

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
SCHEDULED REGULAR BOARD MEETING
THURSDAY, NOVEMBER 19, 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
ROBERT GERAGHTY, Vice President
EDWARD L. AFFOLTER, Secretary
MARIO GIANFORTUNE, Trustee

FRANK HODOROWICZ, Trustee
STEVEN J. LUX, Trustee
CECILIA PRADO, Trustee

Also Present:

DEAN J. NIEDOSPIAL, Executive Director
JAIME L. MCCABE, Comptroller
TAYLOR MUZZY, Jacobs, Burns, Orlove & Hernandez, Fund Counsel
MICHAEL SPYCHALSKI, Marquette Associates, Inc.

MINUTES OF THE LAST MEETING

A motion was made by Secretary AFFOLTER to approve the minutes of the scheduled regular Board meeting held on Thursday, October 15, 2015. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

READING OF COMMUNICATIONS

None

REPORT OF THE COMMITTEES

None

BENEFIT DATA

Annuities Granted

Applications for Service and Employees' Spousal Annuities as listed in Section IV (A) of the Benefit Data, dated September 17, 2015, October 15, 2015, and November 19, 2015, were presented to the Board with the recommendation for approval based upon the report of the President as to the eligibility of the applicants and the correctness of the amounts of annuities and benefits indicated.

Trustee HODOROWICZ moved ratification of the Applications for Service and Employees' Spousal Annuities to the Omnibus.

Disabilities Granted

Applications for Ordinary and Duty Disability Benefits as listed in Section IV (B) of the Benefit Data, dated August 31, 2015, September 30, 2015, and October 31, 2015, were presented to the Board for approval.

Trustee LUX moved ratification of the Ordinary and Duty Disability Benefits to the Omnibus.

Annuities in Force

The Secretary asked the Trustees to consider the statement of annuity benefit requirements for the months of September 2015, October 2015, and November 2015 in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$5,612,586.84, \$5,586,214.72 and \$5,589,541.01, respectively.

Trustee HODOROWICZ moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$5,612,586.84, \$5,586,214.72 and \$5,589,541.01 to the Omnibus.

Report on Death Claims

The following report, Section IV (D) was submitted for ratification as indicated:

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>	<u>To Whom Payable</u>
Patricia J. Zeledon Park Supervisor Annuitant, 6-093350	06/09/14	\$ 3,000.00 Death Benefit	Douglas Jon Blundell, Surviving Spouse
Mary Sandoval Attendant Annuitant, 6-092220	06/17/15	\$ 3,000.00 Death Benefit	Carol A. Albanese, Designated Beneficiary
Antoinette St Martin Principle Clerk Annuitant, 6-078480	07/19/15	\$ 3,000.00 Death Benefit	Roger St Martin, Personal Representative
Lorraine Meinecke Secretary Steno Annuitant, 6-087570	03/04/07	\$ 3,000.00 Death Benefit	Bradford L. Meinecke & David Meinecke, Surviving Heirs

Note: David L. Meinecke has not yet returned his application. This case will remain open until receipt of the completed forms.

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>		<u>To Whom Payable</u>
Ernest M. Howell Jr. Attendant Annuitant, 6-010015	07/16/15	\$ 3,000.00	Death Benefit	Ernest Monroe Howell III, Jacqueline Howell, John Howell, Patricia Howell, Felicia Howell, Latanya Howell, & Andra Howell, Surviving Heirs
Thomas P. Fitzpatrick Trades Coordinator Annuitant, 6-089190	08/12/15	\$ 3,000.00	Death Benefit	Corinne A. Wojciak, Designated Beneficiary
James K. Rago Attendant Annuitant, 6-011058	08/22/15	\$ 299,949.70 4,500.00 <u>\$ 304,449.70</u>	Refund of AR Death Benefit	Joanne L. Spindler, Designated Beneficiary
Eugene Jendraszkiewicz Electrician Inside Annuitant, 6-084680	09/12/15	\$ 3,000.00	Death Benefit	Fred Jendra, Designated Beneficiary
Fielding Monroe, Jr. Laborer Annuitant, 6-010203	09/21/15	\$ 3,000.00	Death Benefit	Melinda D. Monroe-Stewart, Designated Beneficiary
Joann A. Tripoli Attendant Annuitant, 6-010158	09/05/15	\$ 3,000.00	Death Benefit	Philene Fotopoulos, Designated Beneficiary
Isadore Tobiansky Electrician Outside Annuitant, 6-069740	01/16/13	\$ 3,000.00	Death Benefit	Edwin Weinshenker, Successor Trustee
James M. Brown Plumber Annuitant, 6-078180	05/08/11	\$ 3,000.00	Death Benefit	George M. Brown, Katherine Brown & James M. Brown Jr., Designated Beneficiaries
Note: George and James have not returned their completed applications. The case will remain open until receipt of the completed forms.				
Andrew Para Jr. Attendant Annuitant, 6-010555	08/15/15	\$ 3,000.00	Death Benefit	Carol Ann Clark and Virginia Gall, Designated Beneficiaries
Hardy D. White Security Guard Employee, 0056568	07/01/15	\$ 4,709.31	Refund of EC	Victor D. White, Jr., Executor
Pamela D. Alexander Attendant Annuitant, 6-010893	10/15/15	\$ 18,097.20	Refund of AR	Jami Bridges, Maalika Bridges and Jeffery Bridges, Designated Beneficiaries
Jerome F. Graber Program Analyst Annuitant, 6-083960	08/27/15	\$ 3,000.00	Death Benefit	Mary E. Graber, Surviving Spouse
James C. Muting Chauffeur Annuitant, 6-094040	08/19/15	\$ 3,000.00	Death Benefit	Margaret Muting, Surviving Spouse

