

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 18, 2017

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
BRIAN BIGGANE, Trustee

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

Also Present:

DEAN J. NIEDOSPIAL, Executive Director
KELLY M. HUNT, Benefit Manager
MICHAEL SPYCHALSKI and BRETT CHRISTENSON, Marquette Associates, Inc

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 20, 2017. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

READING OF COMMUNICATIONS

The Executive Director noted a recent FOIA request.

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

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, 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 16, 2017, April 20, 2017, and May 18, 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.

Secretary AFFOLTER 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 28, 2017, March 31, 2017, and April 30, 2017, 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 March 2017, April 2017, and May 2017 in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$5,916,823.86, \$5,911,903.78 and \$5,886,070.87, respectively.

Trustee HODOROWICZ moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$5,916,823.86, \$5,911,903.78 and \$5,886,070.87 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>
Charles J. Feddersen Plumber Annuitant, 6-091550	01/12/17	\$ 3,000.00	Death Benefit Thomas D. Feddersen, Designated Beneficiary
Thaddeus J. Baran Attendant Employee, 53001	02/28/16	\$ 78,156.33 <u>10,000.00</u> <u>\$ 88,156.33</u>	Refund of Employee Contr. Death Benefit Richard J. Baran, Designated Beneficiary
Abraham E. Booker, Jr. Park Supervisor Annuitant, 6-082400	02/03/17	\$ 3,000.00	Death Benefit Abraham E. Booker III, Designated Beneficiary
Mary P. Spalla Purchasing Assistant Annuitant, 6-087890	02/10/17	\$ 3,000.00	Death Benefit Darlenee Spalla, Executor

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>	<u>To Whom Payable</u>
Earl Armstrong Gardner Annuitant, 6-087330	09/02/16	\$ 3,000.00	Death Benefit Charles E. Hayes & Willie H. McDonald, Designated Beneficiaries
James J. Flannigan Chauffeur Annuitant, 6-090070	02/05/17	\$ 3,000.00	Death Benefit Colleen Marie DiNino, Designated Beneficiary
Thomas S. Bisek Special Laborer Annuitant, 6-094410	03/01/17	\$ 3,000.00	Death Benefit Denis F. Bisek, Designated Beneficiary
Marija Maric Program Specialist Inactive, 63345	11/22/14	\$ 8,534.29	Refund of Employee Contr. Radmila Maric, Surviving Heir
Frank Divito Bottom Man Annuitant, 6-092170	03/01/17	\$ 3,000.00	Death Benefit Domenic A. Divito, Designated Beneficiary
Louis Ballo Attendant Annuitant, 6-011021	12/12/16	\$ 3,000.00	Death Benefit Keenan Louis Ballo, Designated Beneficiary
James R. Anzalone Construction Coordinator Annuitant, 6-090470	02/21/17	\$ 3,000.00	Death Benefit Mary Ann Anzalone, Designated Beneficiary
Michael Keleher Operating Engineer Annuitant, 6-011265	03/03/017	\$ 140,202.93 <u>6,000.00</u> \$ <u>146,202.93</u>	Refund of Annuity Reserve Death Benefit Betty J. Ward, Surviving Heir
Howard L. Pratt Head Attendant Annuitant, 6-082810	04/01/17	\$ 3,000.00	Death Benefit Cynthia L. Pratt, Designated Beneficiary
Marshall Davies Associate City Traffic Engineer Annuitant, 6-066660	11/07/16	\$ 3,000.00	Death Benefit Estate of Marshall Davies, Designated Beneficiary
Eunice Hill Park Supervisor Annuitant, 6-090110	04/15/17	\$ 3,000.00	Death Benefit Patricia Hill, Designated Beneficiary
Reno J. Carli Landscape Maintenance Laborer Inactive, 50616	03/09/17	\$ 3,416.83	Refund of Employee Contr. Diane Carli, Surviving Spouse

