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MUNICIPAL EMPLOYEES '
ANNUITY & BENEFIT FUND OF CHICAGO

STENOGRAPHIC REPORT OF PROCEEDINGS had at
the Zoom conference meeting of the above-entitled
matter, on Thursday, May 21, 2020, commencing at
the hour of 9:04 a.m.

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APPEARANCES TELEPHONICALLY

BOARD MEMBERS:

VERNA R. THOMPSON, President
RESHMA SONI, Vice-President
MELISSA CONYEARS-ERVIN, Treasurer
JEFFREY J. JOHNSON, Recording Secretary
THOMAS J. McMAHON, Trustee

ATTORNEY FOR THE BOARD:

BURKE, BURNS & PINELLI, LTD.
BY: MS. MARY PATRICIA BURNS

ALSO PRESENT:

DENNIS WHITE, Executive Director
STACEY M. RUFFOLO, Deputy Executive Director
STEVE YOON, Investment Officer
SANDRA SHELBY, Comptroller
KIMBERLY CARROLL, Benefits Manager
TERRENCE P. SULLIVAN, M.D.
DONNA HANSEN, Office Manager
CRAIG SLACK, Deputy City Treasurer
JAMIE WESNER, Marquette Associates
BRIAN WRUBEL, Marquette Associates
MAURICIO BANUELOS, City of Chicago
JASON PARKS, Loop Capital Markets
MARTHA MERRILL, AFSCME Council 31

1 MS. HANSEN: Madam Treasurer.

2 Trustee Johnson.

3 TRUSTEE JOHNSON: Yes, ma'am.

4 MS. HANSEN: Trustee McMahon.

5 Trustee Soni.

6 Madam President.

7 PRESIDENT THOMPSON: Yes, ma'am.

8 MS. HANSEN: We do not have a quorum yet.

9 MS. BURNS: While we are waiting, let's
10 see if we can save time by asking people on the
11 phone to identify themselves.

12 Craig, you are 424043, correct?

13 MR. SLACK: I am plugged into a voice
14 phone and I am not sure what the number is.

15 TRUSTEE JOHNSON: Let me jump in real
16 quick. If we have Craig, we have a quorum.

17 MS. BURNS: That is right Trustee
18 Johnson.

19 MS. HANSEN: Then we have a quorum.

20 MS. BURNS: Let the record reflect that
21 the Treasurer's Office designated representative is
22 present for purposes of a quorum.

23 Donna, can you then go through the
24 numbers to make sure we identify who is on the

1 phone?

2 MS. HANSEN: Yes. So 424043 is Craig.

3 Kim Carroll is on the line. Steve Yoon
4 is on the line.

5 1791?

6 MR. PARKS: This is Jason Parks from Loop
7 Capital Markets.

8 MS. HANSEN: 0476?

9 9297.

10 MS. MERRILL: Martha Merrill from AFSCME
11 Council 31.

12 MS. HANSEN: 0002.

13 PRESIDENT THOMPSON: That is Verna.

14 MS. HANSEN: Madam Treasurer.

15 MS. CONYEARS-ERVIN: Good morning.

16 MS. HANSEN: Trustee McMahon, are you
17 there?

18 The numbers keeps moving so bear with me.
19 1663.

20 MS. SHELBY: That is me, Sandy.

21 MS. HANSEN: 1077.

22 TRUSTEE SONI: It is Reshma. Sorry for
23 the delay.

24 MS. BURNS: Let's do this, because we are

1 having a hard time, the numbers seem to be
2 increasing as participants keep adding to the call.

3 Madam President, you do have a full board
4 present, why don't you start the meeting?

5 Trustees should know that there are
6 members of the public who may or may not have
7 identified themselves that are participating in
8 this call.

9 People should further be advised that we
10 are recording this meeting. If a Trustee needs to
11 speak, we would ask that Trustee to identify
12 themselves so that the record can properly reflect
13 who is speaking.

14 In addition, we would ask anybody who is
15 not required to speak right now to please mute
16 their phone to allow the Trustees to be able to
17 hear the business of the Fund that is being
18 conducted.

19 With that, Madam President, I think you
20 are ready to begin.

21 PRESIDENT THOMPSON: I hereby convene
22 this Board of Trustees meeting for May 21, 2020.

23 Could we call the roll again, please?

24 MS. HANSEN: Madam Treasurer.

1 TRUSTEE CONYEARS-ERVIN: Present.

2 Good morning, everyone.

3 MS. HANSEN: Trustee Johnson.

4 TRUSTEE JOHNSON: Yes, ma'am.

5 MS. HANSEN: Trustee McMahon.

6 TRUSTEE MCMAHON: Yes.

7 MS. HANSEN: Trustee Soni.

8 MEMBER SONI: Yes. Good morning.

9 MS. HANSEN: We have a quorum.

10 PRESIDENT THOMPSON: Thank you. We have
11 a quorum for today.

12 Thank you all for being able to be here
13 today. I can't see you but it is great to hear
14 your voices. If it is okay, I would really like to
15 start off.

16 Consistent with Public Act 91-0715, and
17 the reasonable constraints determined by the Board
18 of Trustees, at each regular meeting of the Board
19 or its Committees that is open to the public,
20 members of the public may request a brief time to
21 address the Board on relevant matters within its
22 jurisdiction.

23 Are there any requests for public comment
24 today?

1 MS. HANSEN: I have no requests at this
2 time.

3 PRESIDENT THOMPSON: Okay. Then hearing
4 none, we will move on then. We will turn to the
5 approval of the Agenda items.

6 All Refunds, Pages 3 through 7.

7 MS. CARROLL: All in order.

8 PRESIDENT THOMPSON: Refunds is Page 8 as
9 well. Is there a motion to approve the Refunds
10 Pages 3 through 8?

11 TRUSTEE MCMAHON: Motion by McMahon.

12 TRUSTEE JOHNSON: Seconded by Johnson.

13 PRESIDENT THOMPSON: Any discussion?

14 All in favor say "Aye".

15 (Chorus of Ayes.)

16 PRESIDENT THOMPSON: All opposed say
17 "Nay"?

18 (No Nays.)

19 MS. BURNS: I would like to highlight on
20 the Refunds, if I may, Madam President, Donald
21 Peterson. Mr. Peterson is listed on Page 3 of your
22 Board Agenda and that is a Refund that involves the
23 shift differential issue, which as the Trustees
24 know is an issue that is under discussion between

1 the Board and the City.

2 So we are giving him his Refund. And,
3 obviously, we will revisit this refund amount if
4 and when the Board takes action on the Shift
5 Differential issues in the future. I wanted to
6 make sure you knew that was included in the
7 Refunds.

8 PRESIDENT THOMPSON: Okay. We have had a
9 motion and second. We are all in favor.

10 Transfer of Member Contributions Page 9.

11 MS. CARROLL: All in order.

12 PRESIDENT THOMPSON: Motion?

13 TRUSTEE JOHNSON: Motion by Johnson.

14 TRUSTEE MCMAHON: Seconded by McMahon.

15 PRESIDENT THOMPSON: All in favor say "
16 Aye".

17 (Chorus of Ayes.)