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>		<u>To Whom Payable</u>
Talat Korman Coastal Designer Annuitant, 6-086270	08/17/13	\$ 3,000.00	Death Benefit	Mutena Korman, Surviving Spouse
		<u>300.00</u>	Optional DB	
		<u>\$ 3,300.00</u>		
Peter S. Caruso Refuse Collector Annuitant, 6-085030	07/22/15	\$ 3,000.00	Death Benefit	Judy Caruso, Surviving Spouse
John E. Ward Laborer Annuitant, 6-010343	07/16/15	\$ 300.00	Optional DB	Marie Balice Ward, Surviving Spouse
Juan Roman Laborer Annuitant, 6-084240	08/22/15	\$ 3,000.00	Death Benefit	Claudina Roman, Surviving Spouse
Bernard R. Schroedle Laborer Annuitant, 6-089740	08/15/15	\$ 3,000.00	Death Benefit	Anna M. Schroedle, Surviving Spouse
		<u>300.00</u>	Optional DB	
		<u>\$ 3,300.00</u>		
Willie Johnson Trades Coordinator Annuitant, 6-089360	09/20/15	\$ 3,000.00	Death Benefit	Dianna L. Johnson, Surviving Spouse
		<u>300.00</u>	Optional DB	
		<u>\$ 3,300.00</u>		
Jose F. Guerrero Laborer Annuitant, 6-098500	10/07/15	\$ 3,000.00	Death Benefit	Margaret Guerrero, Surviving Spouse
Robert Jeffries Motor Vehicle Repairman Annuitant, 6-088450	10/22/15	\$ 3,000.00	Death Benefit	Brenda Jeffries, Surviving Spouse
		<u>300.00</u>	Optional DB	
		<u>\$ 3,300.00</u>		
William T. Harris Laborer Annuitant, 6-088210	02/19/13	\$ 3,000.00	Death Benefit	Kirkland T. Harris, Mark T. Harris, William T. Harris & Phyliss Harris, Surviving Heirs
Total amount of death claims submitted for approval		<u>\$394,756.21</u>		

The information in the files supporting these claims and the facts relative thereto have been gathered in the office of the Retirement Board. Based on this information, the Executive Director certifies to the correctness and validity of the above claims.

Trustee HODOROWICZ moved ratification of the Report on Death Claims to the Omnibus.

Applications for Refunds - over \$5,000

Applications for refund of pension contributions, Section IV (E), involving payment in excess of \$5,000 were received from the following former employees of the Chicago Park District and presented to the Board by the Secretary:

<u>Name and Occupation</u>	<u>Amount</u>	<u>Age</u>	<u>Years of Service</u>
Janice Alvarado, Life Guard	\$ 5,278.13	25	3.50
Zachary Banasik, Natatorium Instructor	19,577.64	29	8.50
Nicole Barrera, Natatorium Instructor	7,427.21	24	2.75
John Baum, Physical Instructor	7,422.95	26	2.75
Shante Booker, Attendant	12,290.31	36	8.50
Tapeca Drain-Noble, Treasury Analyst	17,009.30	31	4.25
James Clifford, Natatorium Instructor	17,960.27	29	7.50
Kiera Ellis, Assistant Press Secretary	6,068.41	24	1.50
Brandon Hales, Recreation Leader	5,408.90	25	5.00
Jefferey Jones, Life Guard	14,681.45	25	6.50
Shawana Kimbrough, Inclusion Aide	12,018.63	32	8.25
Marcus Kurns, Recreation Leader	12,991.15	33	9.75
Ricardo Lucio, Natatorium Instructor	8,480.90	25	3.50
Sintina McPhan, Attendant	8,386.88	50	5.25
Alfredo Mendez, Life Guard	8,718.36	22	4.25
Piotr Obrochta, Natatorium Instructor	21,450.89	29	9.00
Martin Ramirez, Natatorium Instructor	23,626.61	29	11.25
Michael Sisco, Security Guard	10,939.72	44	7.25
Stephen Smith, Security Guard	15,194.04	46	8.75
Lamar Stovall, Recreation Leader	6,709.94	28	5.25
Rena Stovall, Admin Assistant	10,661.63	62	3.50
Michael Trice, Natatorium Instructor	<u>7,590.52</u>	43	3.00
Total	<u>\$ 259,893.84</u>		

