

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
RE-SCHEDULED BOARD MEETING
THURSDAY, SEPTEMBER 26, 2019

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

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

ROLL CALL

Trustees present:

MATTHEW DUGGAN, Trustee
BRIAN BIGGANE, Vice President
FRANK HODOROWICZ, Secretary

STEVEN J. LUX, Trustee
CECILIA PRADO, Trustee

Also Present:

DEAN J. NIEDOSPIAL, Executive Director
MICHAEL SPYCHALSKI, Marquette Associates (departed after the REPORT OF THE INVESTMENT CONSULTANT)
TAYLOR MUZZY, Jacobs, Burns, Orlove & Hernandez, Fund counsel (entered during the REPORT OF THE INVESTMENT CONSULTANT and stayed until the end of the meeting).

Trustees Absent:

EDWARD L. AFFOLTER, President
PAMELA A. MUNIZZI, Trustee

MINUTES OF THE LAST MEETING

A motion was made by Trustee LUX to approve the minutes of the regular Board meeting held on Thursday, August 15, 2019. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

YEAS: BIGGANE, DUGGAN, HODOROWICZ, LUX, PRADO
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. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

REPORT OF THE EXECUTIVE DIRECTOR

Request for Proposal (“RFP”) for New Fund Auditor

The Executive Director distributed four proposals in response to the Fund’s RFP to be the Fund’s Auditor as well as an executive summary of the proposals. The Trustees and the Executive Director reviewed the proposals in detail.

A motion was made by Vice President BIGGANE to invite Legacy Professionals LLP and Baker Tilly to make presentations at the October 17, 2019 Board meeting. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

Approval of Conference Schedule

The Executive Director presented the Fund’s 2020 Conference schedule. The Trustees reviewed the schedule.

A motion was made by Vice President BIGGANE to approve the attendance of any of the Trustees or the Executive Director at any of the conferences in 2020 on the Fund’s Conference Schedule subject to limitations the Fund’s Rules and Regulations, Ethics Policy and Travel Policy. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

Other

Comprehensive Annual Financial Report (CAFR) – The Executive Director distributed copies of the Fund’s CAFR as of December 31, 2018 to the Trustees.

Fiduciary Responsibility and Ethics Training – The Executive Director distributed a copy of the Fund’s Ethics Policy to the Trustees and noted 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 Board meeting.

Senate Hearings – The Executive Director reported that he, the Fund’s Investment Consultant, Marquette Associates, and possibly President AFFOLTER will attend a hearing and present a report on the Fund’s use of minority and female-owned investment managers and broker/dealers to the Illinois Senate Special Committee on State and Pension Fund Investments on Wednesday, October 23rd. The Executive Director and the Trustees discussed the importance of continuing to support minority and female-owned investment managers, brokers and businesses.

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

Motion carried by the following roll call:

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

REPORT OF THE ATTORNEY

None

REPORT OF THE ACTUARY

None

REPORT OF THE INVESTMENT CONSULTANT

Mr. Michael Spsychalski of Marquette Associates distributed the Preliminary Monthly Update report as of August 31, 2019, featuring investment performance, market environment analysis, asset allocation, rebalancing and individual investment manager performance. The report was reviewed in detail and the Investment Consultant responded to numerous questions raised by the Trustees.

Investment Manager Presentation

Mr. James DeZellar and Mr. Curt Mitchell of Chicago Equity Partners, one of the Fund’s fixed income managers, presented a report dated September 26, 2019 to the Trustees. Mr. DeZellar and Mr. Mitchell reviewed the firm’s investment philosophy, investment process and performance and responded to numerous questions raised by the Trustees.

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

Motion carried by the following roll call:

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

REPORT OF THE LOBBYIST

None

EXECUTIVE SESSION

A motion was made by Trustee LUX to go into Executive Session for the purpose of discussing a recommendation of the Personnel Committee. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

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

A motion was made by Vice President BIGGANE to return to open session. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

A motion was made by Vice President BIGGANE to authorize the Executive Director to extend an offer of employment to Erik Hernandez to be the Fund's Benefits Manager in accordance with the terms as discussed in Executive Session. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

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

OLD BUSINESS

None

NEW BUSINESS

None

ADJOURNMENT

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

The next regular meeting of the Retirement Board will be on **Thursday, October 17, 2019** 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