

PROCEEDINGS
OF THE
Board of Trustees
OF THE
**Public School Teachers' Pension and
Retirement Fund of Chicago**

Special Meeting – Official Report

Thursday, June 18, 2020

A special meeting of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held Thursday, June 18, 2020.

The President, Mr. Jeffery Blackwell, called the meeting to order at 9:34 a.m.

ROLL CALL

Members present: Mr. Jeffery Blackwell, Mr. James Cavallero, Ms. Gervaise Clay, Ms. Lois Nelson, Ms. Tina Padilla, Ms. Jacquelyn Price Ward, Mr. Gregory Redfeairn, Ms. Mary Sharon Reilly, Ms. Maria J. Rodriguez, Mr. Jerry Travlos – 10

Members absent: Mr. Miguel del Valle, Mr. Dwayne Truss – 2

Also in attendance were Mr. Charles A. Burbridge (Executive Director), Ms. Mary Cavallaro (Deputy Executive Director), Mr. Daniel J. Hurtado (Chief Legal Officer), Ms. Adriane McCoy (Internal Audit Director), Ms. Angela Miller-May (Chief Investment Officer), Mr. Joseph Burns of Jacobs, Burns, Orlove and Hernandez (Board Counsel), and various observers and staff members.

Board Meeting Audio/Video Conferencing during COVID-19

President Blackwell stated that due to the COVID-19 pandemic and in accordance with the temporary suspension of Open Meetings Act requirements, this meeting is being conducted via audio/video conferencing.

Statement of Equality and Diversity

President Blackwell commented on the recent killings of George Floyd and Breonna Taylor. He stated that these acts of racism and injustice are wholly unacceptable. The Chicago Teachers' Pension Fund Board of Trustees recognizes that knowledge and understanding of diversity is the cornerstone of who we are as an organization, and has made equality a priority for 125 years. He further stated that he will propose under New Business that the Chicago Teachers' Pension Fund Board of Trustees make June 19, 2020, a CTPF paid holiday.

Motion to Change the Order of Agenda, Approved

Ms. Padilla made a motion, seconded by Ms. Rodriguez, to change the order of the agenda to take up the Executive Session after lunch. The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Ms. Clay, Ms. Nelson, Ms. Padilla, Ms. Price Ward, Ms. Reilly, Ms. Rodriguez – 8

Nays: Mr. Travlos – 1

PUBLIC PARTICIPATION**Erika Meza**

Ms. Erika Meza, CTPF member, expressed her concern regarding 403(b) plans and investments and fees.

Mr. Joseph Burns, Board Counsel, stated that Ms. Meza's concerns are regarding her individual retirement savings account and are not related to the Chicago Teachers' Pension Fund.

Patricia Kubistal

Ms. Patricia Kubistal, a CTPF member, expressed her view that the CTPF Trustees do not properly follow Robert's Rules. Ms. Kubistal suggested that a Parliamentarian provide an in-service on parliamentary procedures. She mentioned that at the Policy Committee Meeting, references were made regarding policy and procedures of the Chicago Teachers Union. She stated that the Chicago Teachers' Pension Fund is not a unionized organization and should not be treated as such. She expressed her disapproval of policies that were discussed at the Policy Committee meeting. Ms. Kubistal also inquired about the next Health Insurance Committee meeting.

Maria Fresse-Giffels

Ms. Maria Fresse-Griffels, a CTPF member, expressed her concern regarding the expenditures of the Fund. She requested that the Trustees not approve increasing the Executive Director's spending authorization.

Lynn Fitzgerald

Ms. Lynn Fitzgerald, a CTPF member, requested that members be informed and updated on how funds are invested. Ms. Fitzgerald also requested that expenditures be limited and to not increase the amount of the Executive Director's spending authorization.

Sylvia Aslani

Ms. Sylvia Aslani, a CTPF member, requested that the Trustees not approve increasing the Executive Director's authorization to spend. Ms. Aslani stated that all expenditures should be monitored and approved by the Trustees.

Response from Board Counsel

Mr. Burns stated that the proposed change is not to increase the authority of the Executive Director. He stated that the change is to increase the threshold for requiring a roll call vote of trustees from \$50K to \$100K.

Nathaniel Dickson Appeal

Mr. Nathaniel Dickson, a CTPF member, and his attorney, Mr. Kurt Hale, were present to appeal Mr. Dickson's case before the Board. Mr. Hale spoke to the Board regarding the error in Mr. Nathaniel Dickson's pension. Mr. Hale requested exact information regarding the error to determine if in fact, it occurred.

Ms. Rosemary Ihejirika, Chief Benefits Officer, discussed the Fund's processes and procedures regarding pension revisions.

Mr. Daniel Hurtado, Chief Legal Officer, suggested that Mr. Dickson contact his previous employer to verify records that were sent to CTPF.

APPROVAL OF MINUTES**Motion to Approve the minutes of the May 21, 2020, Regular Board Meeting Minutes**

Mr. Redfeairn made a motion, seconded by Ms. Price Ward, to approve the May 21, 2020, Regular Board Meeting minutes. No vote was taken.

Motion to Table Approval of May 21, 2020, Regular Board Meeting Minutes, Approved

Ms. Rodriguez made a motion, seconded by Ms. Padilla, to table the approval of the May 21, 2020, Regular Board Meeting minutes. The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Ms. Clay, Ms. Nelson, Ms. Padilla, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Ms. Rodriguez – 9

Nays: Mr. Travlos – 1

REPORT OF THE COMMITTEE ON FINANCE AND AUDIT

Chairperson Redfeairn reported that there will be a lengthy review and discussion of the FY 2021 Budget and requested that the Committee review other agenda items before discussing the Budget.

