

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

Regular Meeting – Official Report

Thursday, August 20, 2020

A regular meeting of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held Thursday, August 20, 2020.

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

Statement from Mr. Jeffery Blackwell, President

Good morning. For the record, I am the Board of Trustees President Jeffery Blackwell. Thank you for joining us for the Chicago Teachers' Pension Fund Board of Trustees meeting this August 20, 2020. Before we get started, I want to let all participating Trustees know that if you have a problem with your technology, please reach out directly to Gail Davis who will match you with the correct resource.

Before we begin, I would like to note that while much progress has been made fighting COVID-19 in Illinois, CTPF is committed to doing our part to also stop the spread. For the health, safety, and wellbeing of all CTPF Members, the Fund continues to deliver all member services remotely. CTPF's physical office remains closed to all but essential employees whose duties cannot be performed offsite. In-person services and counseling have been suspended until it is safe to resume these operations.

I also want to take a few minutes to address the Trustees, staff and any participants who might be watching today's proceedings. I had the honor of being elected by my peers in 2010 and have taken my role as a trustee very seriously. As the first African-American male President of the Chicago Teachers' Pension Fund it has been my honor to serve as a fiduciary in a leadership capacity. After heavy reflection and much consideration I am making an announcement that cannot be delayed any longer. I ask my fellow trustees for their indulgence as what I am about to say will not be easy.

For the last year and a half I have been witness to some of the most abhorrent, disturbing and despicable actions by former and current trustees on this board. There is a culture of intimidation, intentional misinformation, discrimination, slander, misogyny, fear-mongering, blatant racism, sexism and retaliatory actions from trustees towards staff and vendors. I cannot and will not be silent anymore. My silence will no longer be used as complicity to enable unethical and terrible behavior from Trustees. I have reviewed audio of verbal abuse from trustees to staff during board and committee meetings. I have been on the receiving end

of sabotage, intimidation, and racist comments from individuals that I believed were my colleagues and friends. I have witnessed former trustees slander, harass and defame vendors simply because they can. This behavior stops today. There are at least 12 active complaints that have been filed on behalf of staff against several current trustees. I am aware of documented harassment and targeted bullying from one former trustee and one current trustee to a vendor who represents us in Springfield. I am also aware of trustees being approached by members of the Chicago Teachers Union who want us as trustees to hire former Madigan staffers who are now contract lobbyists. Let me be clear. We are not in the business as fiduciaries of hiding Madigan lobbyists at the fund under the guise of an RFP.

To add insult to injury, several executive board members of this fund have received notice that trustees are deliberately and viciously targeting women of color. I have witnessed a Trustee who refuses to engage or legitimize a Director in her area of expertise without first corroborating her claims with her white subordinate. African American staff, particularly women, are subjected to inappropriate comments, insensitive behavior, and mental intimidation ON A DAILY BASIS. This is the type of behavior that we as teachers would never tolerate and fight against in our own grievances, mediations and arbitrations. As an African-American President, I have even been on the receiving end of gamesmanship that has stalled, delayed, and disrupted our meetings. According to Board policy, the Trustees establish the dates and times for meetings during our Annual Meeting in November. Regular Board of Trustees' meetings are held on the 3rd Thursday of January, March, May, August, September, November and December. This year, the published meeting schedule called for special meetings in February, April, June, and October. These meetings were to be primarily used for committee business. NO board meeting was scheduled for July at the Trustees' request in recognition of summer schedules, and the difficulty of achieving a quorum due to vacations and holidays. According to Fund policy, special meetings maybe called by the President or by three Trustees provided public notice of the meeting is given in accordance with the Open Meetings Act. There were two special meetings called for in July by groups of three or more trustees. These special meetings were not included on the published schedule for the year, and they failed to achieve a quorum. Not all members will be able to attend every meeting, especially those scheduled on short notice. A lack of attendance by trustees at unplanned meetings is not a breach of fiduciary responsibility or fund policy. In fact, it was a direct act to protect our mental health from the barrage of inexcusable behavior at our participant's expense. Systemic racism is a form of racism that is embedded as normal practice within society or an organization. Systemic racism is not always as blatant as using a racial slur or refusing service based on a person's race, sexual orientation, or religion. Instead it can reveal itself as comments against African emerging managers as an unfounded suspicion that they will steal money. Systemic racism is a repeated coordinated effort by a former trustee to end a vendor's contract WITHOUT CAUSE by pushing for an unnecessary RFP. It can rear its ugly head by abusing staff and intentionally blocking consequences for unethical and morally wrong behavior. Lastly, systemic racism can be perpetuated by the Chicago Teachers' Union who has been made aware of the despicable discriminatory practices of trustees and who choose to remain silent. As I stated before I can no longer sit idly by while the morale of staff and vendors are destroyed. Ultimately it is the participants who suffer.

