STIF account in accordance with the Fund's investment policy.

Trustee LUX moved ratification of the Reconciliation and Cash Flow Report to the Omnibus.

Summary of the Trial Balance (unaudited)

Summary of the Trial Balance (unaudited), Section V (D) as of March 31, 2020 and June 30, 2020, show ending net assets of \$325,436,609.13 and \$336,415,860.73, respectively.

Trustee LUX moved ratification of the Summary of the Trial Balance (unaudited) to the Omnibus.

INVESTMENTS

The following reports as listed in Section VI (B) dated March 31, 2020 and June 30, 2020, are presented to the Board for acceptance:

Market Value of Investments Owned	VI (B) 1
Fixed Income	VI (B) 2
Equity Advisors	VI (B) 3

Alternative Investments
Real Estate and Other

VI (B) 4
VI (B) 5

Official copies of the preceding have been placed on file and made a part of the "Minutes" of this meeting.

There were no significant activities in the investment accounts.

President AFFOLTER moved ratification of the Investments to the Omnibus.

MOTION TO ACCEPT ITEMS TRANSFERRED TO THE OMNIBUS

A motion was made by Trustee PRADO to ratify the foregoing reports as part of the Omnibus. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

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 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.

Securities Litigation

The Executive Director reported that he was deposed on July 23, 2020 regarding the Endo securities litigation matter.

Compensation Study

The Executive Director distributed copies of proposals from qualified consulting firms to perform a compensation study for the Fund. The Trustees and the Executive Director reviewed the proposals.

A motion was made by Vice President BIGGANE to appoint The Overture Alliance to perform a compensation study for Fund staff at a cost not to exceed \$10,000. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Tax Levy Requirement Letter

The Executive Director presented to the Trustees the Tax Letter Requirement Letter to the Chicago Park District Board of Commissioners for 2021. He noted that the letter contains the amount as prescribed in the Illinois Pension Code and indicates the annual Actuarially Determined Contributions as determined by the Fund's Actuary.

A motion was made by Secretary HODOROWICZ to approve submission of the Tax Levy Requirement Letter for 2021 to the Chicago Park District Board of Commissioners. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Viacom-CBS Merger Securities Litigation Legal Fees

The Executive Director reported that Fund Counsel had accumulated \$4,104.00 in legal fees representing the Fund in the Viacom-CBS Merger securities litigation matter.

A motion was made by Vice President BIGGANE to approve Fund Counsel's invoices, to be billed to Robbins Geller Rudman & Dowd, LLP, lead counsel in the Viacom-CBS Merger securities litigation matter, in the amount of \$4,104.00. President AFFOLTER seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Other

Fiduciary Responsibility and Ethics Training – The Executive reported he is in the process of scheduling a September or October 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.

Chicago Park District PPRT – The Executive Director reported that the Fund received \$3.2 million on July 24, 2020, of its share of the Chicago Park District PPRT and that the Fund expects to receive an additional advance of \$2.36 million of PPRT on August 21, 2020.

Conferences – The Executive Director distributed 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, MUNIZZI, PRADO

NAYS: None

REPORT OF THE AUDITOR

Mr. Jason Coyle of Baker Tilly, the Fund's Auditor, presented the Fund's Financial Report for the years ended December 31, 2019 and 2018, as well as a report entitled "Reporting and Insights from 2019 audit". Mr. Coyle reviewed the reports and responded to numerous questions raised by the Trustees.

A motion was made by Trustee DUGGAN to accept the REPORT OF THE AUDITOR. President AFFOLTER seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Mr. Coyle departed.

REPORT OF THE ACTUARY

Mr. Matthew Strom of the Segal Company, the Fund's Actuary, distributed the Fund's Actuarial Valuation and Review as of December 31, 2019. The valuation was reviewed, and Mr. Strom responded to numerous questions from the Trustees.

A motion was made by Trustee DUGGAN to accept the Report of the Actuary. President AFFOLTER seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Mr. Strom departed.

REPORT OF THE INVESTMENT CONSULTANT

Mr. Michael Spsychalski of Marquette Associates, the Fund's Investment Consultant, distributed the Preliminary Monthly Update report as of July 31, 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. Mr. Spsychalski also discussed with the Trustees a notice from IFM Investors, one of the Fund's infrastructure investment managers, to give the Fund the opportunity to consent to have its committed capital drawn to fund outstanding redemption requests.

A motion was made by Secretary HODOROWICZ to authorize the Executive Director to execute a consent to allow the Fund's committed capital to be drawn to fund outstanding redemption requests for the IFM Global Infrastructure Fund. President AFFOLTER 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 DUGGAN 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

OLD BUSINESS

None

NEW BUSINESS

None

ADJOURNMENT

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

The next regular meeting of the Retirement Board will be on **Thursday, September 17, 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