

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
SCHEDULED BOARD MEETING
THURSDAY, NOVEMBER 19, 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 A.M.

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
(Participated by telephone)

Also Present:

DEAN J. NIEDOSPIAL, Executive Director
MICAHEL 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, October 15, 2020. Trustee LUX seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

A motion was made by Vice President BIGGANE to approve the Executive Session minutes of the regular Board meeting held on Thursday, October 15, 2020. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

REPORT OF THE COMMITTEES**COMMUNICATIONS**

None

BENEFIT DATA**Annuities Granted**

Applications for Service and Employees' Spousal Annuities as listed in Section IV (A) of the Benefit Data, dated September 17, 2020, October 15, 2020, and November 19, 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 amounts of annuities and benefits indicated.

Trustee MUNIZZI 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 August 31, 2020, September 30, 2020, and October 31, 2020, were presented to the Board for approval.

Trustee MUNIZZI 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 September 1, 2020, October 1, 2020, and November 1, 2020, in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$6,380,792.73, \$6,366,232.27, and \$6,333,454.96 respectively.

Trustee MUNIZZI moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$6,380,792.73, \$6,366,232.27, and \$6,333,454.96 to the Omnibus.

Report on Death Claims

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>	<u>To Whom Payable</u>
Fred Daniels Garage Attendant Annuitant, 6-081030	06/10/20	\$ 3,000.00	Death Benefit Kathy Daniels, Designated Beneficiary
James Rizzo Director of Landscape Annuitant, 6-070260	02/27/20	\$ 3,000.00	Death Benefit Alice G. Rizzo, Designated Beneficiary
Rosanna Rickett Art Craft Instructor Employee, 64473	07/13/20	\$ 6,000.00 <u>32,514.23</u> <u>\$ 38,514.23</u>	Death Benefit Refund of Employee Contributions Michael, William, Theresia, Charlotte, Gloria, James & Christopher Rickett, Designated Beneficiaries
Charles L. Bryers Cable Splicer Annuitant, 6-094450	04/01/20	\$ 3,000.00	Death Benefit Maureen Bryers-Schroeder, Trustee

Richard Snyder Sr. Animal Keeper Annuitant, 6-088120	11/02/17	\$ 3,000.00	Death Benefit	Kenneth Paul Snyder, Administrator
Clyde Lee Johnson Physical Instructor Annuitant, 6-010588	06/01/20	\$ 3,000.00	Death Benefit	Shirley A. Williams Johnson, Designated Beneficiary
Esther Moore Physical Instructor Annuitant, 6-010648	08/24/20	\$ 3,000.00	Death Benefit	Ruthie Moore, Designated Beneficiary
Ernest B. Harris Security Guard Annuitant, 6-010491	07/07/20	\$ 3,000.00	Death Benefit	Sharon L. Harris, Designated Beneficiary
Teresa Wilson Physical Instructor Employee, 55537	07/17/20	\$ 10,000.00 <u>97,193.92</u> <u>\$ 107,193.92</u>	Death Benefit Refund of Employee Contributions	Percy Mack, Sarah R. Wilson, Lee Wilson, Jr. & Sarah L. Brown, Designated Beneficiaries
Quintel Smith Attendant Employee, 66785	03/11/20	\$ 5,000.00 <u>5,993.53</u> <u>\$ 10,993.53</u>	Death Benefit Refund of Employee Contributions	Patricia A. Jones, Designated Beneficiary
Louis C. Raymond Drama Instructor Annuitant, 6-08449	09/23/20	\$ 3,000.00	Death Benefit	Louis C. Raymond II, Designated Beneficiary
James Markowski, Sr. Park Supervisor Annuitant, 6-085570	06/04/20	\$ 3,000.00	Death Benefit	James Markowski, Designated Beneficiary
Raymond Fendler Motor Truck Driver Annuitant, 6-099960	09/04/20	\$ 3,000.00	Death Benefit	Jacqueline Mesec, Michael Fendler & Linda Oskvarek, Designated Beneficiaries
NOTE: Linda Oskvarek has not yet returned her applications. This case will remain open until receipt of the completed forms.				
Lynn Miceli Physical Instructor Annuitant, 6-093570	09/23/20	\$ 3,000.00	Death Benefit	Katie E. Miceli, Designated Beneficiary
Marie Carroll Attendant Annuitant, 6-078520	08/27/20	\$ 3,000.00	Death Benefit	James P. Carroll, Designated Beneficiary
Anthony Barone Field Cashier Annuitant, 6-087340	02/17/20	\$ 3,000.00	Death Benefit	Kelly Barone & Judee Barone, Designated Beneficiaries
NOTE: Judee Barone not yet returned her applications. This case will remain open until receipt of the completed forms.				
Martha C. Brust Attendant Annuitant, 6-099530	10/10/20	\$ 3,000.00	Death Benefit	Susan Pesole, Designated Beneficiary

