

RECORD OF PROCEEDINGS  
of the  
RETIREMENT BOARD (the "BOARD") of the  
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")  
SCHEDULED REGULAR BOARD MEETING  
THURSDAY, FEBRUARY 18, 2016

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  
STEVEN J. LUX, Trustee  
CECILIA PRADO, Trustee

Also Present:

DEAN J. NIEDOSPIAL, Executive Director  
JAIME L. MCCABE, Comptroller  
KELLY M. HUNT, Benefit Manager  
BRETT CHRISTENSON, Marquette Associates

Absent:

FRANK HODOROWICZ, Trustee

**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, January 21, 2016. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

## **READING OF COMMUNICATIONS**

The Executive Director commented on the following FOIA requests:

1. January 22, 2016, from Preqin
2. January 20, 2016, from American Transparency
3. January 22, 2016, from American Transparency

A motion was made by Trustee GIANFORTUNE to accept the Reading of Communications. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

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

NAYS: 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 December 17, 2015, January 21, 2016, and February 18, 2016, 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 LUX 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 November 30, 2015, December 31, 2015, and January 31, 2016, were presented to the Board for approval.

Vice President GERAGHTY 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 December 2015, January 2016, and February 2016 in accordance with Section IV (C) of the

Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$5,586,287.85, \$5,612,761.59 and \$5,625,975.15, respectively.

Trustee LUX moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$5,586,287.85, \$5,612,761.59 and \$5,625,975.15 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>
Edward Kozlow Administrator Annuitant, 6-073420	10/12/15	\$ 3,000.00 Death Benefit	Diane Gail Richard & Edward Kozlow, Designated Beneficiaries
Peter C. Horath, Sr. Park OPS Supervisor Annuitant, 6-095050	06/08/15	\$ 3,000.00 Death Benefit	Gerald J. Horath, Designated Beneficiary
Josephine S. Zale Art Craft Instructor Annuitant, 6-083910	11/03/15	\$ 3,000.00 Death Benefit	Bruce Zale, Surviving Heir
Frank Guardi Maintenance Laborer Annuitant, 6-090100	12/14/13	\$ 3,000.00 Death Benefit	Rita Calafatello, Designated Beneficiary
Johnny C. Johnson Attendant Annuitant, 6-010512	10/31/15	\$ 3,000.00 Death Benefit	Helen Johnson, Surviving Spouse
Irene Brown Art Craft Instructor Annuitant, 6-091930	10/14/15	\$ 3,000.00 Death Benefit	Taquita Austin Brown & Kenneth Brown Designated Beneficiaries
Eligio Santiago Laborer Annuitant, 6-010531 Ruth Marie Santiago has not returned her completed applications. The case will remain open until receipt of the completed forms.	02/08/12	\$ 3,000.00 Death Benefit	Imogene J. Santiago & Ruth Marie Santiago, Designated Beneficiaries
William Albrecht General Forman Annuitant, 6-068640 William G. Albrecht has not returned his completed applications. The case will remain open until receipt of the completed forms.	09/14/15	\$ 3,000.00 Death Benefit	Jean Louis Kennedy & William G. Albrecht, Designated Beneficiaries
Irving Safron Laborer Annuitant, 6-075940	11/23/15	\$ 3,000.00 Death Benefit	Michael H. Safron, Joanne Bach & Donna Kunsman, Designated Beneficiaries
James J. Schultz Painter Annuitant, 6-083820 James has not returned his completed applications. The case will remain open until receipt of the completed forms.	09/21/15	\$ 3,000.00 Death Benefit	John J. Schultz and James Schultz, Designated Beneficiaries
Lewis E. Callaway Stationary Engineer Class II Annuitant, 6-075760	12/15/15	\$ 3,000.00 Death Benefit	Riana Lynn, Designated Beneficiary

