

**RECORD OF PROCEEDINGS of the
RETIREMENT BOARD (the “Board”) of the
PARK EMPLOYEES’ ANNUITY AND BENEFIT FUND OF CHICAGO (the “Fund”)
REGULAR BOARD MEETING
THURSDAY, JANUARY 18, 2024**

A regular meeting of the Board was held on Thursday, January 18, 2024, at 9:30 a.m. in the Judith A. Flaherty Conference Room on the 4th Floor located at 3500 South Morgan Street, Suite 400, Chicago, Illinois 60609, pursuant to notice.

CALL TO ORDER: The meeting was called to order at 9:31 a.m.

ROLL CALL:

PRESENT: President Edward L. Affolter, Vice President Matthew Duggan, Secretary Frank Hodorowicz, Trustees Cynthia Evangelisti, Joan Coogan and Steven J. Lux

ABSENT: Trustee Brian Biggane

ALSO PRESENT: Executive Director Steve Swanson and Comptroller Jaime L. McCabe, Park Employees’ Annuity and Benefit Fund of Chicago; Attorney Taylor Muzzy, Jacobs, Burns, Orlove & Hernandez LLP; Alli Wallace Stone, Meketa Investment Group; Molly Barker, Lauterbach & Amen, LLP (L&A); Lucy Pesa, James Barrett and Andrew Peck (*arrived at 10:48 a.m.*); Baron Capital Group; Michael Schnakenburg and Anant Goel (*arrived at 11:23 a.m.*), Eventide Investments; Sonu Chawla and Michael Ray (*arrived at 11:50 a.m.*), TimesSquare Capital Management, LLC; Michael Kinney and Matt Renna (*arrived at 12:09 p.m.*), Westfield Capital Management

APPROVAL OF MEETING MINUTES: *December 21, 2023 Regular Meeting:* The Board reviewed the December 21, 2023 regular meeting minutes. A motion was made by Secretary Hodorowicz and seconded by Trustee Evangelisti to approve the December 21, 2023 regular meeting minutes as written. Motion carried unanimously by voice vote.

December 21, 2023 Executive Session: The Board reviewed the December 21, 2023 executive session minutes. A motion was made by Trustee Lux and seconded by Vice President Duggan to approve the December 21, 2023 executive session meeting minutes as written. Motion carried unanimously by voice vote.

READING OF COMMUNICATIONS: Executive Director Swanson noted the recent communications received by the Board.

REPORT OF THE COMMITTEES: No report of the committees was presented.

OTHER REPORTS – EXECUTIVE DIRECTOR: *Pension Administration System:* Executive Director Swanson gave a status update on the pension administration system through Pension Technology Group. He noted that a meeting was held January 16, 2024 regarding the project and that it looks like the annuitant feature of the system will be live by summer 2024. He also noted that there will be a formal plan for the project through the end of 2024 which will be available by the next regular meeting.

Document Digitalization and Records Inventory Project: Executive Director Swanson reviewed the current status of the records inventory project conducted by L&A with the Board. He noted that they are still going

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through the boxes from the offsite storage and working on getting any necessary documents digitalized. Updates will be provided as they become available.

Investment Consultant Required Annual Disclosure: Executive Director Swanson noted that the annual disclosure from the investment consultant, which is required by the Pension Code, is included in the Board materials for review.

Staff Accountant Position: Executive Director Swanson noted that the new staff accountant started on January 16, 2024 and was introduced prior to the meeting.

Employee Contribution Review: Executive Director Swanson discussed the employee contribution report with the Board and noted that Comptroller McCabe has reviewed the draft report. He noted that a meeting will be held with the auditing team to further review the report due to some possible discrepancies that were found.

Annuity Estimates: Executive Director Swanson noted that the annuity estimates were available for the Board to review in the meeting packet.

Marriage Letters: Executive Director Swanson noted that no marriage letters have been received since the last Board meeting.

Trustee Fiduciary Training: Executive Director Swanson noted that the 2024 conference schedule that was provided at the December 2023 regular meeting was provided again to the Board for their use.

Executive Director Swanson also informed the Board that an employee handbook for the Park Employees' Annuity and Benefit Fund of Chicago will be updated with the recent Paid Time Off Ordinance in the coming months.

Executive Director Swanson also noted that the Fund's actuary will be attending the February regular meeting to present the experience study to the Board.

A motion was made by Secretary Hodorowicz and seconded by Vice President Duggan to accept the Executive Director's Report as presented. Motion carried unanimously by voice vote.

OTHER REPORTS – ATTORNEY: Attorney Muzzy reviewed the letter and memo received from Saxena White with the Board regarding a potential books and records request to investigate potential breach of fiduciary duty claims by Cummins Inc. All questions were answered by Attorney Muzzy.

A motion was made by Trustee Evangelisti and seconded by Vice President Duggan to accept the Attorney's Report as presented. Motion carried unanimously by voice vote.

Executive Director Swanson, Comptroller McCabe and Ms. Wallace Stone left the meeting at 9:47 a.m.