Anthony Respino Floriculturist Class 1 Annuitant, 6-066860	06/23/20	\$ 3,000.00	Death Benefit	Mildred Emilia Respino, Surviving Spouse
Kathleen McLain Laborer Employee, 61675	07/31/20	\$ 10,000.00 6,645.16 300.00 <u>\$ 16,945.16</u>	Death Benefit Refund of AI Optional Death	Lynn Aderman, Surviving Spouse
James M. Duggan Stadium Manager Annuitant, 6-086660	08/01/20	\$ 3,000.00	Death Benefit	Shirley Ann Duggan, Surviving Spouse
William Thiel Physical Instructor Annuitant, 1-072770	08/01/20	\$ 300.00	Optional Death	Lillian M. Thiel, Surviving Spouse
Eugene J. DaLuga Laborer Annuitant, 1-08023	04/23/20	\$ 300.00	Optional Death	Margaret DaLuga, Surviving Spouse
Delbert Siebert Manager of Nursery Annuitant, 6-064500	08/31/20	\$ 3,000.00	Death Benefit	Esther Siebert, Surviving Spouse
Michael J. Soja, Sr. Composition Roofer Annuitant, 6-011126	09/22/20	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Optional Death	Jacalyn Soja, Surviving Spouse
Total amount of death claims submitted for approval		<u>\$ 228,546.84</u>		

The information in the files supporting these claims and the facts relative thereto 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.

Trustee MUNIZZI moved ratification of the Report on Death Claims to the Omnibus.

Applications for Refunds - over \$5,000

Applications 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>
James Campbell , Security Guard	\$ 11,625.77	51	8.50
Frank Dukes , Physical Instructor	34,012.36	32	8.75
Brittany Frierson , Recreation Leader	10,182.83	33	7.25
Robert Garnett , Special Recreation Leader	5,341.15	33	2.75
Dantrell Gibson , Attendant	8,230.19	27	4.50
Kristina Gozdal , Physical Instructor	14,565.12	36	11.00
Gabriel Loza , Physical Instructor	19,201.58	37	10.75
Sostenes Murillo , Lifeguard- Seasonal	37,626.24	34	13.75

Temitope Odueyungbo , Recreation Leader	5,602.45	22	3.75
Valerie Tucker , Activity Instructor	21,360.95	52	8.25
Michael Vailahi , Lifeguard	7,686.98	25	3.25
Vernon Woodard , Attendant	<u>10,290.85</u>	58	5.25
Total:	<u>\$ 185,726.47</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.

Trustee MUNIZZI 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>
Holly P. Gonzalez	68	32.00 years	\$ 12,309.80
Timothy J. Walsh	63	28.25 years	<u>14,928.63</u>
			<u>\$ 27,238.43</u>

Trustee MUNIZZI moved ratification of the Refunds of Spouse's Annuity Deductions over \$5,000 to the Omnibus.