Richard Lyons Carpenter Annuitant, 6-070000	11/25/15	\$ 3,000.00	Death Benefit	Jean M. McCabe, Surviving Spouse
Harriet J. Brown Park Supervisor of Recreation Annuitant, 6-075750	01/02/16	\$ 3,000.00	Death Benefit	Vickie O'Malley, Designated Beneficiary
Rosemary Huber Payroll Specialist Class II Annuitant, 6-084100	01/04/16	\$ 3,000.00	Death Benefit	Susan Gauna, Designated Beneficiary
Rudolph Mannella, Sr. Rigger Annuitant, 6-073990	01/08/16	\$ 3,000.00	Death Benefit	John Manella, Sr., Designated Beneficiary
Elsie R. Stevenson Attendant Annuitant, 6-078150	01/17/16	\$ 3,000.00	Death Benefit	Grace M. Johnson, Designated Beneficiary
Gordon Saas Boiler Setter Annuitant, 6-077250	10/15/15	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Marianne Saas, Surviving Spouse
Rocco Lucio Painter Annuitant, 6-082760	11/16/15	\$ 3,000.00	Death Benefit	Florence D. Lucio, Surviving Spouse
Ernest Yamich Security Guard Employee, 63624	11/16/15	\$ 6,000.00 1,912.18 300.00 <u>\$ 8,212.18</u>	Death Benefit Refund of A.I Optional Death Benefit	Margaret Yamich, Surviving Spouse
Walter J. Piekarski Special Rec. Activities Supervisor Annuitant, 6-078250	11/02/15	\$ 3,000.00	Death Benefit	Anne Therese Piekarski, Surviving Spouse
Michael J. Dever Heating Foreman Annuitant, 6-098010	11/14/15	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Margaret A. Dever, Surviving Spouse
Fred D. Braasch Motor Vehicle Repairman Annuitant, 6-010653	11/20/15	<u>\$ 300.00</u>	Optional Death Benefit	Michaela K. Braasch, Surviving Spouse
Dick E. Soderstrom Jr. Tree Surgeon Annuitant, 6-068790	12/08/15	<u>\$ 300.00</u>	Optional Death Benefit	Eleanor S. Soderstrom, Surviving Spouse
Gerald N. Pagliuco Plumber Annuitant, 6-094750	01/05/16	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Marie R. Pagliuco, Surviving Spouse
Thomas L. Corbo Laborer Annuitant, 6-098870	11/15/15	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Lois J. Corbo, Surviving Spouse
Total amount of death claims submitted for approval		<u>\$ 76,012.18</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.

Vice President GERAGHTY 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>
Kevin Boyd, Recreation Leader	\$ 6,403.09	23	4.25
Lynn Bunch, Security Guard	6,440.15	55	4.75
Thomas Byrne, Director of Park Services	28,596.00	66	3.00
Lorrie Caldwell, Center Director	11,083.75	31	2.50
Dominic Capparelli, Physical Instructor	9,943.51	29	4.50
Danielle Fuller, Recreation Leader	11,585.91	27	8.00
Duran Johnson, Recreation Leader	5,986.83	31	4.25
Charles Jones, Program Specialist	59,201.11	47	14.50
Natalie Mayeb, Recreation Leader	6,132.17	24	5.00
Jamie McGhee, Recreation Leader	13,240.95	33	10.50
Keith Moore, Life Guard	13,163.73	26	6.00
Julianna Morales, Recreation Leader	5,060.73	24	3.50
Levita Perkins, Security Guard	9,562.85	43	6.75
Diego Ramirez, Recreation Leader	8,805.85	27	8.25
Darnell Thompson	7,442.43	32	4.25
Jonathan Weatherford, Natatorium Instructor	21,474.62	28	9.25
Arthur Williams, Recreation Leader	5,265.67	28	4.00
Douglas Willis, Natatorium Instructor	15,886.08	46	8.00
Juan Zaragoza, Life Guard	<u>18,886.85</u>	28	9.25
<b>Total:</b>	<u>\$ 264,162.28</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.

Secretary AFFOLTER 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>
Mary A. Madlock	65	26.00 years	\$ 9,955.16
Kenneth E. Sloane	70	34.75 years	9,205.62
Pedro Vazquez Jr.	53	31.75 years	9,993.51
Mary A. Holman	65	34.50 years	10,212.33
Barton Green	56	33.25 years	9,062.29
John R. Keleher	56	35.75 years	<u>9,772.41</u>
			<u>\$58,201.32</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>12/31/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
Chicago Park District participants	3,208	3,120	3,064
Participants contributing to PEABF (Tier II approx. 918)	2,770	2,688	2,765
Retired employees	2,101	2,101	2,102
Surviving spouses	768	773	785
Children	12	17	16
Retirements during the year (including spousal)	125	90	110
Deaths among retirees (including spousal)	134	91	98
New members	407	250	360
Withdrawals with refund	136	188	151

Vice President GERAGHTY 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 December 17, 2015, January 21, 2016, and February 18, 2016, were presented to the Board for approval.

