

RECORD OF PROCEEDINGS  
of the  
RETIREMENT BOARD (the "BOARD") of the  
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")  
REGULAR BOARD MEETING  
THURSDAY, JULY 15, 2021

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\*  
STEVEN J. LUX, Trustee\*  
(Participated by phone)

\* Departed the meeting prior to the Report of the Investment Consultant

Also Present:

STEVE SWANSON, Executive Director  
JOSEPH BURNS, Jacobs, Burns, Orlove & Hernandez LLP, Fund Counsel  
MICHAEL SPYCHALSKI, Marquette Associates  
FRANK ZUREK, LaSalle Consulting Partners, Inc.  
JAMES BROSNAHAN, Fund Lobbyist

Trustee absent:

CECILIA PRADO, Trustee

**REPORT OF THE ELECTION MONITOR**

A letter from Mr. Tim Walsh of Governmental Business Systems, the Fund's Election Monitor, was presented as 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 June 25, 2021, which indicated Edward L. Affolter 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

NAYS: None

President AFFOLTER 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 BIGGANE nominated EDWARD L. AFFOLTER for President of the Retirement Board, and the nomination was seconded by Trustee MUNIZZI. 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

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

NAYS: None

**Secretary**

President AFFOLTER announced that nominations for the office of Secretary were open. Trustee DUGGAN 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

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 President AFFOLTER. 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

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 Secretary HODOROWICZ to approve the appointment of EDWARD L. AFFOLTER, FRANK HODOROWICZ and STEVEN J. LUX to the Personnel Committee. Vice President BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

### **MINUTES OF THE LAST MEETING**

A motion was made by Vice President BIGGANE to approve the minutes of the regular Board meeting held on Thursday, June 17, 2021. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

### **READING OF COMMUNICATIONS**

None

### **REPORT OF THE EXECUTIVE DIRECTOR**

The Executive Director provided the Trustees an update on the status of the Fund's search for a new office space.

Frank Zurek, of LaSalle Consulting Partners, Inc., presented the executive summary of the draft recommendations that LaSalle had conducted of the Fund's Information Technology Systems and answered any questions posed by the Trustees.

A motion was made by Secretary HODOROWICZ to accept the Report prepared by LaSalle Consulting Partners Inc. Vice President BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director informed the Trustees that American Eagle had completed all the preparatory work to host the Fund's website and the website would go live with the new hosting service later in the month.

The Executive Director informed the Trustees that the agreement for Information Technology Managed Service Provider with EMPYST had been finalized and executed and the work of transitioning to the new provider would commence later in the month.

A motion was made by Secretary HODOROWICZ to accept the agreement for Information Technology Managed Service Provider with EMPYST and the related expenses. Vice President BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director reviewed the draft request for proposals for a Pension Administration System Provider with the Trustees and answered any questions the Trustees posed. The Executive Director stated that the request for proposal is in conformity with the recommendations made by LaSalle Consulting Partners, Inc.

A motion was made by Trustee DUGGAN to advertise a request of proposal for the services of a Pension Administration System Provider. Motion was seconded by Trustee MUNIZZI.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director reviewed a proposal provided by the Fund's Bank, Northern Trust, to provide check printing services to the Fund with the Trustees and answered any questions the Trustees posed. The Executive Director stated that the proposal is in conformity with the recommendations made by LaSalle Consulting Partners, Inc.

A motion was made by Vice President BIGGANE to accept the proposal from Northern Trust to provide check printing services. Motion was seconded by Trustee MUNIZZI.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director reviewed a proposal provided by the Fund's Actuary, Segal Company, to provide an impact statement to the Fund regarding House Bill 417 with the Trustees and answered any questions the Trustees posed.

A motion was made by Vice President BIGGANE to accept the proposal from Segal Company to provide an impact statement to the Fund regarding House Bill 417. Motion was seconded by Secretary HODOROWICZ.

Motion carried by the following roll call:

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

NAYS: None

Finally, the Executive Director informed the Trustees of the following: the annuity estimates that had been requested by participants since the June Board meeting; that the Chicago Park District anticipated an estimated \$9.5 million employer contribution to the Fund in the month of July, discussed with the Trustees possible changes to the Fund's Election Policy for future consideration, distributed to the Board the approved 2021 Conference Schedule and highlighted upcoming local conferences, virtual remote conferences and events, and informed the Trustees that the Fund's annual reports to the Department of Insurance and the GFOA had been submitted timely.

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

Motion carried by the following roll call:

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

NAYS: None

### **REPORT OF THE ACTUARY**

None

### **REPORT OF THE ATTORNEY**

Mr. Joseph Burns, the Fund's Legal Counsel discussed the importance of the recommendations made by LaSalle Consulting Partners. Additionally, Mr. Burns discussed the indemnification provided to the Trustees under the Pension Code, specifically regarding fiduciary liability. The Trustees requested Legal Counsel to present a proposed Indemnification Agreement to Board at the August Board meeting for review and possible approval by the Board.

A motion was made by Secretary HODOROWICZ to accept the Report of the Attorney. President AFFOLTER seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

### **REPORT OF THE LOBBYIST**

The Fund's Lobbyist, Mr. James Brosnahan, apprised the Board on the status of House Bill 417, which would provide the Fund actuarially based employer contributions and create a third tier of participants. Mr. Brosnahan stated that House Bill 417 had passed both houses of the Illinois Legislature and the Bill had been sent to the Governor for signature on June 29, 2021.

A motion was made by Secretary HODOROWICZ to accept the Report of the Lobbyist. President AFFOLTER seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

### **REPORT OF THE INVESTMENT CONSULTANT**

Mr. Michael Spychalski of Marquette Associates, the Fund's Investment Consultant, distributed the Preliminary Monthly Update report as of June 30, 2021, and the Quarterly Update Report as of March 31, 2021, featuring investment performance, market environment analysis, asset allocation and individual investment manager performance. The Fund's Investment Consultant discussed with Trustees the Fund's investment portfolio's performance and the performance of specific investment managers.

The Fund's Investment Consultant presented a memorandum to the Board, recommending that the Fund to advertise a request for proposals for Cash Overlay Program Management Services.

A motion was made by Secretary HODOROWICZ to advertise a request for proposals for Cash Overlay Program Management Services. Motion was seconded by Vice President BIGGANE.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ

NAYS: None

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

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, HODOROWICZ

NAYS: None

**OLD BUSINESS**

None

**NEW BUSINESS**

None

**PUBLIC COMMENT**

None

**ADJOURNMENT**

There being no further business, Trustee DUGGAN 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, August 19, 2021**, at 9:30 A.M. in the Judith A. Flaherty Conference Room on the 27<sup>th</sup> floor of the 55 East Monroe Street Building, Suite 2720, Chicago, Illinois, 60603.

Respectfully submitted,



FRANK HODOROWICZ  
Secretary