The preceding individuals were duly informed regarding the effect of their refunds on their rights in the Fund, and were given full explanation to the credit they would be forfeiting by acceptance of the refunds.

Trustee GIANFORTUNE moved ratification of the Applications for Refunds over \$5,000 to the Omnibus.

Refunds of Spouse's Annuity Deduction - over \$5,000

Application for refund of the following spousal annuity deductions are submitted for ratification by the Trustees. These employees are unmarried at the date of his/her retirement and are entitled to these refunds.

<u>Name</u>	<u>Age</u>	<u>Years of Service</u>	<u>Amount</u>
Andrea Ryniec	50	31.50 years	\$ 12,284.07
Debra A. Castanedo	60	23.75 years	6,935.34
Delores Jones	56	24.50 years	6,444.13
			<u>\$ 25,663.54</u>

Trustee LUX moved ratification of the Refunds of Spouse's Annuity Deductions over \$5,000 to the Omnibus.

Nursing Home Care

None

Membership Statistics (informational only)

	<u>11/19/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
Chicago Park District participants	3,209	3,120	3,064
Participants contributing to PEABF (Tier II approx. 915)	2,808	2,688	2,765
Retired employees	2,084	2,101	2,102
Surviving spouses	766	773	785
Children	12	17	16
Retirements during the year	90	90	110
Deaths among retirees (including spousal)	108	91	98
New members	371	250	360
Withdrawals with refund	106	188	151

Secretary AFFOLTER moved ratification of the Membership Statistics to the Omnibus.

FINANCIAL DATA

Expenditure Report

Disbursements as listed in Section V (A) of the Financial Data, dated September 17, 2015, October 15, 2015, and November 19, 2015, were presented to the Board for approval.

Vice President GERAGHTY moved ratification of the Expenditure Report to the Omnibus.

Summary of Investment Fees, Administrative and General Expenses

Investment Fees, Administrative and General Expenses as listed in Section V (B) of the Financial Data, as of September 30, 2015, were presented to the Board for ratification.

Secretary AFFOLTER moved ratification of the Summary of Investment Fees, Administrative and General Expenses to the Omnibus.

Cash Account - Reconciliation and Cash Flow Report

Cash Account – Reconciliation and Cash Flow Report as listed in Section V (C) of the Financial Data, as of August 31, 2015, September 30, 2015, and October 31, 2015, were presented to the Board for approval. The Trustees discussed maintaining the cash balance in the Northern Trust STIF account in accordance with the Fund's investment policy.

Trustee LUX moved ratification of the Reconciliation and Cash Flow Report to the Omnibus.

Summary of the Trial Balance (unaudited)

Summary of the Trial Balance (unaudited), Section V (D) as of September 30, 2015, shows ending net assets of \$397,276,281.53.

Trustee LUX moved ratification of the Summary of the Trial Balance (unaudited) to the Omnibus.

INVESTMENTS

The following reports as listed in Section VI (B) dated September 30, 2015, are presented to the Board for acceptance:

Northern Trust Company investment manager performance snapshot	VI (B) 1
Market Value of Investments Owned	VI (B) 2
Fixed Income	VI (B) 3
Equity Advisors	VI (B) 4
Alternative Investments	VI (B) 5
Real Estate Accounts	VI (B) 6

Official copies of the preceding have been placed on file and made a part of the "Minutes" of this meeting.

There were no significant activities in the investment accounts.

Trustee GIANFORTUNE moved ratification of the investment reports to the Omnibus.

MOTION TO ACCEPT ITEMS TRANSFERRED TO THE OMNIBUS

A motion was made by Trustee HODOROWICZ to ratify the foregoing reports as part of the Omnibus. President MUNIZZI 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

Appointment of Fund Counsel for PA 098-0622 Litigation

The Executive Director advised the Trustees that they should formally approve the appointment of Fund Counsel to represent the Fund in the lawsuit challenging the constitutionality of Public Act 098-0622.