Trustee LUX 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 December 31, 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 November 30, 2015, December 31, 2015, and January 31, 2016, 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 December 31, 2015, shows ending net assets of \$392,589,403.71.

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 December 31, 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.**

President MUNIZZI moved ratification of the investment reports to the Omnibus.

### **MOTION TO ACCEPT ITEMS TRANSFERRED TO THE OMNIBUS**

A motion was made by Vice President GERAGHTY to ratify the foregoing reports as part of the Omnibus. Secretary AFFOLTER seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

### **REPORT OF THE EXECUTIVE DIRECTOR**

#### **2016 Trustee Election**

The Executive Director distributed a copy of a proposed schedule for the Fund's Annual Election of Trustee on Friday, June 24, 2016 and noted that he had appointed Jaime McCabe Election Coordinator.

A motion was made by Vice President GERAGHTY to adopt the proposed schedule for the Fund's Annual Election of Trustee on Friday, June 24, 2016 and recognize the appointment of Jaime McCabe as Election Coordinator. Motion was seconded by Trustee PRADO.

Motion carried by the following roll call: Present

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

NAYS: None

The Executive Director recommended appointment of Bansley & Kiener, Certified Accountants, as Election Monitor for the Fund's Annual Election of Trustee on Friday, June 24, 2016, at a cost not to exceed \$8,500 plus out-of-pocket expenses, which is the same as the previous year.

A motion was made by Vice President GERAGHTY to appoint Bansley & Kiener, Certified Public Accountants, as Election Monitor for the Fund's Annual Election of Trustee on Friday, June 24, 2016, at a cost not to exceed \$8,500 plus out-of-pocket expenses. Motion was seconded by Secretary AFFOLTER.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, LUX,  
PRADO

NAYS: None

ABSTAIN: MUNIZZI



## **Members' Annual Statements/96<sup>th</sup> Annual Report of the President**

The Executive Director commented that the STATEMENT OF PARTICIPANT'S CONTRIBUTIONS AS OF DECEMBER 31, 2015, will be mailed in March. Included in the mailing will be the 96<sup>th</sup> Annual President's Report, which will be distributed to the Trustees via email for their review and comments, and a copy of the Fund's Principal Provisions. The Executive Director also noted that marital status cards, with a blank beneficiary form, were mailed to retirees and widows in June, 2015, and that staff has been monitoring responses.

## **Fund Actuary**

The Executive Director presented a proposal prepared by Segal Consulting, Fund Actuary, to continue to provide actuarial and consulting services for the Fund. He noted that the current contract ends June 30, 2016, and that representatives from Segal Consulting would attend the March Board meeting to discuss the proposal with the Trustees.

## **June, 2016 Board Meeting**

The Executive Director reported that there is a potential schedule conflict with the June 16, 2016, Board meeting.

A motion was made by President MUNIZZI to move the Regular Scheduled Thursday, June 16, 2016, Board Meeting to Thursday, June 23, 2016. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

## **Other**

Statement of Economic Interest – The Executive Director reminded the Trustees that their Statements of Economic Interest are due May 1, 2016, and must be filed on-line.

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

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

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, 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. Brett Christenson of Marquette Associates distributed the Preliminary Monthly Update report as of January 31, 2016, featuring investment performance, market environment analysis, asset allocation and individual investment manager performance. The report was reviewed in detail and the Investment Consultant responded to numerous questions raised by the Trustees. Also discussed was the possibility of conducting a search for a Defensive Equity investment manager as part of the Fund's allocation to Hedged Equity.

A motion was made by Trustee LUX to authorize Marquette Associates to begin the process of conducting a Defensive Equity investment manager search. Secretary AFFOLTER seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

A motion was made by Vice President GERAGHTY to accept the Report of the Investment Consultant. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, 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 PRADO seconded the motion. Motion prevailed unanimously and the meeting was adjourned.

The next regular meeting of the Retirement Board will be on **Thursday, March 17, 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,

A handwritten signature in cursive script that reads "Edward L. Affolter".

EDWARD L. AFFOLTER  
Secretary