In a move that is unprecedented, but ultimately necessary I will be instructing the Executive Director, Deputy Executive Director and Chief Legal Officer to compile all grievances, complaints, harassment claims, audio clips of verbal abuse, and recommended consequences from external counsel and submit them to the Public Access Bureau of the Attorney General's Office, the Illinois Labor Relations Board, the Equal Employment Opportunity Commission, the Illinois Legislative Inspector General and the Office of the Mayor for what I believe are violations of the Illinois Human Rights Act, the City of Chicago Human Rights Act, the City of Chicago Human Rights Ordinance, the State Official and Employer Ethics Act, and the Illinois Whistleblower Act. As trustees we cannot condone racism, harassment or targeted discrimination. We will no longer allow former trustees and active trustees to terrorize our fund with unethical behavior and acts. If we are not a part of the solution then we are part of the problem.

Board Meeting Audio/Video Conferencing during COVID-19

President Blackwell stated 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.

ROLL CALL

Members present: Mr. Jeffery Blackwell, Mr. James Cavallero, Ms. Gervaise Clay, Mr. Miguel del Valle, Ms. Lois Nelson, Ms. Tina Padilla, Ms. Jacquelyn Price Ward, Mr. Gregory Redfeairn, Ms. Mary Sharon Reilly, Ms. Maria J. Rodriguez, Mr. Dwayne Truss – 11

Members absent: Mr. Jerry Travlos – 1

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.

PUBLIC PARTICIPATION**Linda Williams**

Ms. Linda Williams, a CTPF member, urged the Board to support the Health Insurance sub-committee recommendation to increase the Health Insurance subsidy to 60%.

Catherine Cunningham

Ms. Catherine Cunningham, a CTPF member, expressed her concern with the Board approving to pay legal fees for permanent residency of a Fund employee. Ms. Cunningham commented that the Trustees have to be careful with allocating and spending money. She suggested other options to cover the legal fees such as a Go-Fund Me page.

Shelly Ackerman

Ms. Shelly Ackerman, a CTPF member, expressed her concern regarding the Fund's liabilities being more than half of the assets. Ms. Ackerman stated that she would like to make sure there is money left in the Fund when it's time for her retire.

Ms. Angela Miller-May, Chief Financial Officer, responded and reported on the funding ratio.

Dianne Yonkers

Ms. Dianne Yonkers, a CTPF member, requested that Board vote yes to approving the Health insurance renewal rates. She stated that a no vote will result in the retirees having no Health Insurance.

Colin Fones-Wolf

Mr. Colin Fones-Wolf, International Union of Operating Engineers, expressed his concern with CTPF Investment in Brookfield Infrastructure Fund. Mr. Fones-Wolf stated that Evolk, one of the subsidiaries of Brookfield, have terminated union contracts which result in employees losing their pension plan. He asked the Trustees to look into this matter.

Matt Darnell

Mr. Matt Darnell, Member of Local 399 and International Union of Operating Engineers, expressed his concern regarding the Fund's investment with Brookfield. Mr. Darnell suggested that the Fund investigate the investment with Brookfield regarding union contracts with its employees and subsidiaries.

Maria Fresse-Giffels

Maria Fresse-Giffels, a CTPF Member, requested that the Board approve the health insurance recommendation. Ms. Fresse-Giffels also stated that the Board should not approve to pay the legal fees of employees.