18 PRESIDENT THOMPSON: Opposed?

19 (No Nays.)

20 MS. BURNS: Again, just so you are aware,
21 this one involves the transfer of contributions
22 from Alderman Sposato, which is an important matter
23 as it involves a new statutory provision. The
24 money is being transferred from this Fund to the

1 Firemen's Annuity and Benefit Fund.

2 Alderman Sposato signed a form
3 permanently waiving any right for himself or any of
4 his beneficiaries to receive any further benefit
5 from this Fund. So now having approved this, the
6 Fund will transfer the money and the Fire Fund will
7 accept the money in its next meeting in June.

8 TRUSTEE JOHNSON: Mary Pat, I just wanted
9 to confirm that Fire didn't do this yesterday?

10 MS. BURNS: Yes, sir. The Fire Fund will
11 not take action until this Board action. It is on
12 FABF Agenda for June.

13 PRESIDENT THOMPSON: Okay.

14 MS. BURNS: You had a motion and a
15 second, ma'am.

16 PRESIDENT THOMPSON: Yes, ma'am. All in
17 favor say "Aye".

18 (Chorus of Ayes.)

19 PRESIDENT THOMPSON: Opposed?

20 (No Nays.)

21 PRESIDENT THOMPSON: Administrative and
22 Investment Fees Page 10 through 14.

23 MS. SHELBY: All in order.

24 PRESIDENT THOMPSON: Do we have a motion?

1 TRUSTEE JOHNSON: Motion by Johnson.

2 TRUSTEE MCMAHON: Seconded by McMahon.

3 PRESIDENT THOMPSON: All in favor?

4 (Chorus of Ayes.)

5 PRESIDENT THOMPSON: Opposed?

6 (No Nays.)

7 PRESIDENT THOMPSON: Annuities for
8 Employees, Widows, Widowers, Minor Children,
9 Reversionary, Adjusted Annuities.

10 MS. CARROLL: All in order.

11 TRUSTEE MCMAHON: Motion by McMahon.

12 TRUSTEE JOHNSON: Seconded by Johnson.

13 PRESIDENT THOMPSON: All in favor?

14 (Chorus of Ayes.)

15 PRESIDENT THOMPSON: Opposed?

16 (No Nays.)

17 PRESIDENT THOMPSON: Ordinary and Duty
18 Disability Benefits Pages 21 through 22.

19 DOCTOR SULLIVAN: This is Doctor
20 Sullivan. All in order.

21 PRESIDENT THOMPSON: Could I have a
22 motion, please?

23 TRUSTEE MCMAHON: Motion by McMahon.

24 TRUSTEE JOHNSON: Second by Johnson.

1 PRESIDENT THOMPSON: Thank you. All in
2 favor?

3 (Chorus of Ayes.)

4 PRESIDENT THOMPSON: Opposed?

5 (No Nays.)

6 PRESIDENT THOMPSON: Ordinary and Duty
7 Disability Extensions Page 23 through 24.

8 DOCTOR SULLIVAN: Doctor Sullivan. All
9 in order.

10 TRUSTEE MCMAHON: Motion by McMahon.

11 TRUSTEE JOHNSON: Seconded by Johnson.

12 PRESIDENT THOMPSON: All in favor?

13 (Chorus of Ayes.)

14 PRESIDENT THOMPSON: Opposed?

15 (No Nays.)

16 PRESIDENT THOMPSON: Adjusted Duty
17 Disabilities. There are none.

18 Adjusted Ordinary Disabilities. There
19 are none.

20 So with all of that being in order, thank
21 you, doctor.

22 DOCTOR SULLIVAN: Thank you. Everybody
23 have a great day and stay safe.

24 MS. BURNS: You, too.

1 PRESIDENT THOMPSON: Next is Membership
2 Applications. There are none.

3 Changes in Dates of Birth Page 27.

4 MS. HANSEN: All in order.

5 PRESIDENT THOMPSON: Is there a motion?

6 TRUSTEE MCMAHON: Motion by McMahon.

7 TRUSTEE JOHNSON: Seconded by Johnson.

8 PRESIDENT THOMPSON: All in favor?

9 (Chorus of Ayes.)

10 PRESIDENT THOMPSON: Opposed?

11 (No Nays.)

12 PRESIDENT THOMPSON: Approve Treasurer's
13 Report on Page 28. Madam Treasurer.

14 MEMBER CONYEARS-ERVIN: Motion.

15 MEMBER MCMAHON: Seconded.

16 PRESIDENT THOMPSON: All in favor?

17 (Chorus of Ayes.)

18 PRESIDENT THOMPSON: Opposed?

19 (No Nays.)

20 PRESIDENT THOMPSON: Now on our updates
21 on the Fund's net position, Steve.

22 MR. YOON: Stacey, could you pull up D1?

23 As Madam Treasurer requested, there is a
24 March report as well as an April report. We will

1 scroll down to April. You can review March at your
2 leisure.

3 Just to report that there is no change in
4 terms of the funding ratio. The market bounced
5 back in March as well as April, that helped the
6 MEABF remain flat as far as the funding ratio is
7 concerned so no news to report there.

8 Any questions?

9 Back to you, Madam President.

10 PRESIDENT THOMPSON: Okay. Let's go on
11 to Investments. Steve and Jamie, I will turn it
12 over to you to address the investment matters.

13 MR. YOON: If you could pull up the
14 Investment Report, E1, please.

15 MR. WESNER: We will do the market
16 tracker first.

17 Good morning, everyone.

18 To kick things off, we will be walking
19 through an update on the broad market environment.
20 Things continue to be volatile.

21 Also, we will walk through the April
22 Flash Report and highlight the rebound that Steve
23 just mentioned.

24 We also have in the materials the first

1 quarter report. As you know a lot of has changed
2 over the last month and a half. We won't spend too
3 much time on that.

4 We do have one recommendation today. I
5 wanted to discuss Rock Creek and the continuing
6 obligation of their mandate. We will walk you
7 through that.

8 On the market trend here, to set the
9 stage, again, for the broad market performance. As
10 we see from clients, we have been getting a lot of
11 questions in regards to why the equity markets, the
12 risk markets in general, have been so strong in the
13 face of continued economic hardship and shutdown
14 for much of the markets and much of the economy so
15 I will walk you through that a little bit.

16 As we go through the last month, we have
17 gotten a report of first quarter GDP, which was
18 negative by about 5 percent, 4.8 percent to be
19 exact.

20 We are anticipating a second quarter GDP
21 to be significantly negative to the tune of 20, 30
22 percent plus. The estimates are all over the board
23 but it will be awhile to see how low the economy
24 goes in terms of output in the second quarter.

1 And then just today we got our update on
2 continuing jobless claims. We had jobless claims
3 of over 2 million, which puts us at 39 million
4 jobless claims in the last nine weeks. So really
5 unprecedented in terms of size and unprecedented in
6 timing for a backdrop to think about things.

