

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
SCHEDULED REGULAR BOARD MEETING
THURSDAY, MAY 19, 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
EDWARD L. AFFOLTER, Secretary
BRIAN BIGGANE, Trustee

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

Also Present:

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

Absent:

ROBERT GERAGHTY, Vice President

MINUTES OF THE LAST MEETING

A motion was made by Trustee HODOROWICZ to approve the minutes of the scheduled regular Board meeting held on Thursday, April 21, 2016. Secretary AFFOLTER seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, HODOROWICZ, LUX,
MUNIZZI, PRADO

NAYS: None

A motion was made by Trustee BIGGANE to approve the minutes of the Executive Session held on Thursday, April 21, 2016. Trustee HODOROWICZ seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, HODOROWICZ, LUX,
MUNIZZI, PRADO

NAYS: None

READING OF COMMUNICATIONS

The Executive Director noted a recent FOIA request.

A motion was made by Trustee BIGGANE to accept the Reading of Communications. Trustee LUX seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, HODOROWICZ, 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 March 17, 2016, April 21, 2016, and May 19, 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 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 February 29, 2016, March 31, 2016, and April 30, 2016, were presented to the Board for approval.

Trustee HODOROWICZ 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 March 2016, April 2016, and May 2016 in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$5,604,498.79, \$5,638,660.01 and \$5,638,447.19, respectively.

Trustee LUX moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$5,604,498.79, \$5,638,660.01 and \$5,638,447.19 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>
Jean C. Tourville Special Recreation Activity Instructor Annuitant, 6-010328	01/29/16	\$ 3,000.00	Death Benefit		Jeffrey J. Kudla and Cynthia J. Kudla, Designated Beneficiaries
Donald Lee Johnson Laborer Annuitant, 6-010766	01/23/16	\$ 3,000.00	Death Benefit		Michael Johnson, Designated Beneficiary
Raymond Hodorowicz Deputy Special Trades Annuitant, 6-094580	02/12/16	\$ 3,000.00	Death Benefit		Mary K. Hodorowicz, Designated Beneficiary
John M. Prete Sr. Draftsman Annuitant, 6-086770	02/05/16	\$ 3,000.00	Death Benefit		James, Paul, Gerald and Joseph Prete, Designated Beneficiaries
Carter Johnson Electrician Inside Annuitant, 6-067070	01/05/16	\$ 3,000.00	Death Benefit		David C. Johnson, Designated Beneficiary
John J. Cullinan Stationary Engineer Annuitant, 6-099760	12/25/15	\$ 3,000.00	Death Benefit		Estate of John Cullinan, Christine Cullinan, Independent Administrator
Geraldine Babula Bindery Girl Annuitant, 6-084270	02/27/16	\$ 3,000.00	Death Benefit		Walter M. Partacz, Designated Beneficiary
Virginia Barrington Art Craft Instructor Annuitant, 6-056060	03/11/1997	\$ 3,000.00	Death Benefit		David W. Barrington, Designated Beneficiary
Paul Wolfinger Rigger Annuitant, 6-094280 Randall has not returned his	03/16/16	\$ 3,000.00	Death Benefit		Richard and Randall Wolfinger, Designated Beneficiaries
Clifford Morland Security Guard Employee, 0064548	03/06/16	\$ 885.16	Refund of Contributions		Kristina M. Schramm, Surviving Spouse
James M. Vaske Park Operations Manager Annuitant, 6-010892	02/02/16	\$ 3,000.00 2,874.06 <u>\$ 5,874.06</u>	Death Benefit Refund of A.I		Mary Lynn Pelzer, Designated Beneficiary
Edward A. Fitzgerald Electrician Inside Annuitant, 6-080780	09/13/06	\$ 3,000.00	Death Benefit		Edward A. Fitzgerald III, Designated Beneficiary
Reynold Joyner, Jr. Chauffer Annuitant, 6-089370	01/11/16	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit		Ethel Burks- Joyner, Surviving Spouse