Erica Meza

Ms. Erica Meza, a CTPF member, expressed her concern regarding the increase in more private equity managers. Ms. Meza requested the data driving the hiring of more managers and also requested that the Board look into which managers could be discontinued, and that the Fund place a freeze on hiring more managers.

Raymond Wohl

Mr. Raymond Wohl, a CTPF member, stated that CTPF meetings should start on time. Mr. Wohl also expressed his concern regarding lack of communication from the President and Vice President for the two July Board meetings which were properly called. He also thanked the President for his concern in protecting the Fund.

Sylvia Asllani

Ms. Sylvia Asllani, a CTPF member, requested that the Trustees vote Yes on the Health Insurance recommendation. Ms. Asllani also urged the Trustees to vote no on paying a Fund employee legal fees.

APPROVAL OF MINUTES**Motion to Approve the Minutes of the January 16, 2020, Regular Board Meeting Minutes, Approved**

Ms. Price Ward made a motion, seconded by Ms. Reilly, to approve the January 16, 2020, Regular Board Meeting minutes.

The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Mr. del Valle, Ms. Nelson, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Mr. Truss – 8

Nays: Ms. Clay, Ms. Rodriguez – 2

Abstentions: Ms. Padilla – 1

Motion to Attempt to Finish Business of the Day by 5:15 p.m., Approved

Mr. Truss made a motion, seconded by Ms. Price Ward, to attempt to finish the business of the day by 5:15 p.m.

The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Mr. del Valle, Ms. Nelson, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Mr. Truss – 8

Nays: Ms. Padilla – 1

Abstentions: Ms. Clay, Ms. Rodriguez –2

Motion to Approve the May 21, 2020, Regular Board Meeting Minutes, Approved

Ms. Price Ward made a motion, seconded by Ms. Nelson, to approve the May 21, 2020, Regular Board Meeting minutes.

The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Mr. del Valle, Ms. Nelson, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Mr. Truss – 8

Abstentions: Ms. Clay, Ms. Padilla, Ms. Rodriguez – 3

Motion to Approve the June 18, 2020, Special Board Meeting Minutes, Approved

Ms. Price Ward made a motion, seconded by Mr. Truss, to approve the June 18, 2020, Regular Board meeting minutes.

The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Ms. Clay, Mr. del Valle, Ms. Nelson, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Mr. Truss – 9

Nays: Ms. Rodriguez – 1

Abstentions: Ms. Padilla –1

VOTE AGENDA

2021 Annuitant Health Insurance Plan Changes

Chairperson Nelson reported on the Annuitant Health Insurance Plans for 2021. She reported that the health insurance subsidy of premium costs have remained 50% since 2015 and that health insurance subsidy costs have decreased considerably. In addition to this cost savings, the health insurer fee related to the Affordable Care Act has been eliminated effective January 1, 2021, which produced significant savings for age 65 and over medical plans for next plan year. Chairperson Nelson further stated that it is staff's opinion that the Board can safely authorize a 60% subsidy for the plan year 2021, and that the committee recommends increasing the subsidy of the annuitant health insurance cost to 60% and approving the renewal rates for the calendar year 2021 without any change to benefit plan design.

Motion to Accept Health Insurance Recommendation, Approved

Ms. Nelson made a motion, seconded by Ms. Reilly, to accept staff's recommendation to increase the subsidy of the annuitant health insurance cost to 60%,and approve the renewal rates for the calendar year 2021 without any change to benefit plan design.

The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Ms. Clay, Mr. del Valle, Ms. Nelson, Ms. Padilla, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Ms. Rodriguez, Mr. Truss – 11

2020 Teacher Trustee Election

Chairperson Nelson reported on the 2020 Teacher Trustee Election and Policy. She stated that the Election committee met on August 6, 2020, and considered options for conducting the 2020 Teacher Election during the Covid-19 pandemic. The election committee made recommendations to change the current election policy to account for the fact that teachers will not be in school this fall. This will make it difficult for teachers to gather signatures for petitions. Also, Pension Representatives, who traditionally distribute voting credentials, will not be able to do so. Without making modifications to the policy, a free and fair election cannot be conducted this fall. Chairperson Nelson recommended changes to the election policy which will allow for the paper and electronic gathering of signatures and distribution of voting credentials by mail and email for the fall of 2020 Teacher Trustee Election. She noted that the changes are captured in the proposed policy and that the Election policy only applies for the 2020 Election year. She recommended that the Board adopt the revised policy for the 2020 election and immediately implement the changes so that a Teacher Trustee election can be held this fall. Discussion ensued regarding the election policy and the 2020 election year.