7 At the same time, we have now seen in
8 April, even in May, we have seen the equity markets
9 rebound over 25 percent from their lowest. So
10 there is a little bit of a disconnect between Wall
11 Street and Main Street and why is this. Why are
12 the markets pricing so high and why are they moving
13 higher?

14 We have seen a tremendous amount of
15 stimulus. We talked a little bit at the last
16 meeting about the CARES Act and the other rounds of
17 Federal Government stimulus. We have had 2 and a
18 half to 3 trillion dollars in Federal Government
19 stimulus so far. We are anticipating more.
20 Additional stimulus will likely take a little bit
21 of time. The Democrats put out a 3 trillion
22 dollars additional spending plan to provide more
23 support to municipalities and another round of
24 checks to U.S. businesses.

1 Obviously, I think politics will take
2 hold in this and this next stimulus will not be put
3 in place as quickly as the last. We are not in as
4 dire straits as we were before so I think the
5 political process will take a little longer to come
6 through.

7 What we are likely to see is probably 1
8 to 2 trillion dollars in additional stimulus coming
9 through on the fiscal side, especially when you
10 think about this being an election year. Trying to
11 improve the economy so they can enhance their
12 reelection position.

13 The Federal Reserve put another 3 to 4
14 trillion dollars into the economy. At the end of
15 March, we got in a really tight position with bond
16 markets and the Federal Reserve started all types
17 of new lending programs. Some of them were brought
18 back from 2008/2009. Some of them new. The
19 Federal Reserve put trillions of dollars of
20 liquidity into the market.

21 The goal of that is to free up the
22 capital markets. So we have seen -- whether it be
23 investment grade bonds, below investment grade
24 bonds, equities, we have seen everything go up in

1 the markets.

2 That's really been the disconnect that,
3 yes, the economy is struggling. Yes, there is a
4 lot of headwinds that we are still going to face,
5 especially if we see a resurgence in the virus in
6 the fall. But the response from the Federal
7 Government and the Federal Reserve has been so
8 intense in terms of magnitude of money that is
9 coming to the market. It helps the market. That
10 is really kind of the takeaway in the explanation
11 of why we see that disconnect between Main Street
12 and Wall Street.

13 How does that translate in actual figures
14 and what we see when I walk you through the Flash
15 Report.

16 Fixed income returns, in the upper
17 right-hand corner, core bonds. We didn't
18 anticipate -- very few people anticipated that core
19 bonds would continue to go up in 2020, but as
20 interest rates have gone down you are going to see
21 things go a little bit higher.

22 As you go down the table, you go down and
23 you see high yield and bank loans, two-thirds of
24 the way down, that is the chart on the upper

1 right-hand side. You can see high yield and bank
2 loans that were down earlier in the year were up 4
3 and a half percent for the month of April and up
4 4.3 percent for bank loans. So a recovery to the
5 risk asset that we talked about that got hit in the
6 month of March.

7 On that same kind of theme with high
8 yield and bank loans, the upper left side of the
9 page, we can see the equity markets. Again, very
10 strong double digit returns here. We have had
11 swings day-to-day.

12 If you look at those figures in the upper
13 left-hand corner, the S&P is up 13 percent for
14 April. NASDAQ up 15. Technology, large cap, U.S.
15 growth stocks are actually positive year-to-date.

16 Hard to think, given everything that has
17 gone on, that large cap growth stocks such as
18 Amazon, Microsoft, Google, they have really driven
19 the markets here.

20 If you go to the blue boxes in the center
21 of the page, this is style boxes just for the U.S.

22 The last right of those blue boxes, that
23 is the large cap growth I was just mentioning.

24 That's the end of April, which is slightly

1 negative, down 1.4 percent. Small cap value down
2 nearly 28 percent.

3 So you have a 26 percent differential
4 between the best performing and worse performing
5 parts of the U.S. market and that is a really broad
6 differential. Larger than what we typically see in
7 this space.

8 I think last year we were talking about a
9 differential of 10 percent over the whole year and
10 that was a large differential. Over four months we
11 have seen a 25 percent differential.

12 Everyone recovered during the month of
13 April, but we really see growth outperform over the
14 long-term.

15 International stocks, which are in the
16 middle table on the left-hand column, in the second
17 line there, International markets up 7, 7 and a
18 half percent after the month of the April. It is
19 not nearly as robust a recovery as we saw in the
20 U.S. markets. Year-to-date they are not up nearly
21 as much. They have not recovered nearly as much.

22 U.S. markets are down single digits. 8
23 to 10 percent. International markets are down mid-
24 double digits 17, 18 percent. More international

1 exposure has been a headwind in this environment.

2 If we shift over to the middle table on
3 the right-hand side, hedge funds. We saw hedge
4 funds added a decent amount of value during the
5 months of March and April. So we saw Rock Creek's
6 performance held up relatively well versus
7 volatility; the globe equity markets.

8 The one area down on the bottom line here
9 is, on that table, that is what we used to measure
10 the performance of Parametric and Neuberger Berman
11 and that was a little bit weaker. That got hit
12 harder during the downturn as we saw more
13 volatility. Rebound in April. We will talk a
14 little bit more about that when we get to the
15 reports.

16 You don't have any commodities in the
17 portfolio. On the bottom right, we have a lot of
18 questions on just the volatility of energy stocks
19 in general. You can see the volatility in
20 commodities is down 75 percent year-to-date.
21 Recovered somewhat during the month of May. But
22 just again think about those energy stocks, those
23 fall in the value part of the U.S. equity markets
24 across the world.

1 Two areas that are on here. Real estate.
2 We talked a little bit last time about real estate.
3 Real estate was positive in the first quarter. We
4 are anticipating weakness in the real estate market
5 going forward. What the extent of that magnitude
6 will be of that is what we are unsure about.

7 Obviously, retail holdings are going to
8 struggle as retail tenants struggle to pay rents.
9 But office, multifamily housing and industrial
10 tenants all held up pretty well and have continued
11 to pay their rents in April and May. We will
12 continue to see some weakness in terms of retail
13 and that will very much be influenced by how the
14 reopenings go across the country.

15 MEMBER CONYEARS-ERVIN: Jamie, right now
16 the U.S. -- and I say right now considering what is
17 going on -- the U.S. equities are doing a little
18 bit better than the non-U.S?

19 MR. WESNER: Correct.

20 MEMBER CONYEARS-ERVIN: Before this the
21 non-U.S. was performing better than the U.S.,
22 right, before the pandemic?

23 MR. WESNER: No, we actually have seen it
24 outperforming for quite awhile.

1 A lot of the trends that went in place
2 after 2008/2009 and have been in place for several
3 years have continued through this downturn, that is
4 very unusual.

5 The leadership that lead us on the upside
6 is actually still performing the best.

7 It also can be broken down in three
8 areas. The growth versus value. Growth
9 outperformed value probably 80 percent of the time
10 over the last ten years. We see large cap
11 outperforms small cap. Maybe it hasn't been as
12 frequent but still probably 70 to 75 percent of the
13 time. Then U.S. over international has been a
14 pretty consistent trend over the last decade. I
15 think that is what surprised the markets during
16 this downturn is that that leadership has
17 continued.