A motion was made by Trustee HODOROWICZ to approve the appointment of Jacobs, Burns, Orlove & Hernandez to represent the Fund in the lawsuit challenging the constitutionality of Public Act 098-0622. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Appointment of the Auditor

The Executive Director presented to the Trustees an engagement letter received from Bansley & Kiener, L.L.P. for services to be provided for the audit of the Fund for the year ended December 31, 2015. The letter describes the terms of the agreement, nature and extent of the audit services to be provided to the Fund. The fee for the audit for the year ended December 31, 2015 will not exceed \$27,000, the same as the previous year's fee.

A motion was made by Trustee LUX to reappoint Bansley & Kiener, L.L.P. as the Fund's auditors for the fiscal year ending December 31, 2015 at a fee not to exceed \$27,000. Trustee HODOROWICZ seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

PRESENT: MUNIZZI

Approval of Per Diem and Travel Reimbursement Policy for Trustees and Staff

The Executive Director presented a revised Per Diem and Travel Reimbursement Policy for Trustees and Staff travel prepared by Fund Counsel. The Trustees reviewed and discussed the revised policy with Fund Counsel.

A motion was made by Vice President GERAGHTY to approve the Per Diem and Travel Reimbursement Policy on the condition that Fund Counsel revise the Policy to provide that there shall no reimbursement for alcohol. Secretary AFFOLTER seconded the motion

Motion carried by the following roll call:

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

NAYS: None

Other

Illinois Department of Insurance – The Executive Director distributed a publication from the Illinois Department of Insurance, which outlines the annual earnings, salary or wages maximum for the Fund's Tier II employees for 2016, as well as the unadjusted change in the CPI-U, which is used to calculate the annual increase in pensions. He noted that this information would be forwarded to the appropriate Chicago Park District staff. He also noted that he and Fund Counsel would develop a letter to be sent on or around December 1 advising the annuitants of the calculation and of the lawsuit, which challenges the constitutionality of Public Act 098-0622.

Senate Hearings - The Executive Director reported that he and the Fund's investment consultant, Marquette Associates, Inc., presented a report to the Illinois State Senate Committee on Public Pensions Investments annual Subject Matter Hearing on MWBE Investments on Wednesday, November 18. The Executive Director and the Trustees discussed the importance of continuing to support minority and women owned investment managers, brokers, and businesses.

Annual Budget – The Executive Director reported that he and the Fund's Comptroller would present the Fund's 2016 annual budget at the December Board meeting.

Disaster Recovery Plan - The Executive Director reported that he and the Fund's IT consultant are in the process of updating the Fund's Disaster Recovery Plan and it will be presented to the Board in the next few months.

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

The Executive Director reported that Vice President GERAGHTY, Trustee GIANFORTUNE and the Executive Director have expressed interest in attending OPAL Public Funds Summit, January 13-15, 2016.

A motion was made by President MUNIZZI to authorize Vice President GERAGHTY, Trustee GIANFORTUNE and the Executive Director to attend the OPAL Public Funds Summit, January 13-15, 2016. Trustee LUX 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 HODOROWICZ to accept the Report of the Executive Director. Secretary AFFFOLTER 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 ATTORNEY

None

REPORT OF THE LOBBYIST

None

REPORT OF THE INVESTMENT CONSULTANT

Mr. Michael Spychalski of Marquette Associates, Inc. distributed the Preliminary Monthly Update report as of October 31, 2015, featuring investment performance, market environment analysis, monthly research, asset allocation, and individual investment manager performance. The Trustees reviewed and discussed the report.

A motion was made by Vice President GERAGHTY to accept the Report of the Investment Consultant. Trustee HODOROWICZ 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 GIANFORTUNE to go into Executive Session for the purpose of discussing pending litigation with Fund Counsel. 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 pending litigation with Fund Counsel.

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 GIANFORTUNE to authorize Fund Counsel to voluntarily dismiss the complaints against Geneva Harris and Chentey Morris filed in April of this year without prejudice and with leave to re-file those complaints if Harris or Morris can be located. 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, Vice President GERAGHTY moved to adjourn the meeting. Trustee GIANFORTUNE seconded the motion. Motion prevailed unanimously and the meeting was adjourned.

The next regular meeting of the Retirement Board will be on **Thursday, December 17, 2015**, at 9:30 A.M. in the Judith A. Flaherty Conference Room on the 27th floor of the 55 East Monroe Street Building, Suite 2720, Chicago, Illinois, 60603.

Respectfully submitted,

Edward L. Affolter

EDWARD L. AFFOLTER
Secretary