Motion to Approve the Election Committee Report and Recommendations, Approved

Ms. Nelson made a motion, seconded by Ms. Price Ward, to approve the election committee report and recommendations along with the revised election policy, with the revision being applicable only for the fall 2020 election year.

The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Ms. Clay, Mr. del Valle, Ms. Nelson, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Ms. Rodriguez, Mr. Truss – 10

Nays: Ms. Padilla – 1

VOTE AGENDA

FY 2021 Proposed Budget

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.

Relocation Summary

Ms. Alise White, Chief Financial Officer, reviewed the relocation summary and addressed questions raised by the Board.

Mr. del Valle left the meeting.

UBS Trumbull Property Fund Update and Recommendation

Ms. Angela Miller-May, Chief Investment Officer, and Ms. Lauren Sertich, Callan Associates, updated the Board on the UBS Trumbull Property Fund. They reported that Trumbull Property Fund (TPF) is offering a fee discount for investors who exit the redemption queue and commit to remain in the fund. Ms. Sertich stated that TPF is offering a 15% discount for a three-year commitment or a 25% fee discount for a four year commitment. As of July 27, 2020 investors in the fee discount program represented \$4.2 billion of NAV. She also stated that with UBS guidance of four to five years to satisfy the queue, it is prudent to choose the four-year, 25% fee discount program which would result in greater fee savings for CTPF. The

alternative would be to remain in the redemption queue and incur full fees while awaiting distributions to resume. Ms. Sertich and Ms. Miller-May addressed questions raised by the Board.

Motion to Remain in the UBS TPF Redemption Queue unless the Manager agrees to accept 15% of Current Fees Paid, Failed

Ms. Padilla made a motion, seconded by Ms. Clay, to remain in the redemption queue unless the manager agrees to accept 15% of Current fees paid.

The motion failed by the following roll call vote:

Ayes, Ms. Clay, Ms. Padilla, Mr. Redfeairn, Ms. Rodriguez – 4

Nays: Mr. Blackwell, Mr. Cavallero, Ms. Nelson, Ms. Price Ward, Ms. Reilly, Mr. Truss – 6

Motion to Exit the UBS Trumbull Property Fund Redemption Queue, Approved

Mr. Truss made a motion, seconded by Ms. Price Ward, to exit the redemption queue and choose the four-year, 25% fee discount program with the remaining \$60 million NAV. The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Ms. Nelson, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Mr. Truss – 7

Nays: Ms. Clay, Ms. Padilla, Ms. Rodriguez – 3

Newport Fund III

Ms. Jen Mende, Callan Associates reported on the Newport Fund III. She stated that CTPF made a commitment to Newport Fund II which is close to ending its investment period. Continuing to commit to closed-end fund series ensures vintage year diversification. CTPF has worked to identify strong partners that it can continue to invest with in follow-on funds. The founder of Newport Capital, Derrick McGavic, assisted CTPF with the workout of investments, dating back to 2012. The 2020 Pacing Study recommends – Up to \$60M to non-core real estate to maintain exposure target of 25% overall real estate allocation in noncore real estate.

Callan and Staff recommend committing \$30 million to Newport Fund III a continuation of Newport Fund strategy, which has performed well for CTPF. Ms. Mende addressed questions raised by the Board.

Motion to Commit \$30M to Newport Fund III, Approved

Mr. Truss made a motion, seconded by Ms. Price Ward, to accept the recommendation to commit \$30M to Newport Fund III.

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, Mr. Truss – 10

THERESA KONRATH APPEAL

Theresa Konrath Appeal

Ms. Theresa Konrath, a CTPF member, and her attorney, Mr. Brian Massimino, were present to appeal Ms. Konrath's case before the Board. Mr. Massimino spoke to the Board regarding the error in Ms. Konrath's pension.