18 Some of it, again, are issues that are
19 outside the typical economic cycle. Who would have
20 thought that we would face a pandemic that would
21 shutdown manufacturing and more value based
22 companies and would benefit technology companies
23 that were already richly valued, but they just
24 became more richly valued.

1 That is kind of the surprise I would say
2 in this downturn market is that the leadership has
3 continued in that large cap growth space.

4 MEMBER CONYEARS-ERVIN: Okay.

5 MR. WESNER: If there aren't any
6 questions on the market, I will turn it over to
7 Brian and we can walk through the April Flash
8 Report, which will highlight the performance of the
9 portfolio over the last month.

10 MR. WRUBEL: Thanks a lot. Good morning,
11 everybody.

12 I will kind of build off a little bit off
13 of some of Jamie's comments here.

14 Asset allocation really had a tremendous
15 impact on the portfolio, not just over the last
16 four months or so but really over the last year and
17 a half really as we look and start breaking down
18 the portfolio.

19 The top chart here, on the left-hand
20 side, looks at our April returns and year-to-date
21 returns. So for the month of April the overall
22 fund was up 5.7 percent and then year-to-date, so
23 for the first four months of this year, down about
24 8 percent.

1 If you think about where we have come
2 from during this period, it is a pretty dramatic
3 change of events from the lows of late March coming
4 all the way back being down 8 percent.

5 Good news/bad news. Obviously, the bad
6 news is we are down 8 percent. Really, the only
7 good news is we still have eight months to make up
8 for that and try to dig out of that hole a little
9 bit.

10 The next chart down is our calendar year
11 returns. So keeping in mind we are down about 8
12 percent for the first four months of this year,
13 last year we were up almost 17 percent.

14 So you can see over the last ten years or
15 so we have had some strong double digit returns. A
16 couple of a years, like 2015 or 2018, where the
17 market was down. Obviously, we have been bouncing
18 around a little bit.

19 If we think about our portfolio for the
20 first four months of this year, you go down to the
21 next chart, the year-to-date composites summary,
22 you can see what are the various asset classes.
23 What have they produced for us overall.

24 So bonds year-to-date are down. Our

1 benchmark is down about 1. We are down about 1.3.
2 The stocks, stockmarket, U.S. stocks are down about
3 13. International stocks are down about 17. Hedge
4 funds are down also. And then we have real estate
5 up slightly. And open-end real estate, again, very
6 similar, up slightly.

7 So really real estate is the only
8 positive performing asset class for the most part
9 in our portfolio.

10 Even bonds, given the fact that we have a
11 decent amount in bank loans, high yield type bonds,
12 which did not do particularly well, also are in
13 negative territory.

14 Again, kind of a bigger picture, you
15 think about how the portfolio has done, not a lot
16 of positive performing asset class.

17 The next page. This just highlights our
18 asset allocation. And what you see here on the top
19 of the page, we have 25 percent target to bonds.
20 Right about 23 -- right about 24 percent. More or
21 less on top of our target. 26 percent to U.S.
22 stocks. 22 percent to international. Hedge funds
23 a little bit overweight. Real assets, think about
24 that as real estate as well as infrastructure,

1 private equity and then others is cash also as you
2 recall for the benefit payments we have set aside.

3 So as we think about how our performance
4 has been, you think about fixed income. We have
5 core bonds. Investment grade. High yield. Bank
6 loans, which obviously didn't do quite as well.
7 The U.S. equity portfolio we have large cap stocks,
8 value stocks. We have small cap stocks. Jamie
9 alluded to, you will see in a moment, had an impact
10 there. The hedge fund portfolio also you can see
11 the real assets, we kind of highlight that.

12 One of the things we've been very focused
13 on, the bottom of the page, the liquidity portfolio
14 of the overall Fund. The left-hand side you can
15 see that liquidity circle and about 70 percent of
16 our portfolio is daily liquid.

17 So when we have to rebalance or have to
18 raise cash for benefit payments, about 70 percent,
19 which is mostly core bonds as well as your equity
20 portfolio, international equities, are very, very
21 liquid. We only have about 5 percent mostly
22 private equity that is completely illiquid. About
23 20 percent in quarterly distributable type bonds so
24 that is a lot of real estate, some infrastructure

1 and then some other funds in there.

2 If you think about the quarterly funds,
3 we can't just get that money. We can't call them
4 up two days before the end of the quarter.

5 On the real estate funds, some of those
6 have put queues in place to get out so it will take
7 some time if we really needed that money.

8 Again, about 70 percent of the plan is
9 overall from a liquidity standpoint, you know, on a
10 daily liquid basis.

11 So the next page highlights some of our
12 market values and some of the various managers.
13 Again, just kind of highlight on the fixed income
14 side. LM, Segall Bryant, Garcia, NIS. Those are
15 all your investment grade fixed income managers but
16 they also hold quite a few corporate bonds as well.
17 Really Treasury bonds surged during the last few
18 months. Corporate bonds sold off.

19 One of the things the Federal Reserve was
20 supporting is not only the corporate bond market
21 but the high yield market as well. MacKay Shields,
22 Crescent, Symphony, those are kind of our bank
23 loan/high yield type managers there.

24 You will see some big negative returns,

1 even though they are bond managers, in that
2 particular area as a significant amount of the high
3 yield markets sold off. Especially areas, for
4 instance, like high yield, retail. You saw some
5 big names in the retail space, J. Crew, Neiman
6 Marcus, declaring bankruptcy. There is obviously
7 some stress in that area.

8 If you go down to the U.S. Equities
9 section, you can see most of the assets here are
10 indexed with Rhumblin, whether it is large cap or
11 small cap, but we also have a little bit of value.
12 As Jamie talked about, large cap value did not do
13 quite as well as large cap growth.

14 While Ariel Kayne Anderson did very, very
15 well relative to the benchmarks, their benchmarks
16 are down to close to 27, 28 percent for the year,
17 while the S&P 500 is only down about 9 percent for
18 the year. So having a value buyer, small cap
19 buyer, has definitely had a negative impact
20 relative to the S&P 500 for sure.

21 On the international equity side, some of
22 the names here -- one of the bright spots in the
23 portfolio, international stocks are down but most
24 of our managers here, with the exception of Segall

1 Bryant, have done a very strong job, you will see
2 in a moment, which is good to see.

3 Global low vol, which we just added to
4 the portfolio. Kind of a mixed bag just yet but
5 adding value. Jaime alluded to the hedge fund
6 portfolio, which actually you will see in a moment.

7 Rock Creek did fairly well. Actually,
8 all the managers did well relative to the
9 benchmarks, which you will see.

10 If you jump down to the next page, the
11 performance page. Just to highlight a few of our
12 fixed income managers just to focus on the
13 year-to-date column. You can see LM, Segall,
14 Garcia Hamilton, NIS, kind of all underperforming
15 at different levels. Depending upon --

16 TRUSTEE CONYEARS-ERVIN: Can we go back
17 up a little bit? I think you're talking about this
18 right now, Brian, but I wanted to look at the total
19 fund composite, just the year-to-date.