Membership Statistics (informational only)

	<u>11/9/20</u>	<u>12/31/19</u>	<u>12/31/18</u>
Chicago Park District participants	3,132	3,132	3,187
Participants contributing to PEABF for pay period ending October 28, 2020 (Tier II approx. 1,577 or 50.35%)	2,672	2,778	2,852
Participants on Disability	21	28	18
Fund employee participants	9	9	10
Total participants as of last payroll	2702	2,815	2,880
Retired employees	2,120	2,144	2,136
Surviving spouses	646	686	706
Children	11	13	12
Total receiving benefits	2,798	2,843	2,854
Retirement during the year (including spousal)	70	131	133
Death among retirees (including spousal)	137	142	156
New Members	89	320	421
Withdrawals with refund	86	165	182

Trustee MUNIZZI moved ratification of the Membership Statistics to the Omnibus.

FINANCIAL DATA**Expenditure Report**

Disbursements as listed in Section V (A) of the Financial Data, dated August 31, 2020, September 30, 2020, and October 31, 2020 were presented to the Board for approval.

Vice President BIGGANE moved ratification of the Expenditure Reports 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 September 30, 2020, were presented to the Board for ratification.

Vice President BIGGANE 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 August 31, 2020, September 30, 2020, and October 31, 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.

Vice President BIGGANE moved ratification of the Reconciliation and Cash Flow Reports to the Omnibus.

Summary of the Trial Balance (unaudited)

Summary of the Trial Balance (unaudited), Section V (D) as of September 30, 2020, shows ending net assets of \$333,795,784.23.

Vice President BIGGANE moved ratification of the Summary of the Trial Balance (unaudited) to the Omnibus.

INVESTMENTS

The following reports as listed in Section VI (B) September 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	VI (B) 4
Real Estate Accounts	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.

Trustee LUX moved ratification of the investment reports 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, HODOROWICZ, DUGGAN,
LUX, MUNIZZI, PRADO

NAYS: None

REPORT OF THE EXECUTIVE DIRECTOR**Office Lease**

Mr. Jose Colon of Jameson Real Estate Commercial Division entered the Board room. Mr. Colon distributed an analysis of the Fund's Current Lease and Future Rents and a list of potential relocation sights. Mr. Colon and the Trustees reviewed the information and discussed the current Chicago area real estate market including the Fund's numerous opportunities in consideration of the Fund's one-time option to terminate the Fund's office lease effective as of April 30, 2022.

Mr. Colon exited the Board room.

Approval of Continuing Education Session to Count Towards Annual Requirement

The Executive Director and the Trustees discussed the importance of continuing education and the minimum annual requirement of eight hours.

A motion was made by President AFFOLTER to approve allowing the content of the October 15, 2020 Continuing Education Session presented by Fund Counsel to count as hours towards the Trustees' annual requirement of 8 hours of continuing education. Secretary HODOROWICZ seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Appointment of the Auditor

The Executive Director distributed to the Trustees a letter dated November 22, 2019 from Baker Tilly which outlines the terms and fees of the audit engagement for the audit years ending December 31, 2019 through 2023, specifically, December 31, 2020 at a fee of \$29,450, the same as the previous year's fee.

A motion was made by Secretary HODOROWICZ to appoint Baker Tilly as Fund Auditor for the year ending December 31, 2020 at a fee of \$29,450 subject to Fund Counsel's approval of an appropriate engagement letter. Vice President BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

PRESENT: LUX

Fund Lobbyist

The Executive Director distributed a proposal for a two-year agreement submitted by the Fund's lobbyist, James Brosnahan, with a fee of \$36,000 for 2021, the same fee since 2018, and a fee of \$38,000 for 2022.

A motion was made by Secretary HODOROWICZ to authorize the Executive Director to execute the agreement submitted by the Fund's lobbyist, James Brosnahan, with a fee of \$36,000 for 2021 and a fee of \$38,000 for 2022, cancelable by either party with 90 days' notice, subject to approval of the agreement by Fund counsel. President AFFOLTER seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Approval of Fund Counsel Hourly Rate

The Executive Director distributed a letter from Jacobs, Burns, Orlove & Hernandez, Fund Counsel, which proposes an hourly rate of \$275 effective January 1, 2021, a \$5 increase over the previous year and a half rate.