The Board informed Ms. Konrath that her appeal will be discussed in Executive Session.

Charter School Audit Status

Ms. Amy Anderson, Employer Audit Manager, Ms. Jackie Dunn, partner from Calibre, and Mr. Vince Guzaldo, partner from Bansley and Keiner, reviewed and explained the Charter School Payroll Audits. They reviewed and explained the audit timeline and addressed questions raised by the Board.

Mr. del Valle returned to the meeting.

Motion to go Into Executive Session, Approved

Ms. Rodriguez made a motion, seconded by Ms. Padilla, 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, Mr. del Valle, Ms. Nelson, Ms. Padilla, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Ms. Rodriguez, Mr. Truss – 11

Motion to go into Open Session, Approved

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

The motion passed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. Cavallero, Ms. Clay, Mr. del Valle, Ms. Nelson, Ms. Padilla, Ms. Price Ward, Mr. Redfeairn, Ms. Reilly, Ms. Rodriguez, Mr. Truss – 11

Motion to Adjourn, Failed

Mr. Truss made a motion, seconded by Ms. Price Ward, to adjourn.

The motion failed by the following roll call vote:

Ayes: Mr. Blackwell, Mr. del Valle, Mr. Price Ward, Ms. Reilly, Mr. Truss – 5

Nays: Mr. Cavallero, Ms. Clay, Ms. Nelson, Ms. Padilla, Mr. Redfeairn, Ms. Rodriguez – 6

Motion to go Into Executive Session, Approved

Ms. Rodriguez made a motion, seconded by Ms. Padilla, 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: Ms. Clay, Ms. Nelson, Ms. Padilla, Mr. Redfeairn, Ms. Rodriguez – 5

Nays: Mr. Blackwell, Ms. Price Ward, Ms. Reilly, Mr. Truss – 4

Abstentions: Mr. Cavallero – 1

Mr. Blackwell, Mr. del Valle, and Mr. Truss left the meeting during Executive Session.

Motion to go Into Open Session

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

The motion passed by the following roll call vote:

Ayes: Ms. Clay, Ms. Nelson, Ms, Padilla, Ms. Rodriguez – 4

No quorum at time of vote.

Meeting Adjourned

The meeting adjourned at 8:03 p.m. due to a lack of quorum.

Respectfully submitted,

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

Jacqueline Price Ward
Recording Secretary

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

Executive Session – Official Report

Thursday, August 20, 2020

An Executive Session of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held Thursday, August 20, 2020.

The President, Mr. Jeffery Blackwell, called the meeting to order at 4:45 p.m.

ROLL CALL

Members present: Mr. Jeffery Blackwell, Mr. James Cavallero, Ms. Gervaise Clay, Mr. Miguel del Valle Ms. Lois Nelson, Ms. Tina Padilla, Ms. Jacquelyn Price Ward, Mr. Gregory Redfeairn, Ms. Mary Sharon Reilly, Ms. Maria J. Rodriguez, Mr. Dwayne Truss – 11

Members absent:, Mr. Jerry Travlos – 1

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, personnel, and internal control matters. No action was taken.

There being no further business, the Executive Session adjourned at 6:00 p.m.

Respectfully submitted,



Jacqueline Price Ward
Recording Secretary

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

Executive Session – Official Report

Thursday, August 20, 2020

An Executive Session of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held Thursday, August 20, 2020.

The President called the meeting to order at 6:05 p.m.

ROLL CALL

Members present: Mr. Jeffery Blackwell, Mr. James Cavallero, Ms. Gervaise Clay, Mr. Miguel del Valle Ms. Lois Nelson, Ms. Tina Padilla, Ms. Jacquelyn Price Ward, Mr. Gregory Redfeairn, Ms. Mary Sharon Reilly, Ms. Maria J. Rodriguez, Mr. Dwayne Truss, – 11

Members absent:, Mr. Jerry Travlos – 1

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, personnel and internal control matters. No action was taken. There being no further business, the Executive Session adjourned at 8:08 p.m.

Respectfully submitted,



Jacqueline Price Ward
Recording Secretary