20 Are we looking at Dynamic Benchmark or
21 Policy Benchmark? I say that because Policy
22 Benchmark, we are at minus 8.1 versus minus 6.2 so
23 that is what I am trying to understand.

24 MR. WRUBEL: So, for instance, the

1 difference is on U.S. equities, the Policy
2 Benchmark was more Russell 3000 versus the Dynamic
3 Benchmark is specific to individual managers.

4 So if Great Lakes has the Russell 1000
5 value, that is their benchmark, or the Russell 2000
6 is value specific to that.

7 It is a little bit more dialed in to our
8 underlying manager's benchmarks.

9 TRUSTEE CONYEARS-ERVIN: So, again, which
10 one am I looking at to compare us?

11 MR. WRUBEL: You can look at the Dynamic
12 Benchmark is fine.

13 TRUSTEE CONYEARS-ERVIN: If we were to
14 have a report and we were to report out on how we
15 were doing versus our benchmark, it would be the
16 Dynamic Benchmark? I guess that is my question.

17 MR. WESNER: Those both are good
18 comparisons. They are comparing different things.

19 Back when we had the Policy Benchmark as
20 the only benchmark, it really captured the fact
21 that you have high yield bonds in the portfolio. I
22 think that is the biggest area.

23 If we reported how we are performing
24 relative to the benchmark, we would use the

1 Dynamic. But just know that both benchmarks do
2 give us some insight into the performance of the
3 portfolio.

4 TRUSTEE CONYEARS-ERVIN: And then if we
5 were to look at the Policy Benchmark, you're going
6 to talk a little about why our performance is
7 different? Are you going to talk a little bit
8 about that, Brian?

9 MR. WRUBEL: Yes, I was going to jump
10 right into that actually. A great example, which
11 Jamie just alluded to, is right a few lines down
12 under the Fixed Income Composite.

13 So the Policy Benchmark is more off the
14 Bar Cap U.S. Aggregate Bond Index, which was up 5
15 percent year-to-date.

16 So you can see the LM benchmark is only
17 up 3.7. Segall's benchmark is up 3.8. Garcia
18 Hamilton's benchmark is up 5. NIS up 5.

19 And then some of those managers
20 underperformed during that period and the idea I
21 think with owning high yield bonds, for instance,
22 was to provide excess yield advantage over the Bar
23 Cap Index, which is only investment grade. So it
24 is treasuries, investment grade corporate bonds and

1 mortgage backed securities is only in that
2 benchmark.

3 On a net, longer term basis, we are
4 trying to outperform that overall benchmark.

5 For instance, if you were to go out over
6 a few more years, MacKay Shields, their five year
7 number is up 4.5 versus the benchmark at 3.8.

8 So over a five-year period, that kind of
9 benchmark bet, I guess if you will, that high yield
10 would outperform investment grade bonds over a
11 longer period of time from an asset allocation
12 prospective, has kind of worked out.

13 Not only over that five-year period, over
14 that seven-year period, ten-year period as well.

15 Over ten years, MacKay is up 6.3 and the
16 U.S. aggregate benchmark is up 4. So they now
17 performed by 2.3 percent during that period.

18 So now that's not necessarily the case
19 with bank loans, for instance, where they slightly
20 lagged the aggregate index.

21 When you think about the Policy
22 Benchmark, it is a broad benchmark we use for the
23 Asset Allocation Study, which we're trying to
24 balance our risk around and our performance around.

1 However, over the most recent time
2 period, given the significant underperformance of
3 high yield and bank loans, we lagged that benchmark
4 and a lot of our lag in our total fund composite
5 versus the Policy Benchmark came from the fixed
6 income returns, which you can see are down 1.3
7 versus 5.0 for the benchmark.

8 TRUSTEE CONYEARS-ERVIN: Help me to
9 recall, because I am on several Pension Funds, is
10 Segall and LM are they on our Watch List?

11 MR. WRUBEL: They are not.

12 MEMBER CONYEARS-ERVIN: Okay.

13 MR. WESNER: Segall is on watch for
14 international small cap equities strategy. Same
15 firm but a different strategy.

16 MR. WRUBEL: Another way to look at it,
17 too -- well, I don't want to bounce around. The
18 annualized returns are obviously one way to look at
19 it. We look at since inception returns. With
20 Segall, on the right-hand side, since we have hired
21 them in April of '09, they have been outperforming
22 the benchmark indices 3.9 versus 3.6. LM has
23 actually slightly outperformed 4.3 versus 4.2.
24 Garcia is a little bit below but a shorter term

1 time horizon.

2 TRUSTEE CONYEARS-ERVIN: I was looking at
3 the last three years for LM and Segall.

4 MR. WRUBEL: Right.

5 TRUSTEE CONYEARS-ERVIN: Segal was not
6 way off, but I am just saying.

7 MR. WRUBEL: If you go back to the
8 Calendar Year Performance actually, they have
9 outperformed eight out of the last ten calendar
10 years.

11 It is just this recent year-to-date
12 underperformance, that makes their one, two, three
13 year performance kind of lag a little bit.

14 From a calendar year basis, they have
15 done quite well. It is really just this most
16 recent time period that they underperformed.

17 TRUSTEE SONI: To the Treasurer's point,
18 and back to your point, if we look at this as of
19 December 31st, are you saying that we wouldn't see
20 them underperforming?

21 TRUSTEE CONYEARS-ERVIN: Exactly what I
22 am trying to say. Thank you.

23 MR. WRUBEL: If you go to Page 10, which
24 looks at Calendar Year Performance.

1 What you will see on the Segall
2 portfolio, this is Calendar Year Performance, You
3 will see year-to-date they lagged by about 40 basis
4 points. Last year they were under by 10, but then
5 prior they outperformed every single year, that is
6 every single calendar year.

7 Bond managers, as you know, don't really
8 outperform by a significant margin. When they
9 underperform by a fairly large margin, their
10 shorter term performance can look quite bad, you
11 know, like in this particular case.

12 Segall has been a fairly consistent
13 performing manager for us. You can see out of the
14 last nine out of ten years, they outperformed on a
15 calendar year basis. This year they are lagging a
16 little bit. You can see their longer term
17 performance.

18 Hopefully, that tells a little bit better
19 story for you from a performance standpoint to
20 understand how the short-term year-to-date
21 underperformance has impacted the one, two and
22 three year numbers.

23 TRUSTEE CONYEARS-ERVIN: That does
24 clarify. And, thank you, Trustee Soni, for that.

1 So now that raises my question about
2 Garcia Hamilton. Considering in 2019 how much
3 lower they were compared to the benchmark and now
4 with the performance, what are our thoughts on
5 them?

6 MR. WRUBEL: We just hired them. They
7 are a minority manager out of Houston. And,
8 historically, they have done a really nice job.
9 From a track record standpoint, they made a bad
10 bet, that is really the bottom line. Their bets
11 haven't paid off. They didn't payoff in 2019.
12 Didn't payoff so far this year.