A motion was made by Trustee Coogan and seconded by President Affolter to enter into executive session under Section 2(c)(1) of the Open Meetings Act at 9:47 a.m. Motion carried by roll call vote.

AYES: President Edward Affolter, Vice President Duggan, Secretary Hodorowicz, Trustees Coogan, Evangelisti and Lux

NAYS: None

ABSENT: Trustee Biggane

Open session resumed at 10:15 a.m.

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A motion was made by Trustee Lux and seconded by Trustee Evangelisti to adjourn executive session and re-enter the regular meeting at 10:15 a.m. Motion carried by roll call vote.

AYES: President Edward Affolter, Vice President Duggan, Secretary Hodorowicz, Trustees Coogan, Evangelisti and Lux

NAYS: None

ABSENT: Trustee Biggane

Executive Director Swanson, Comptroller McCabe and Ms. Wallace Stone re-entered the meeting at 10:17 a.m.

NEW BUSINESS: *Executive Director Compensation:* The Board discussed the current Executive Director salary. A motion was made by Vice President Duggan and seconded by Trustee Evangelisti to raise the Executive Director annual pensionable salary to \$190,000 and to amend the 2024 budget to accommodate the increase effective January 1, 2024. Motion carried by roll call vote.

AYES: President Edward Affolter, Vice President Duggan, Secretary Hodorowicz, Trustees Coogan, Evangelisti and Lux

NAYS: None

ABSENT: Trustee Biggane

OTHER REPORTS – LOBBYIST: The Board was provided with the report from the Fund Lobbyist for their review. A motion was made by Secretary Hodorowicz and seconded by President Affolter to accept the Lobbyist's Report as presented. Motion carried unanimously by voice vote.

OTHER REPORTS – OTHERS: No other reports were presented.

INVESTMENTS: *Economic and Market Update as of December 31, 2023:* Ms. Wallace Stone apprised the Board of the current status of the market.

Performance Update as of December 31, 2023: Ms. Wallace Stone reviewed with the Board the Interim Performance Report as of December 31, 2023, which consisted of the investment performance, asset allocation and individual investment manager performance. All questions were answered by Ms. Wallace Stone.

The Board took a brief recess at 10:48 a.m.

Ms. Pesa, Mr. Barrett and Mr. Peck arrived at 10:48 a.m.

The Board reconvened at 10:56 a.m.

Mid Cap Growth Finalist Presentations – Baron Capital Group: Ms. Pesa, Mr. Barrett and Mr. Peck presented the proposal from Baron Capital for mid cap growth services to the Board. All questions were answered by Ms. Pesa, Mr. Barrett and Mr. Peck.

Ms. Pesa, Mr. Barrett and Mr. Peck left the meeting at 11:23 a.m.

Mr. Schnakenburg and Mr. Goel arrived at 11:23 a.m.

Eventide Investments: Mr. Schnakenburg and Mr. Goel presented the proposal from Eventide Investments for mid cap growth services to the Board. All questions were answered by Mr. Schnakenburg and Mr. Goel. *Mr. Schnakenburg and Mr. Goel left the meeting at 11:49 a.m.*

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Ms. Chawla and Mr. Ray arrived at 11:50 a.m.

TimesSquare Capital Management: Ms. Chawla and Mr. Ray presented the proposal from TimesSquare Capital Management, LLC for mid cap growth services to the Board. All questions were answered by Ms. Chawla and Mr. Ray.

Ms. Chawla and Mr. Ray left the meeting at 12:08 p.m.

Mr. Kinney and Mr. Renna arrived at 12:09 p.m.

Westfield Capital Management: Mr. Kinney and Mr. Renna presented the proposal from Westfield Capital Management for mid cap growth services to the Board. All questions were answered by Mr. Kinney and Mr. Renna.

Mr. Kinney and Mr. Renna left the meeting at 12:30 p.m.

The Board discussed the mid cap growth proposals received by Baron Capital, Eventide Investments, TimesSquare Capital Management and Westfield Capital Management. A motion was made by Trustee Lux and seconded by Secretary Hodorowicz to retain TimesSquare Capital Management as the mid cap growth investment manager with the funds being allocated from the passive mid cap proceeds and Northern Trust S&P 400 index, pending successful contract negotiations. Motion carried by roll call vote.

AYES: President Edward Affolter, Vice President Duggan, Secretary Hodorowicz, Trustees Coogan, Evangelisti and Lux

NAYS: None

ABSENT: Trustee Biggane

The Board directed Meketa to solicit bids from the transition management panel of Loop Capital, Northern Trust and PGM for the purpose of liquidating the assets held by LM Capital, and the bids will be reviewed at the February 2024 Board meeting.

A motion was made by Secretary Hodorowicz and seconded by President Affolter to accept the Investment Report as presented. Motion carried unanimously by voice vote.

OLD BUSINESS: There was no old business to discuss.

PUBLIC COMMENT: There was no public comment.

ADJOURNMENT: A motion was made by Trustee Lux and seconded by Trustee Coogan to adjourn the meeting at 12:42 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for February 15, 2024, at 9:30 a.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____.

Minutes prepared by Molly Barker, Professional Services Administrator, Lauterbach & Amen, LLP