

**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, JUNE 20, 2024**

A regular meeting of the Board was held on Thursday, June 20, 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 9:30 a.m.

ROLL CALL:

PRESENT: President Edward L. Affolter (*arrived at 9:33 a.m.*), Vice President Matthew Duggan, Secretary Frank Hodorowicz, Trustees Brian Biggane, Joan Coogan (*arrived at 9:54 a.m.*), Cynthia Evangelisti and Steven J. Lux

ABSENT: None

ALSO PRESENT: Executive Director Steve Swanson and Comptroller Jaime L. McCabe, Park Employees’ Annuity and Benefit Fund of Chicago; Alli Wallace Stone, Meketa Investment Group; Molly Barker and Jamie Wilkey, Lauterbach & Amen, LLP (L&A); Matthew Strom and Steven Shore, Segal

APPROVAL OF MEETING MINUTES: *May 16, 2024 Regular Meeting:* The Board reviewed the May 16, 2024 regular meeting minutes. A motion was made by Trustee Evangelisti and seconded by Trustee Lux to approve the May 16, 2024 regular 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.

President Affolter arrived at 9:33 a.m.

Trustee Coogan arrived at 9:54 a.m.

OTHER REPORTS – ACTUARY: *2023 Actuarial Valuation:* Mr. Strom and Mr. Shore presented the finalized 2023 Actuarial Valuation for the Park Employees’ Annuity and Benefit Fund of Chicago. All questions were answered by Mr. Strom and Mr. Shore. A motion was made by Trustee Biggane and seconded by Secretary Hodorowicz to approve the finalized 2023 Actuarial Valuation as prepared by Segal. Motion carried unanimously by voice vote.

Mr. Strom and Mr. Shore left the meeting at 9:56 a.m.

OTHER REPORTS – AUDITORS: *2023 Financial Statements:* Ms. Wilkey presented the 2023 Annual Comprehensive Financial Report for the Park Employees’ Annuity and Benefit Fund of Chicago. All questions were answered by Ms. Wilkey. A motion was made by Vice President Duggan and seconded by

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President Affolter to approve the finalized 2023 Annual Comprehensive Financial Report as prepared by Lauterbach & Amen, LLP. Motion carried unanimously by voice vote.

Ms. Wilkey left the meeting at 10:16 a.m.

INVESTMENTS: *Economic and Market Update as of May 31, 2024:* Ms. Wallace Stone apprised the Board of the current status of the market.

Performance Update as of May 31, 2024: Ms. Wallace Stone reviewed with the Board the Interim Performance Report as of May 31, 2024, which consisted of the investment performance, asset allocation and individual investment manager performance. All questions were answered by Ms. Wallace Stone.

Portfolio Rebalancing: Ms. Wallace Stone reviewed the rebalancing recommendation as of May 31, 2024 with the Board as follows: \$15,000,000 from the Wilshire 5000 Index Fund to International Developed Equity; \$14,300,000 from William Blair International Equity and \$7,600,000 from NT EM Index Emerging Markets Equity with \$10,000,000 of those funds to William Blair Emerging Markets Equity, \$5,300,000 to Loop Capital Core Bond Risk Mitigating Strategies and the remaining \$6,600,000 to Cash. A motion was made by Trustee Evangelisti and seconded by Trustee Biggane to rebalance the portfolio as recommended. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

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

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 Vice President Duggan to accept the Lobbyist's Report as presented. Motion carried unanimously by voice vote.

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 payroll testing has begun, and that the system will be demonstrated later this month with other aspects of the system being utilized after testing has concluded. Updates will be provided as they become available.

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 more boxes will be brought over from offsite storage and that L&A now will soon have the ability to upload documents into DocuWare. Executive Director Swanson also noted that due to the work involved, the budget for the project will be closer to around \$280,000. He noted that it will be decreased to \$8,000 for calendar year 2025 which will cover maintenance and training. Updates will be provided as they become available.

Employee Handbook Update: Executive Director Swanson noted that the State adopted the necessary rule changes regarding the Paid Leave for All Workers Act and that the updated employee handbook will be made available to the Board in July for review. Further discussion will be held at the next regular meeting.

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2024 Trustee Election: Executive Director Swanson gave a status update on the 2024 trustee election and noted that ballots were mailed out on June 12th and will be counted on June 28th. Further discussion will be held at the next regular meeting.

Audit/Actuarial Valuation Update: Executive Director Swanson noted that the audit and actuarial valuation were completed and presented earlier in the meeting.

Employee Contribution Review: Executive Director Swanson gave a status update on the revised payroll reporting process and noted that the issues with it are in the process of being resolved. Further discussion will be held at the next regular meeting.

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

IPPFA/PEABF Retirement Guide: Executive Director Swanson gave a status update on the IPPFA/PEABF retirement guide booklets and noted that the draft version of the guide is still in process. He noted that the booklet will be made available for members of the Fund to purchase if they are interested. Updates will be provided as they become available.

CPD Contributions: Executive Director Swanson noted that the next contribution that will be received will be sometime during the third week of July and will be a smaller amount than usual. He also noted that they have received \$41,500,000 in contributions so far this year and should be receiving an additional \$18,000,000 in the coming months.

Marriage Letters: This item was not discussed.

Reciprocal System Data Sharing Upgrade: This item was not discussed.

Trustee Fiduciary Training: Executive Director Swanson discussed the conference schedule for 2024 for trustee training.

Executive Director Swanson gave a status update on Michael Takaki and his amended overpayment plan. He noted that Attorney Muzzy sent correspondence to Mr. Takaki regarding the amended plan, but no response has been received to date. Further discussion will be held at the next regular meeting.

Executive Director Swanson also noted that the Fund staff has completed their mandatory sexual harassment training.

Executive Director Swanson also noted that the letters for the surviving spouses of member #6-11720 were sent out. Updates will be provided as they become available.

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

OTHER REPORTS – ATTORNEY: No Attorney's Report was presented.

OTHER REPORTS – OTHERS: No other reports were presented.

OLD BUSINESS: There was no old business to discuss.

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NEW BUSINESS: There was no new business to discuss.

PUBLIC COMMENT: There was no public comment.

ADJOURNMENT: A motion was made by Trustee Lux and seconded by President Affolter to adjourn the meeting at 11:11 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for July 18, 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