13 Generally, we wait to have a manager on
14 line for three full years before really giving them
15 a good scrubbing just from a performance
16 standpoint.

17 But their performance, without a doubt,
18 is they made a bad call, that is really the bottom
19 line.

20 MR. WESNER: Really for 2019, it is two
21 different stories. Garcia Hamilton's in 2019
22 underperformance was driven by the fact that they
23 were a short duration. Longer duration paid off
24 and performed better so they were conservative.

1 They thought rates were going to raise. As Brian
2 said, they made a bad call.

3 Most managers in this space do not take
4 interest rate bets. They stay pretty close to the
5 benchmark duration and they try to add value by
6 adding corporate credit.

7 As Brian mentioned, in the first quarter
8 of this year, it was that corporate credit position
9 that hurt everybody. 85 percent of fixed income
10 managers underperformed in the first quarter versus
11 the benchmark because they all have corporate
12 bonds. The benchmark has so much in U.S.
13 Treasuries because the Treasury continues to issue
14 more bonds, it becomes a larger and larger percent
15 of the benchmark so you are almost comparing two
16 different things. It is not a perfect benchmark
17 for most active managers.

18 As corporate bonds continue to recover,
19 we would anticipate these managers would outperform
20 just like they did in April for future months as
21 long as equities and corporate bonds continue to
22 recover.

23 TRUSTEE CONYEARS-ERVIN: Usually, this is
24 not a full discussion about corporate bonds, but

1 since about a quarter of our portfolio is in
2 corporate bonds, right? So I just wanted to
3 actually ask those questions.

4 MR. WRUBEL: As you know, Madam
5 Treasurer, keep in mind, if you are buying and
6 holding corporate bonds, these are just markdowns
7 during the week, during the month, during the
8 quarter. If you hold these to maturity, you are
9 going to get paid in full, unless something happens
10 to the bond manager.

11 TRUSTEE CONYEARS-ERVIN: We can move on.
12 I wanted to ask about that because we do have a
13 good chunk of our portfolio in corporate bonds.

14 MR. WRUBEL: Absolutely.

15 TRUSTEE CONYEARS-ERVIN: Thank you.

16 MR. WRUBEL: Staying on this page, if you
17 go down, you can see MacKay Shields, Crescent,
18 Symphony, on the first column right there, again
19 the overall bond market is up 5 percent. These are
20 high yield bank loans type managers. This market
21 really sold off significantly during March. Came
22 back in April, which is good to see, so a lot of
23 these managers did recover from their levels in
24 general.

1 And then just to highlight a few other
2 names here, going down to the next page. A couple
3 bright spots in the portfolio. On the top there,
4 Ariel Capital over the last few years they have
5 done a really nice job for us. 2019, you can see
6 up 27 percent versus 23 for their index. This year
7 the index is down 26. They are down 23 and a half.
8 Again, saving a little bit on the downside but
9 still a bit negative which is obviously a big
10 number.

11 You can really see the difference between
12 the U.S. markets between large cap and small cap.
13 Whereas, the S&P 500 year-to-date is down
14 9 percent. Ariel's benchmark is down 26 percent.

15 Kayne Anderson did a very strong job
16 protecting on the downside down 13 versus 27 for
17 the benchmark.

18 Again, when Jamie was talking earlier
19 about on the market tracker, large cap, small cap,
20 value growth, has a big, big impact. You can
21 really see that disparity on display with these
22 three managers and their benchmarks. Most of them,
23 with the exception of Nuveen, have done a pretty
24 decent job.

1 The international managers, despite being
2 down, international stocks being down big, all of
3 them actually added value in our portfolio. In
4 particular, Walter Scott did a really nice job.
5 William Blair did a very nice job also. With the
6 one exception, Segall Bryant Hamill, which was
7 down. You can see they have been down fairly
8 consistently there. I know that is something we
9 want to be addressing is their performance as well
10 given the fact they have about a three and a half
11 year track record. They have been the one
12 disappointing manager there.

13 Otherwise, our international portfolio is
14 kind of hitting on all cylinders. Obviously, the
15 asset class is in negative territory, but our
16 managers have done a very nice job not only this
17 year but over the last few years in adding value to
18 our composite there.

19 Going down to the next page is our hedge
20 fund managers. Rock Creek group did a very nice
21 job protecting us on the downside so far this year.

22 And then Parametric, Neuberger Berman.
23 Parametric is a little more problematic. They are
24 outperforming their benchmark, which is good to

1 see, but down a little bit more than the Neuberger
2 Berman portfolio. It is a slightly different
3 portfolio and styles but overall the hedge fund
4 portfolio is down a negative 7.2. The overall
5 market is down a little over 9 percent. Again
6 adding value, not quite as much as we would have
7 liked but adding value nonetheless.

8 One of our peer performing positive asset
9 classes is real estate. We are not expecting real
10 estate to be positive for the June valuations.
11 Simply because when March happened, when the end of
12 the quarter happened, a lot of the valuations were
13 year-end.

14 We don't hold a lot of hotels but
15 anything kind of hotel related, anything
16 hospitality related, retail related, is really
17 taking it on the chin right now.

18 Kind of higher end multi-family apartment
19 rentals are still doing relative well. Industrial
20 properties are still doing relatively well. The
21 office market is kind of a little bit in a wait and
22 see mode.

23 We are not expecting real estate to give
24 us positive performance next quarter simply because

1 once those valuations in March come in we think we
2 will get a little bit of a correction in that
3 sector just given where we are in that cycle.

4 So infrastructure numbers we don't have
5 in yet either from a reporting standpoint.

6 Long and short of it is we are down about
7 8 percent for the year-to-date period through
8 April. Not every manager is reporting things like
9 private equity, real estate, for instance. But we
10 have dug pretty far back from being down about 14
11 percent or so at the end of March. So we have kind
12 of crawled our way back, which is good to see.

13 We have quite a few managers, in
14 particular on the international equity side, that
15 are doing a very nice job for us.

16 We are watching some of the names
17 closely. Like Segall Bryant Hamill on the
18 international side. Garcia Hamilton on the fixed
19 income side. But overall, I am not going to say I
20 am happy with the negative number. It could be
21 worse. It could be better. You are kind of right
22 where you should be just given where the market is
23 right now.

24 I am more than happy to take any

1 questions or comments. I know Jamie was going to
2 walkthrough a memo on Rock Creek shortly, also.
3 Again, more than happy to take any questions from
4 the group.

5 MR. WESNER: The first quarter
6 comprehensive report is in the deck here. We're
7 not going to go through that, but again it gives
8 you a lot more detail on the underlying managers
9 and it has your fee information on a quarterly
10 basis. But with all the volatility we have seen, I
11 think the April report that Brian just highlighted
12 is really the most relevant discussion point.

13 And then with Rock Creek, for some of the
14 Trustees who have been on the plan a little bit
15 longer, they will recall this has been a
16 conversation that has been going on for quite a
17 long period of time.

