

RECORD OF PROCEEDINGS  
of the  
RETIREMENT BOARD (the "BOARD") of the  
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")  
SCHEDULED REGULAR BOARD MEETING  
THURSDAY, DECEMBER 17, 2015

The 55 East Monroe Building  
55 East Monroe Street, Suite 2720  
Chicago, Illinois 60603

President MUNIZZI called the meeting to order at 9:30 A.M.

**ROLL CALL**

Trustees present:

PAMELA A. MUNIZZI, President	FRANK HODOROWICZ, Trustee
ROBERT GERAGHTY, Vice President	STEVEN J. LUX, Trustee
EDWARD L. AFFOLTER, Secretary	CECILIA PRADO, Trustee
MARIO GIANFORTUNE, Trustee	

Also Present:

DEAN J. NIEDOSPIAL, Executive Director  
MIKE SPYCHALSKI, Marquette Associates  
TAYLOR MUZZY, Jacobs, Burns, Orlove & Hernandez

**MINUTES OF THE LAST MEETING**

A motion was made by Vice President GERAGHTY to approve the minutes of the scheduled regular Board meeting held on Thursday, November 19, 2015. Trustee GIANFORTUNE seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO  
NAYS: None

A motion was made by Vice President GERAGHTY to approve the Executive Session held on Thursday, November 19, 2015. Secretary AFFOLTER seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO  
NAYS: None

**READING OF COMMUNICATIONS**

The Executive Director commented on the following FOIA request:

1. December 3, 2015, from the Illinois Policy Institute

A motion was made by President MUNIZZI to accept the Reading of Communications. Secretary AFFOLTER seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

**REPORT OF THE COMMITTEES**

None

**REPORT OF THE INVESTMENT CONSULTANT**

Mr. Michael Spychalski of Marquette Associates distributed the Preliminary Monthly Update report as of November 30, 2015, featuring investment performance, market environment analysis, monthly research, asset allocation and individual investment manager performance. The Trustees reviewed and discussed the report. Mr. Spychalski commented that the Fund's asset allocation would be addressed at the January, 2016 meeting. Mr. Spychalski also led a discussion regarding recent events at Lombardia Capital Partners and he and the Trustees concluded that the situation there should be closely monitored.

A motion was made by Trustee HODOROWICZ to accept the Report of the Investment Consultant. Trustee LUX seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

**REPORT OF THE EXECUTIVE DIRECTOR**

**2016 Board Meeting Schedule**

The Executive Director distributed a proposed schedule of Board meeting dates for 2016, including agendas focusing on quarterly meetings for financial and benefit reporting, as well as a format for focusing on investments, continuing education, professional services presentations, etc., for approval by the Trustees and posting to the Fund's website.

A motion was made by Trustee HODOROWICZ to approve the 2016 Board meeting schedule as presented, to authorize Fund staff to process benefits on a monthly basis, ratified by the Board on a quarterly basis and to authorize quarterly reporting of other financial information. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

### **Annual Budget**

The Executive Director presented the Fund's Projected Operating Budget for the year ending December 31, 2016. The details within the budget and budget assumptions were discussed with the Trustees and the Executive Director noted that salaries would be discussed later in the meeting in Executive Session.

### **Resolution Honoring Joseph M. Fratto**

The Executive Director presented to the Trustees, for their consideration, a resolution honoring Joseph M. Fratto, who served as a Trustee for 31 years.

A motion was made by Trustee HODOROWICZ to adopt the resolution honoring former Trustee Joseph M. Fratto. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

### **Approval of Fund Counsel Hourly Rate**

The Executive Director distributed a letter from Jacobs, Burns, Orlove & Hernandez, Fund Counsel, requesting an increase in their hourly rate from \$240 to \$250 effective July 1, 2016.

A motion was made by Vice President GERAGHTY to approve the request of Jacobs, Burns, Orlove & Hernandez, Fund Counsel, to increase their hourly rate from \$240 to \$250 effective July 1, 2016. Trustee HODOROWICZ seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

**Fiduciaries Diversity Policy/Businesses Diversity**

The Executive Director distributed the Fund’s Fiduciaries Diversity and Businesses Diversity Policies. The Trustees reviewed and discussed their support for the policies.

A motion was made by President MUNIZZI to approve the Fund’s Fiduciaries Diversity and Businesses Diversity Policies as presented. Secretary AFFOLTER seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

**Letter to Retirees in regard to Public Act 098-0622**

The Executive Director reported that a letter advising the annuitants of the 2016 calculation for cost of living increase and the lawsuit, which challenges the constitutionality of Public Act 098-0622, had been mailed and posted to the Fund’s website.

**Other**

Conferences – The Executive Director distributed updated 2016 Conference Schedules to the Trustees and highlighted upcoming local conferences.

The Executive Director reported that Secretary AFFOLTER has expressed interest in attending the OPAL Public Funds Summit, January 13-15, 2016.

A motion was made by Vice President GERAGHTY to authorize Secretary AFFOLTER to attend the OPAL Public Funds Summit, January 13-15, 2016. Trustee GIANFORTUNE seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

A motion was made by Vice President GERAGHTY to accept the Report of the Executive Director. Secretary AFFOLTER seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

**REPORT OF THE ATTORNEY**

Mr. Taylor Muzzy of Jacobs, Burns, Orlove & Hernandez reported on the general status of the Lyondell Chemical Company litigation.

A motion was made by Trustee HODOROWICZ to accept the Report of the Attorney. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

**REPORT OF THE ACTUARY**

None

**REPORT OF THE LOBBYIST**

None

A motion was made by Trustee GIANFORTUNE to go into Executive Session for discussing compensation and performance of specific employees of the Fund. Trustee LUX seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

The Trustees discussed compensation and performance of specific employees of the Fund.

A motion was made by Vice President GERAGHTY to return to Open Session. Secretary AFFOLTER seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

A motion was made by Trustee LUX to amend the Budget for the year ending December 31, 2016 presented by the Executive Director by reducing salaries from \$788,800 to \$786,800 and to approve the amended Budget for 2016. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
LUX, MUNIZZI, PRADO

NAYS: HODOROWICZ

A motion was made by Trustee HODOROWICZ to require Fund staff effective January 1, 2017, to pay the same amount for healthcare premiums as Chicago Park District employees. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE,  
HODOROWICZ, LUX, MUNIZZI, PRADO

NAYS: None

**OLD BUSINESS**

None

**NEW BUSINESS**

None

**ADJOURNMENT**

There being no further business, Trustee GIANFORTUNE moved to adjourn the meeting. Secretary AFFOLTER seconded the motion. Motion prevailed unanimously and the meeting was adjourned.

The next regular meeting of the Retirement Board will be on **Thursday, January 21, 2016**, at 9:30 A.M. in the Judith A. Flaherty Conference Room on the 27<sup>th</sup> floor of the 55 East Monroe Street Building, Suite 2720, Chicago, Illinois, 60603.

Respectfully submitted,



EDWARD L. AFFOLTER  
Secretary