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>	<u>To Whom Payable</u>
Albert G. Cappy, Jr. Electrician Annuitant, 6-097220	01/23/16	\$ 300.00	Optional Death Benefit Janis Cappy, Surviving Spouse
Fred E. Moore Machinist Annuitant, 6-062680	01/24/16	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Joy Mildred Moore, Optional Death Benefit Surviving Spouse
Stephen Johnson, Jr. Recreation Leader Annuitant, 6-095110	01/31/16	\$ 3,000.00	Death Benefit Blanche M. Johnson, Surviving Spouse
William A. Eyre Auto Park Checker Annuitant, 7-083170	02/07/16	\$ 300.00	Optional Death Benefit Carol Ann Eyre, Surviving Spouse
Carlos H. Morfin Laborer Annuitant, 6-083980	11/27/15	\$ 3,000.00	Death Benefit Rosa Aura Morfin, Surviving Spouse
Patrick J. Roche Roofer Employee, 0058970	12/31/15	\$ 10,000.00 12,117.45 <u>\$ 22,117.45</u>	Death Benefit Angela E. Roche, Refund of AI Surviving Spouse
Mallory Lamont Conner Laborer Employee, 0057703	06/08/13	\$ 10,000.00 5,336.61 <u>\$ 15,336.61</u>	Death Benefit Sherry L. Conner, Refund of AI Surviving Spouse
Wallace F. Conrad Park Supervisor Annuitant, 6-088270	04/01/16	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Beverly Conrad, Optional Death Benefit Surviving Spouse
Joseph R. Quattrochi Maintenance Foreman Annuitant, 6-089700	04/18/16	\$ 3,000.00	Death Benefit Dolores S. Quattrochi, Surviving Spouse
Walter Edens Floriculturist Gen. Forman Annuitant, 6-074190	04/11/16	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Noreen Edens, Optional Death Benefit Surviving Spouse
Total amount of death claims submitted for approval		<u>\$ 97,013.28</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>
Roger Brown , Activities Instructor	\$ 31,840.34	44	19.00
Vaughn Bryant , Chief Program Officer	57,856.73	44	4.75
Christopher Burns , Landscaper	13,218.07	46	8.00
Carlie Casanto , Life Guard	8,632.08	26	4.25
Matthew Cote , Program Specialist	9,386.61	41	8.25
Jasmine Holmes , Recreation Leader	6,278.01	24	4.00
Anita Holt , Natatorium Instructor	15,967.84	27	6.75
Marie Isidore , Intergovernmental Affairs Liaison	15,887.10	49	3.25
Isaiah Johnson , Activities Instructor	6,457.65	28	3.50
Shugntell Johnson , Recreation Leader	10,618.68	27	6.75
Rodger Jones , Recreation Leader	7,058.86	27	4.50
Elizabeth Jordan , Recreation Leader	5,101.94	27	4.25
Jeremy Mallory , Recreation Leader	6,401.41	23	4.50
Shantana Maxwell , Lifeguard	20,152.47	27	9.75
Leilondi McCoy , Physical Instructor	7,463.41	32	3.00
Eleni McGrath , Physical Instructor	13,830.76	26	6.50
Sheena McMorris , Paralegal	5,756.22	33	1.50
Katelyn Noceda , Recreation Leader	5,926.33	24	4.00
Iesha Oliver-Hollins , Activities Instructor	14,456.69	31	5.75
Jordan Rodriguez , Natatorium Instructor	7,315.94	25	3.00
Nelson Rosario , Physical Instructor	7,126.73	27	2.25
John Samuels , Drama Instructor	10,701.66	24	4.00
Jose Sanchez , Life Guard	23,496.35	33	10.50
Michael Shields , Region Security Manager	7,215.60	52	1.50
Tina Thompson , Security Guard	7,870.71	47	6.25
Deborah Thornton , Counsel	20,829.11	52	5.00
Michelle Washington , Inclusion Aide	16,777.82	43	11.25