18 Over the long-term Rock Creek has been
19 typically a long/short equity manager. So focusing
20 on one part of the hedge market and you originally
21 funded your first mandate with them back in 2009.

22 And then we heard the conversations over
23 the last several years about broadening out their
24 mandate and to give them more ability to invest in

1 different types of hedge fund strategies, rather
2 than just long/short equities.

3 We took our first step in implementing
4 that last year in allowing them to go into a
5 multi-strategy approach. Still a primary amount of
6 the assets in long-term/short equity.

7 One of the things that we discussed at
8 that time was adding Private Credit to the
9 portfolio. And that was originally going to be in
10 the proposal in the first change that we allowed
11 them to make. We then made the decision to kind of
12 take baby steps and do a first move into the multi-
13 strategy approach.

14 Now we are ready to continue to broaden
15 the opportunities and allow them to use Private
16 Credit strategies.

17 This is part of their original proposal
18 and recommendation to us was to allow Private
19 Credit. Again, when we were making this allocation
20 last year, we didn't feel comfortable doing it.
21 Actually, the environment has gotten much more
22 attractive. As we have seen the dislocation in the
23 market, the opportunities for these managers have
24 gotten much larger in terms of numbers and much

1 more attractive in term of valuations. We think
2 now is a good time to allow Rock Creek to invest in
3 these Private Credit.

4 TRUSTEE JOHNSON: Jamie, can I ask a
5 question? Is this common to allow companies to
6 change their investment strategy?

7 MR. WESNER: Rock Creek is not changing
8 their investment strategy. When we made the change
9 back last year, the goal was to broaden out and
10 make it less of an equity focused strategy and make
11 it what is called a multi-strategy.

12 We held off last year for a couple of
13 factors. One of the main factors was that market
14 was not very attractive. We saw a big dislocation
15 we have had in that market over the last couple of
16 quarters.

17 Now the opportunity is more attractive.
18 It's part of the long-term plan that we have been
19 discussing really for over five years but now we
20 think it is a more attractive entry point. We
21 would be investing no more than 15 percent in this
22 part of the market.

23 The other reason that makes it an
24 attractive opportunity is last year when we updated

1 our mandate we also put in a target for them to
2 allocate 15 percent of their assets with MWDBE
3 firms; underlining managers.

4 The challenge for that has been that more
5 of these MWDBE firms are in the Private Credit
6 space. They have been able to meet the objectives
7 that we laid out but they feel, and we agree, that
8 they will be able to even better execute that
9 strategy if they have the ability to utilize those
10 Private Credit managers.

11 TRUSTEE JOHNSON: I get all that. My
12 question is why wouldn't we do a RFP if we are
13 going this route with Private Credit, that is the
14 step I am missing I guess.

15 MR. WESNER: So, again, this is just
16 within the private equity space; private hedge fund
17 space. You have a multi-strategy mandate with Rock
18 Creek. So we're not changing your asset
19 allocation. We are not creating a new asset class
20 for you. It's just within their subsector. This
21 is just a small piece that they will invest in.

22 If we were changing their asset
23 allocation or going into a different mandate, you
24 are correct, then we would need a RFP. This is in

1 their policy statement and their guidelines, which
2 allows you to invest and be more attractive.

3 TRUSTEE JOHNSON: Okay. All good.

4 MR. WESNER: Again, this was discussed in
5 the original proposal, I think it was probably two
6 years ago, that we put in front of the Board.

7 Private Credit was in that original proposal and it
8 was taken out. We said we would revisit it later
9 on and this is essentially that revisiting.

10 We would like to recommend that the Board
11 approve modification of Rock Creek's guidelines to
12 include up to 15 percent in Private Credit
13 investments.

14 MS. BURNS: Madam President, would you
15 consider that motion? Of course, it is based on
16 the advice of the investment consultants and your
17 investment staff and it would be subject to legal
18 review.

19 PRESIDENT THOMPSON: Okay. Is there a
20 motion to approve the hedge fund guidelines based
21 on the recommendation of the investment staff and
22 investment consultants?

23 TRUSTEE MCMAHON: Motion by McMahon.

24 TRUSTEE JOHNSON: Seconded by Johnson.

1 PRESIDENT THOMPSON: All in favor?

2 (Chorus of Ayes.)

3 PRESIDENT THOMPSON: Opposed?

4 (No Nays.)

5 PRESIDENT THOMPSON: Next on the agenda
6 would be our Executive Director's Report. Dennis,
7 I will send it over to you.

8 MR. WHITE: Good morning, Trustees. Just
9 a couple of things from an Executive Director's
10 standpoint.

11 One is to just keep you abreast of things
12 as they go on. One of the things we have been
13 trying to do is give sort of an update on
14 operations between board meetings just so that
15 nothing is a surprise for you as we get to the
16 monthly board meeting.

17 But, specifically, at this point I wanted
18 to give you an update on a few things. First, our
19 FOIA report, which was prepared on Monday,
20 indicated that we didn't have any FOIAs in the last
21 30 days. Literally right after we uploaded that
22 report, later that evening we got one FOIA request
23 in. I am still happy to report only one FOIA
24 request received in the last 30 days.

1 We certainly will respond to that in a
2 timely fashion. The requester is looking for a
3 fair amount of information in terms of titles, job
4 descriptions and salary for senior staff. The term
5 "senior staff" wasn't defined, but certainly we
6 will use our interpretation of what "senior staff"
7 means and provide the information as requested.

8 Second, from a technology standpoint, I
9 wanted to let you know that we received seven
10 responses to the RFP for IT services. At this
11 point, and we haven't concluded our review at this
12 point, but the monthly ranges look like they are
13 somewhere between 7 and 13 thousand a month. That
14 seems to be where things are trending but we have a
15 committee that will be meeting next week just to go
16 through it and go through the template.

17 I will share a copy of the template that
18 we continue to use with the Trustees by close of
19 business tomorrow so you have that template before
20 we meet.

21 If there are any additional thoughts that
22 you have in terms of things you want to make sure
23 we consider that aren't reflected on the template
24 that I forward to you, that will give us time to

1 incorporate those changes in our review.

2 We will plan to bring the two highest
3 scores to the board meeting next month to have them
4 present to this body.

5 In terms of our interim services, we
6 think things are going fairly smoothly at this
7 point. They mainly have been involved with sort of
8 system and server maintenance, network and security
9 monitoring and just providing additional help and
10 support.

11 They also have been meeting with our two
12 in-house IT staff members providing some additional
13 training opportunities for them to help them be
14 able to hand some of the support issues. Also to
15 get them a little bit more familiar with our
16 network to the extent that they had some gaps in
17 terms of what they knew and didn't know regarding
18 our network.

19 We have a draft of the actuary report. I
20 forwarded that draft to you this morning. We do
21 have a request from the City of Chicago, I think
22 they need it to actually complete their audit, to
23 share a draft of that with them.

24 Unless there are any objections from the

1 Trustees, we would like to do that. We would like
2 to share that with them. I wanted to make sure I
3 at least forwarded a copy of the actuary report to
4 the Trustees prior to doing that. It is now in
5 your hands or at least in your emails.

