

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 16, 2017

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

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

**ROLL CALL**

Trustees present:

ROBERT GERAGHTY, Vice 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  
BRETT CHRISTENSON and MICHAEL SPYCHALSKI, Marquette Associates

Absent:

PAMELA A. MUNIZZI, 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, January 19, 2017. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

**READING OF COMMUNICATIONS**

The Executive Director noted recent FOIA requests.

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

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,  
LUX, 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 15, 2016, January 19, 2017, and February 16, 2017, 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 November 30, 2016, December 31, 2016, and January 31, 2017, were presented to the Board for approval.

Secretary AFFOLTER 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 2016, January 2017, and February 2017 in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$5,847,625.76, \$5,919,901.69 and \$5,913,972.66, respectively.

Trustee HODOROWICZ moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$5,847,625.76, \$5,919,901.69 and \$5,913,972.66 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>
Nick Gallucci Attendant Annuitant, 6-092650	10/19/16	\$ 3,000.00      Death Benefit	Jennie Capuano, Designated Beneficiary

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>		<u>To Whom Payable</u>
LaVerne Klett Attendant Annuitant, 6-064610	09/30/16	\$ 3,000.00	Death Benefit	Frank Klett & Ida Bonanno, Designated Beneficiaries
Dianne M. Mendoza Data Control Clerk Annuitant, 6-086950	09/30/16	\$ 3,000.00	Death Benefit	Anna Marie, Vincent, Donna & Margarette Delgado, Designated Beneficiaries
*Donna Mendoza has not come forward to collect her benefit. The case will remain open until paid out.				
Lee A. Harris Garage Attendant Annuitant, 6-078320	10/29/16	\$ 3,000.00	Death Benefit	Pearlie L. Mitchell, Designated Beneficiary
Kenneth Pickering Carpenter Annuitant, 6-011204	11/19/16	\$ 74,067.47 6,000.00 <u>\$ 80,067.47</u>	Refund of Annuity Reserve Death Benefit	Kyle, Keith & Kendall Pickering, Designated Beneficiaries
John P. Callahan Laborer Annuitant, 6-089060	10/10/16	\$ 3,000.00	Death Benefit	Maryellen & Timothy E. Callahan, Designated Beneficiaries
Joseph J. Jungman Forman Class 1 Annuitant, 6-080490	12/21/16	\$ 3,000.00	Death Benefit	Kathleen M. Stransky, Designated Beneficiary
Helen Rosch Pension Board Employee Annuitant, 6-064320	12/1/16	\$ 3,000.00	Death Benefit	Dorothy L. Trotz, Designated Beneficiary
John Ricordati Asphalt Tamper & Smoother Annuitant, 6-073880	01/17/17	\$ 3,000.00	Death Benefit	Mary Jambrone & James Ricordati, Designated Beneficiaries
Frank Raguso Plumber Foreman Annuitant, 6-095670	10/23/16	\$ 3,000.00	Death Benefit	Ann Raguso, Surviving Spouse
Carlton Kennedy Director of Mgmt Information Annuitant, 6-086580	11/25/16	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Armida Kennedy, Surviving Spouse
William M. Casey Painter Annuitant, 6-086860	12/9/16	\$ 3,000.00	Death Benefit	Margaret H. Casey, Surviving Spouse
Adam Kulakowski Electrician Desginer Annuitant, 6-078330	1/12/17	\$ 3,000.00	Death Benefit	Elizabeth Kulakowski, Surviving Spouse
Thaddeus Palka Laborer Annuitant, 6-082560	1/12/17	\$ 3,000.00	Death Benefit	Lillian Palka, Surviving Spouse
Total amount of death claims submitted for approval		<u>\$119,367.47</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 LUX 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>
<b>Franklin Bosley</b> , Lifeguard	\$ 27,459.37	34	15.00
<b>Bianca Bucio</b> , Special Rec Leader	13,721.59	49	9.25
<b>Richard Collazo</b> , Security Officer	21,380.45	38	12.25
<b>Jacob Corona</b> , Physical Instructor	11,927.86	27	6.25
<b>Peter Cozzi</b> , Security Guard	5,935.25	65	5.75
<b>Kiara Dear</b> , Gymnastics Instructor	15,392.92	26	5.50
<b>Crystal Guerrero</b> , Rec Leader	5,732.96	34	5.00
<b>Mercedes Hall</b> , Attendant	5,705.03	29	2.75
<b>Courtney Hargrays</b> , Physical Instructor	10,409.24	41	5.50
<b>Robert Kelly</b> , Attendant	19,295.32	38	9.00
<b>Shatonna Lucius</b> , Rec Leader	5,425.87	25	5.00
<b>Abrylia Misher</b> , Attendant	8,048.44	25	4.25
<b>Mariah Mullens</b> , Lifeguard	9,351.64	24	4.00
<b>Cecelia Onwukwe</b> , Activities Instructor III	8,713.92	25	5.25
<b>Mia Outten</b> , Security Officer	20,013.44	51	12.75
<b>Alvin Reed III</b> , Attendant	17,705.69	30	6.50
<b>Kacy Rush</b> , Administrative Secretary	48,029.44	37	15.25
<b>Kevin Salau</b> , Activities Instructor	6,990.72	25	4.75
<b>Gerald Scott</b> , Activities Instructor (Tier 2)	8,450.53	67	3.75
<b>Tyrell Slater</b> , Laborer	6,860.69	24	2.00
<b>Jennifer Townsend</b> , Recreation Leader	9,124.66	29	7.25
<b>Lonnell Stephens</b> , Attendant	11,598.87	43	5.50
<b>Candido Velgara</b> , Attendant (Tier 2)	7,049.42	64	4.25
<b>Candice Watkins</b> , Administrative Secretary II	17,587.47	35	4.50
<b>Monique Williams</b> , Rec Leader	8,187.09	31	5.25
<b>Total:</b>	<u>\$ 330,097.88</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 PRADO 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>
Sally Johnson *	69	18.25 years	\$ 6,014.87
Michael T. Brown	63	42.00 years	12,451.95
James P. Majerczyk	59	30.25 years	16,536.39
Gerald Pistone	66	42.00 years	14,095.67
Paul A. Pope	60	36.50 years	16,440.51
			<u>\$65,539.39</u>