Weekly CPS Meeting Notes

Ms. Rosemary Ihejirika, Chief Benefits Officer, presented and reviewed the meeting notes and highlighted important activity. She stated CPS is still making changes in their system and there hasn't been much movement. Discussion ensued regarding data received from CPS and overpayments.

CPS Payroll Audit Status

Ms. Ihejirika reviewed the CPS Payroll Audit Status and the Charter School Audit Report. She mentioned that there is a dedicated team in place to complete these audits and explained the work of the audit firms hired by the Fund. Ms. Ihejirika addressed questions raised by the Board.

Charter School Audit Status

Ms. Amy Anderson, Employer Audit Manager, reviewed and explained the Charter School Audit Report. She mentioned that a number of schools have not responded and may require action by the Fund's outside counsel. Ms. Anderson reviewed and explained the audit timeline and addressed questions raised by the Board.

Agreed Upon Procedures Status

Ms. Alise White, Chief Financial Officer, gave a brief update on the AUP status and noted that the Fund has been working with Baker Tilly. She stated that Baker Tilly has compiled a list of variances between CPS and CTPF data and that Baker Tilly will be providing the Fund with a draft report.

Payroll Audit Policy and Amendments

Mr. Daniel Hurtado, Chief Legal Officer, presented the amendments to the Payroll Audit Policy. The Board established Payroll Audit and Collection Rules to comply with its statutory and fiduciary responsibilities. The rules are designed to ensure the timely and complete payment of contributions and the timely submission of payroll records to the Fund. These rules apply to any and all payroll audits authorized by the Illinois Pension Code or as otherwise authorized by the Board. Mr. Hurtado reviewed the proposed amendments, which included the date of which should be calculated after a payroll audit discloses there are delinquent payments that need to be paid. Mr. Hurtado addressed questions raised by the Board.

Motion to Approve the Payroll Audit Policy Amendments, Failed

Mr. Redfeairn made a motion, seconded by Ms. Reilly, to accept the proposed amendments to the Payroll Audit policy. The motion failed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Redfeairn, Ms. Reilly, Mr. Travlos – 4

Nays: Mr. Cavallero, Ms. Clay, Ms. Padilla, Ms. Rodriguez – 4

Abstentions: Ms. Nelson, Ms. Price Ward – 2

Direction to Reschedule Investments Due Diligence Presentations

The Board directed staff to reschedule the Investments due diligence presentation to a separate Investment Committee Meeting.

Juneteenth Observance

President Blackwell stated that in light of the recent killings of George Floyd and Breonna Taylor, he would like the Board to consider closing the Fund office on June 19, 2020. Discussion ensued regarding making June 19, 2020, a CTPF holiday. Further discussion ensued regarding the observance of other ethnic holidays.

Motion to Close CTPF Office on June 19, 2020, in Observance of Juneteenth, Approved

Ms. Reilly made a motion, seconded by Ms. Nelson, to close the CTPF office on June 19, 2020, in observance of Juneteenth.

The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Ms. Nelson, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Ms. Rodriguez, Mr. Travlos – 8

Abstentions: Ms. Clay, Ms. Padilla – 2

Mr. Travlos left the meeting.

Motion to go Into Executive Session, Approved

Mr. Redfeairn made a motion, seconded by Ms. Price Ward, to go into Executive Session for the purpose of discussing personnel, internal controls, and litigation matters.

The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Ms. Clay, Ms. Nelson, Ms. Padilla, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Ms. Rodriguez – 9

The Executive Session lasted from 2:58 p.m. to 7:25 p.m.

Motion to go into Open Session, Approved

Ms. Reilly made a motion, seconded by Ms. Nelson, to go into Open Session.

The motion passed unanimously.

Motion to Authorize Settlement of Litigation Discussed in Executive Session, Approved

Ms. Rodriguez made a motion, seconded by Ms. Reilly, to authorize a settlement of litigation as discussed in executive session. The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Ms. Clay, Ms. Nelson, Ms. Padilla, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Ms. Rodriguez – 9

Mr. Cavallero, Ms. Padilla, and Ms. Rodriguez left the meeting.

Legislative Update

Ms. Bukola Bello of Vision Mai, and Mr. Michael Lieteau of Governmental Solutions, gave a legislative update and highlighted important activity. They each addressed questions raised by the Board.

Meeting Adjourned

On a motion by Ms. Reilly, seconded by Ms. Nelson, the meeting adjourned at 7:46 p.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jacqueline Price Ward".

Jacqueline Price Ward
Recording Secretary

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The President, Mr. Jeffery Blackwell, called the meeting to order at 2:58 p.m.

ROLL CALL

Members present: Mr. Jeffery Blackwell, Mr. James Cavallero, Ms. Gervaise Clay, Ms. Lois Nelson, Ms. Tina Padilla, Ms. Jacquelyn Price Ward, Mr. Gregory Redfeairn, Ms. Mary Sharon Reilly, Ms. Maria J. Rodriguez, Mr. Jerry Travlos – 10

Members absent: Mr. Miguel del Valle, Mr. Dwayne Truss – 2

Also in attendance for all or part of the Executive Session were Mr. Charles A. Burbridge (*Executive Director*), Ms. Mary Cavallaro (*Deputy Executive Director*), Mr. Daniel J. Hurtado (*Chief Legal Officer*), Ms. Adriane McCoy (*Internal Audit Director*), and Mr. Joseph Burns of Jacobs, Burns, Orlove and Hernandez (*Board Counsel*).

Discussion ensued regarding litigation matters. No action was taken.

There being no further business, the Executive Session adjourned at 7:25 p.m.

Respectfully submitted,



Jacqueline Price Ward
Recording Secretary