A motion was made by Trustee LUX to approve the request of Jacobs, Burns, Orlove & Hernandez, Fund Counsel, to increase their hourly rate to \$275. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Actuarial and Consulting Services

The Executive Director distributed to a letter dated December 5, 2019 from Segal Consulting which outlines the terms and fees to provide actuarial valuation services of for the years ending December 31, 2019 through 2022, specifically, December 31, 2020 at a fee of \$49,400, the same as the previous year's fee.

A motion was made by Secretary HODOROWICZ to appoint Segal Consulting Fund Actuary for the year ending December 31, 2020 at a fee of \$49,400 subject to Fund Counsel's approval of an appropriate agreement. Vice President BIGGANE seconded the motion.

Motion carried by the following roll call:

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

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 working from the Fund office as necessary and working remotely when appropriate, sensitive to recent Covid-19 outbreaks.

Approval of Conference Schedule

The Executive Director presented the Fund's 2021 Conference schedule. The Trustees reviewed the schedule.

A motion was made by Vice President BIGGANE to approve the attendance, virtually or in person, of any of the Trustees or the Executive Director at any of the conferences in 2021 on the Fund's Conference Schedule subject to limitations imposed within the Fund's Rules and Regulations, Ethics Policy or Travel Policy. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Other

Chicago Park District PPRT - The Executive Director reported that the Fund expects to receive a \$3.004 million payment on October 16, 2020, of its share of the Chicago Park District PPRT.

Senate Hearings - The Executive Director reported that he and Marquette Associates will participate in a virtual hearing and present a report on the Fund's use of minority and female-owned investment managers and broker/dealers to the Illinois State Senate Special Committee on State and Pension Fund Investments in December, exact date to be determined. The Executive Director and the Trustees discussed the importance of continuing to support minority and female-owned investment managers, brokers, and businesses.

Illinois Department of Insurance – The Executive Director distributed a publication from the Illinois Department of Insurance which outlines the annual earnings, salary, or wages maximum for the Fund's Tier II employees for 2021 as well as the unadjusted change in the CPI-U over the last 12 months. He noted that this information has been forwarded to the appropriate Chicago Park District staff.

A motion was made by Trustee LUX to go into Executive Session for the purpose of discussing the status of current litigation. Motion was seconded by Vice President BIGGANE.

Motion carried by the following roll call:

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

NAYS: None

A motion was made by Secretary HODOROWICZ to return to Open Session. Motion was seconded by President AFFOLTER.

Motion carried by the following roll call:

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

NAYS: None

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

Motion carried by the following roll call:

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

NAYS: None

REPORT OF THE ACTUARY

None

REPORT OF THE ATTORNEY

None

REPORT OF THE LOBBYIST

None

REPORT OF THE INVESTMENT CONSULTANT

Mr. Michael Spsychalski of Marquette Associates, the Fund's Investment Consultant, entered the Board room and distributed the Preliminary Monthly Update report as of October 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 the status of Denali Advisors, one of the Fund's international equity investment managers.

A motion was made by Trustee PRADO to move funds from the Denali Advisors international equity account to the NTGI ACWI ex. U.S. account if necessary due to possible account administrative restructuring. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Investment Manager Presentation

Mr. James DeZellar and Mr. Curt Mitchell of Mesirow Financial Services, formerly Chicago Equity Partners, one of the Fund's fixed income managers, presented a Client Summary for the 3rd Quarter 2020 to the Trustees. Mr. DeZellar and Mr. Mitchell reviewed the report and addressed the transition from Chicago Equity Partners to Mesirow Financial Services. They also reviewed the firm's investment philosophy, investment process and performance and responded to numerous questions raised by the Trustees.

Mr. James DeZellar and Mr. Curt Mitchell exited the Board meeting.

After a brief discussion, Mr. Spsychalski exited the Board room.

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, HODOROWICZ, DUGGAN,
LUX, PRADO

NAYS: None

OLD BUSINESS

None

NEW BUSINESS

The Board discussed the compensation and performance of Fund staff.

ADJOURNMENT

There being no further business, Trustee DUGGAN 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, December 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