\* \$244.47 was used to pay for the Workers' Comp Offset

Trustee PRADO 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>12/31/16</u>	<u>12/31/15</u>	<u>12/31/14</u>
Chicago Park District participants	3,259	3,063	3,120
Participants contributing to PEABF (Tier II approx. 1,073)	2,814	2,770	2,688
Retired employees	2,112	2,097	2,101
Surviving spouses	747	767	773
Children	13	12	17
Retirements during the year (including spousal)	136	126	90
Deaths among retirees (including spousal)	137	139	91
New members	420	407	250
Withdrawals with refund	161	136	188

Trustee HODOROWICZ 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 15, 2016, January 19, 2017, and February 16, 2017, were presented to the Board for approval.

Trustee HODOROWICZ 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, 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 November 30, 2016, December 31, 2016, and January 31, 2017, 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.

Secretary AFFOLTER 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, 2016, shows ending net assets of \$391,384,004.74.

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, 2016, are presented to the Board for acceptance:

Market Value of Investments Owned	VI (B) 1
Fixed Income	VI (B) 2
Equity Advisors	VI (B) 3
Alternative Investments	VI (B) 4
Real Estate and Other	VI (B) 5

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 LUX moved ratification of the Investments to the Omnibus.

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

A motion was made by Secretary AFFOLTER to ratify the foregoing reports as part of the Omnibus. Trustee LUX seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

## **REPORT OF THE EXECUTIVE DIRECTOR**

### **Investment Consultant RFP and Investment Consulting Services Agreement**

The Executive Director distributed draft copies of an Investment Consultant RFP and an Investment Consulting Services Agreement prepared by Fund Counsel and previously emailed to the Trustees. The Executive Director and the Trustees reviewed the documents and discussed the selection process and timeline.

### **Biedron v. PEABF**

The Executive Director reported that the next status hearing is scheduled for March 22, 2017.

### **2017 Trustee Election**

The Executive Director distributed a copy of a proposed schedule for the Fund's Annual Election of Trustee on Friday, June 23, 2017, and noted that he had appointed Jaime McCabe as Election Coordinator.

A motion was made by Trustee HODOROWICZ to adopt the proposed schedule for the Fund's Annual Election of Trustee on Friday, June 23, 2017 and recognize the appointment of Jaime McCabe as Election Coordinator. Motion was seconded by Trustee PRADO.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director distributed a proposal from Bansley & Kiener, L.L.P., Certified Public Accountants, to serve as Election Monitor for the Fund's Annual Election of Trustee on Friday, June 23, 2017, at a cost not to exceed \$8,500 plus out-of-pocket expenses, which is the same cost as the previous year.

A motion was made by Trustee HODOROWICZ to appoint Bansley & Kiener, L.L.P., Certified Public Accountants, as Election Monitor for the Fund's Annual Election of Trustee on Friday, June 23, 2017, at a cost not to exceed \$8,500 plus out-of-pocket expenses. Motion was seconded by Trustee PRADO.

Motion carried by the following roll call:

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

NAYS: None

### **Members' Annual Statements/97<sup>th</sup> Annual Report of the President**

The Executive Director distributed a draft copy of the STATEMENT OF PARTICIPANT'S CONTRIBUTIONS AS OF DECEMBER 31, 2016, and commented that the statements will be mailed in March and included in the mailing will be the Fund's Principal Provisions and the 97<sup>th</sup> Annual Report of the President, in the same format as the previous year.

**Other**

Statement of Economic Interest – The Executive Director reminded the Trustees that their Statements of Economic Interest are due May 1, 2017, and must be filed on-line.

Conferences – The Executive Director distributed an updated 2017 Conference Schedule 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 PRADO seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,  
LUX, 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 and Mr. Michael Spsychalski of Marquette Associates distributed two reports: the Preliminary Monthly Update report as of January 31, 2017, featuring market environment analysis, asset allocation, investment performance and individual investment manager performance; and an Asset Allocation Study dated February 13, 2017. Both of the reports were reviewed in detail and the Investment Consultant responded to numerous questions raised by the Trustees.

A motion was made by Trustee LUX for the Fund to adopt and implement the asset allocation recommended by Marquette Associates, identified as Portfolio A in the Asset Allocation Study dated February 13, 2017. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

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, GERAGHTY, HODOROWICZ,  
LUX, PRADO

NAYS: None

**OLD BUSINESS**

None

**NEW BUSINESS**

None

**ADJOURNMENT**

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

The next regular meeting of the Retirement Board will be on **Thursday, March 16, 2017**, 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*

EDWARD L. AFFOLTER  
Secretary