6 MEMBER SONI: I wanted to make a comment
7 on that. We use the report to be able to complete
8 our 2019 CAFR and usually the pension funds are
9 very willing to be able to provide those. It helps
10 us greatly to be able to finish those reports in
11 time and for our auditors to start looking at it
12 from a reporting GASB 68 standpoint. Thank you so
13 much.

14 MR. WHITE: I will forward that to them
15 right after the meeting.

16 In terms of the audit, we're still on
17 track for the completion of the audit for May 29th.
18 I think we have a draft. Sandy has been working
19 with them and taking a peek now, but things are
20 moving forward in that regard. At least we shared
21 a draft of the actuary report with our auditors as
22 well and they have given some feedback. In my
23 email I referenced one additional comment or a
24 proposed change and that came from our auditors.

1 Prior to that I think staff internally
2 reviewed the actuary report and we provided some
3 comments and had a conference call with the
4 actuaries last week just to go through that but as
5 I mentioned that has been provided to the auditors
6 so they are familiar with it as well.

7 As you are aware, it looks like Illinois
8 is trending in the right direction in all of the
9 counties, including Cook County, in terms of being
10 able to move to the next phase of the Governor's
11 plan to lift the Stay-At-Home Order.

12 With that in mind, we started taking active steps
13 to bring folks back on a more robust level and we
14 have identified a few things that we plan to do
15 once the doors open for people and make sure we are
16 ready to go.

17 Some of those include just making sure
18 they have a copy of the Illinois Department of
19 Public Health's publication regarding COVID-19
20 Workplace Health and Safety.

21 We will be encouraging our high risk
22 employees to continue to work from home. We will
23 be sort of creating some markings in the office and
24 in the waiting area to help with social distancing

1 just to give people an idea of how close they are
2 in terms of things. We will also be adding more
3 sanitizers to the office. Sort of minimizing the
4 use of our conference room and dining room just to
5 facilitate more social distancing.

6 At the next board meeting, since there's
7 been a few board meetings where we haven't approved
8 the Minutes and transcripts, so we have I think
9 from the February Minutes all the way up to this
10 meeting Minutes, we will have on the next agenda.

11 I believe starting in March we were
12 recording the meetings so we will have the
13 transcripts of those as well to review. I think we
14 had two closed session in the interim.

15 We didn't want too much time to go by
16 even though we are operating more or less on this
17 streamlined operations. We didn't want too much
18 time to go by without passing some of the previous
19 Minutes.

20 MS. BURNS: We have these transcripts
21 prepared. They are not lengthy. We will make sure
22 you get those well in advance of the June meeting
23 so that you can review them. If you have any
24 corrections, direct them to Dennis or to me and we

1 will make sure that they are corrected.

2 Ultimately those transcripts will be made
3 public on our website to allow the public to catch
4 up with what has been going on.

5 MR. WHITE: That is it for me for my
6 report.

7 PRESIDENT THOMPSON: Thank you, Dennis.

8 Do we have any Old Business/New Business?

9 TRUSTEE JOHNSON: The only thing I want
10 to acknowledge is that two of our members had
11 family members pass away recently. Steve Yoon lost
12 his grandmother and our Benefits Manager Kim
13 Carroll lost her mother within the last I think it
14 was a week ago.

15 Just a quick acknowledgment of them
16 losing family members, especially now it's hard to
17 mourn during this time. I just wanted to
18 acknowledge that for those two members of ours.

19 MS. CARROLL: Thank you. I really
20 appreciate it.

21 MEMBER SONI: Our thoughts are with you.

22 PRESIDENT THOMPSON: Anything else?

23 Then we are going to go ahead with the
24 legal update, Mary Pat.

1 MS. BURNS: The only thing, Madam
2 President, is at the last board meeting some
3 Trustees asked about the Trylovich matter, which is
4 a matter involving Shift Differential.

5 Just so the Trustees know, a letter was
6 sent to the attorney for Mr. Trylovich indicating
7 that we set the matter for a hearing at the June
8 board meeting.

9 I am hoping we will be together for the
10 June board meeting. If it turns out we are not and
11 the Trustees would rather push it to July when they
12 can be face-to-face, we will deal with that then.

13 We did reach out to the lawyer. We thank
14 Trustee Soni and her office for all of her efforts
15 in the last month to help us resolve the issue. It
16 looks like it cannot be resolved easily with the
17 City this year so we have taken the step, after
18 consulting with some of the Trustees, of sending
19 out the letter establishing a hearing date.

20 MEMBER SONI: Just to add to that, and
21 thank you, Mary Pat, we are trying some different
22 avenues on our side just to see if there is
23 anything again we can do with Budget.

24 I did followup on the Budget part of it.

1 It seems like there is some systematic issues in
2 having the Budget actually show the difference
3 lines for Shift Differentials. We are trying to
4 see if that is a possibility.

5 We went back to Law to make sure that we
6 have the same understanding as what we had provided
7 before. The City had provided before through Dave
8 Johnson when he was still at the City and working
9 with our labor lawyers, that hasn't changed.

10 We are also working with the Mayor's
11 office as well as to see if there is anything that
12 we can do from a policy side or from an ordinance
13 side, but all of those things will take some time.

14 We will keep working on it and update the
15 Board accordingly.

16 MS. BURNS: Thank you, Trustee Soni.

17 PRESIDENT THOMPSON: Anything else?

18 MR. WHITE: Before we leave Legal, I just
19 wanted to make sure the Trustees were aware that
20 with the Underwood appeal I think the court date is
21 June 11th, that is before our next board meeting.
22 I just wanted to make sure you were aware of that.

23 MS. BURNS: That will be a virtual
24 argument. They are not face-to-face obviously. We

1 will send all the link information to all the
2 Trustees, if they want to watch it.

3 PRESIDENT THOMPSON: Great. Anything
4 else?

5 Then may I have a motion to adjourn?

6 TRUSTEE MCMAHON: Motion to adjourn by
7 McMahon.

8 TRUSTEE JOHNSON: Seconded by Johnson.

9 PRESIDENT THOMPSON: All in favor?

10 (Chorus of Ayes.)

11 PRESIDENT THOMPSON: Opposed?

12 (No Nays.)

13

14 (WHICH WERE ALL THE PROCEEDINGS

15 IN THE ABOVE-ENTITLED MEETING

16 AT THIS DATE AND TIME.)

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1 STATE OF ILLINOIS)
2) SS.
3 COUNTY OF DU PAGE)
4
5

6 DEBORAH TYRRELL, being a Certified Shorthand
7 Reporter, on oath says that she is a court reporter
8 doing business in the County of DuPage and State of
9 Illinois, that she reported in shorthand the
10 proceedings given at the taking of said cause and
11 that the foregoing is a true and correct transcript
12 of her shorthand notes so taken as aforesaid; and
13 contains all the proceedings given at said cause.
14
15
16

17 Debbie Tyrrell
18 DEBBIE TYRRELL, CSR
19 License No. 084-001078
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