<u>Name and Occupation</u>	<u>Amount</u>	<u>Age</u>	<u>Years of Service</u>
Alicia Williams, Attendant	6,612.51	26	3.75
Deidra Yearwood, Activities Instructor	<u>14,177.48</u>	29	9.50
Total	<u>\$384,415.11</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>
Thomas J. Doyle	59	33.50 years	\$ 15,776.30
Kenneth C. Pickering	70	11.50 years	9,294.43
Janis E. Taylor	55	36.75 years	16,113.15
Miriam Cruz	58	31.50 years	<u>8,739.04</u>
			<u>\$49,922.92</u>

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

Nursing Home Care

Request to send pension benefits of Ossie Banks (I.D. # 3-053600) in the amount of \$143.44, Martha C. Brust (I.D. # 6-099530) in the amount of \$1,804.43 and Lorraine Tropper (I.D. # 6-087250) in the amount of \$1,540.09 to qualified nursing homes.

Membership Statistics (informational only)

	<u>5/19/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
Chicago Park District participants	3,146	3,063	3,120
Participants contributing to PEABF (Tier II approx. 993)	2,800	2,770	2,688
Retired employees	2,093	2,097	2,101
Surviving spouses	763	767	773
Children	14	12	17
Retirements during the year (including spousal)	37	126	90
Deaths among retirees (including spousal)	41	139	91
New members	150	407	250
Withdrawals with refund	64	136	188

President MUNIZZI 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 March 17, 2016, April 21, 2016, and May 19, 2016, were presented to the Board for approval.

Secretary AFFOLTER moved ratification of the Expenditure Reports 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 March 31, 2016, were presented to the Board for ratification.

Trustee LUX 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 February 29, 2016, March 31, 2016, and April 30, 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 PRADO moved ratification of the Reconciliation and Cash Flow Reports to the Omnibus.

Summary of the Trial Balance (unaudited)

Summary of the Trial Balance (unaudited), Section V (D) as of March 31, 2016, shows ending net assets of \$399,385,973.74.

Secretary AFFOLTER moved ratification of the Summary of the Trial Balance (unaudited) to the Omnibus.

INVESTMENTS

The following reports as listed in Section VI (B) dated March 31, 2016, 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.

Secretary AFFOLTER 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. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, HODOROWICZ, LUX,
MUNIZZI, PRADO

NAYS: None

REPORT OF THE EXECUTIVE DIRECTOR

2016 Trustee Election

The Executive Director distributed a copy of the Fund's Election Policy and the approved schedule for the Fund's Annual election of Trustee on Friday, June 24, 2016, and noted that three candidates, Brian Biggane, Emery Yost and Richard Burnette, had requested nominating petitions thus far.

2016 Board Meeting Schedule

The Executive Director distributed a copy of the 2016 Board Meeting Schedule and reminded the Trustees that the Regular Scheduled Thursday, June 16, 2016, Board Meeting was rescheduled to Thursday, June 23, 2016.

Actuarial Valuation and Review as of December 31, 2015/Audited Financial Statements as of December 31, 2015

The Executive Director reported that the Segal Company, the Fund's Actuary, is in the process of completing the Fund's Actuarial Valuation and Review as of December 31, 2015 and representatives will attend the July Board meeting to address any questions that the Trustees may have.

The Executive Director also reported that Bansley & Kiener, L.L.P., the Fund's Auditor, is in the process of finalizing its report as of December 31, 2015, and representatives will attend the July Board meeting to address any questions that the Trustees may have.

Disaster Recovery Plan

The Executive Director distributed a copy of the Fund's most recent Disaster Recovery plan noting that it is a work-in-progress, which is continuously revised and updated as new technology becomes available.

Other

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

A motion was made by Trustee HODOROWICZ to accept the Report of the Executive Director. Trustee BIGGANE seconded the motion

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, 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 distributed the Preliminary Monthly Update report as of April 30, 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. The Investment Consultant also distributed and reviewed with the Trustees a report entitled Defensive Equity Search - \$20 Mil Mandate Candidate Summary.

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

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, HODOROWICZ, LUX,
MUNIZZI, PRADO

NAYS: None

OLD BUSINESS

None

NEW BUSINESS

None

ADJOURNMENT

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

The next regular meeting of the Retirement Board will be on **Thursday, June 23, 2016**, 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