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>	<u>To Whom Payable</u>
Dennis E. Sutton Floriculturist Class 2 Annuitant, 6-011133	02/18/17	\$ 4,500.00 <u>300.00</u> \$ 4,800.00	Death Benefit Optional Death Benefit Surviving Spouse Diane Sutton,
Sandra D. Houston-Thomas Park Supervisor of Recreation Employee, 52838	01/23/17	\$ 10,000.00 <u>13,754.52</u> \$ 23,754.52	Death Benefit Refund of AI Surviving Spouse Marlon Thomas,
Nicholas J. Barker Construction Coordinator Annuitant, 6-082910	01/23/17	\$ 3,000.00	Death Benefit Surviving Spouse Margaret M. Barker,
Louis Surico Director of Auto Parking Annuitant, 6-072940	03/21/17	\$ 3,000.00	Death Benefit Surviving Spouse Marlene Surico,
Willie Wilkes Motor Truck Driver Annuitant, 6-011172	02/21/17	\$ 4,500.00	Death Benefit Surviving Spouse Frankie Jean Louis Wilkes,
Kenneth H. Gortowski Roofer Annuitant, 6-088430	01/16/17	\$ 3,000.00 <u>300.00</u> \$ 3,300.00	Death Benefit Optional Death Benefit Surviving Spouse Dorothy M. Gortowski,
Edward G. Oswald Painter Annuitant, 6-089630	02/20/17	\$ 3,000.00 <u>300.00</u> \$ 3,300.00	Death Benefit Optional Death Benefit Surviving Spouse LaVerne P. Oswald,
Alexander Ward Park Supervisor of Recreation Annuitant, 7-065240	12/02/16	\$ 300.00	Optional Death Benefit Surviving Spouse Jean W. Ward,
Jack W. Walker Laborer Annuitant, 6-089970	04/01/17	\$ 3,000.00 <u>300.00</u> \$ 3,300.00	Death Benefit Optional Death Benefit Surviving Spouse Katie Walker,
John Payton Laborer Annuitant, 6-010564	04/24/17	\$ 3,000.00 <u>300.00</u> \$ 3,300.00	Death Benefit Optional Death Benefit Surviving Spouse Rose Mary Payton,
Total amount of death claims submitted for approval		<u>\$334,864.90</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>
Desteni Bates , Lifeguard	\$ 16,155.42	27	7.75
Barry Burton , Dept. Director of Natural Resources	24,502.25	54	4.00
Angela Bybee , Physical Instructor	25,715.09	42	8.50
Kathleen Callard , Physical Instructor	15,751.95	37	9.50
Diniene Cheatom , Gymnastics Instructor	39,329.70	32	10.00
Russell Ellis , Physical Instructor	18,314.48	29	5.25
Gloria Fuentes , Natatorium Instructor	16,961.11	24	6.25
Charles Gill , Security Guard*	13,393.11	55	7.50
Graeme Hart , Program Specialist	35,714.50	44	8.25
Kevin Holt , Lifeguard	12,261.71	28	6.50
Joshua James , Special Event Manager	5,464.65	26	1.50
Matthew Kestler , Physical Instructor	7,914.68	25	4.25
Noel Lopez , Attendant	9,449.55	28	4.75
Juan Mendez , Lifeguard	8,110.05	23	3.25
Jameonne Morris , Recreation Leader	5,019.55	21	3.00
Corey Norman , Attendant	5,391.94	31	3.00
Jorge Reyes , Natatorium Instructor	27,026.80	34	13.50
Luis Rios , Physical Instructor	17,891.89	27	9.75
Kassey Trahanas , Lifeguard	11,141.78	23	5.00
David Tull , Security Guard	31,869.36	37	9.75
Sonya Wilburn , Recreation Leader	<u>9,988.53</u>	36	11.75
Total	<u>\$355,480.89</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 LUX 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>
Evelyn F. Henton	61	20.75 years	\$ 8,200.42
Jeffrey M. Horath	51	31.75 years	11,511.14
Rosa Quinonez	63	20.25 years	6,126.00
Jay A. Nagle	61	15.25 years	6,498.79
Luis E. Rodriguez	68	26.75 years	<u>7,371.57</u>
			<u>\$39,707.92</u>

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

Membership Statistics (informational only)

	<u>5/18/17</u>	<u>12/31/16</u>	<u>12/31/15</u>
Chicago Park District participants	3,626	3,114	3,063
Participants contributing to PEABF (Tier II approx. 1,348)	3,035	2,814	2,770
Retired employees	2,103	2,113	2,097
Surviving spouses	744	744	767
Children	13	13	12
Retirements during the year (including spousal)	33	136	126
Deaths among retirees (including spousal)	43	137	139
New members	568	420	407
Withdrawals with refund	44	161	136

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 March 16, 2017, April 20, 2017, and May 18, 2017, 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, 2017, 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 28, 2017, March 31, 2017, and April 30, 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 Reports to the Omnibus.

Summary of the Trial Balance (unaudited)

Summary of the Trial Balance (unaudited), Section V (D) as of March 31, 2017, shows ending net assets of \$410,043,664.39.

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 March 31, 2017, 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 BIGGANE moved ratification of the investment reports to the Omnibus.

MOTION TO ACCEPT ITEMS TRANSFERRED TO THE OMNIBUS

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

Motion carried by the following roll call:

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

NAYS: None

REPORT OF THE EXECUTIVE DIRECTOR**Investment Consultant RFP**

The Executive Director reminded the Trustees that responses to the Investment Consultant RFP are due by May 25, 2017, and noted the he will distribute a list of the respondents to the Trustees via email.

Biedron v. PEABF

The Executive Director reminded the Trustees that the next status hearing is scheduled for July 13, 2017.

2017 Trustee Election

The Executive Director distributed a copy of the previously approved schedule for the Fund's Annual Election of Trustee on Friday, June 23, 2017.

Redecorating Allowance

The Executive Director reported the MSRA Architects and Planners and Fund staff selected Allegiance Construction Group Inc. as contractor for the improvements approved at the March Board meeting. He also noted that contractor's contract would be reviewed by Fund Counsel.

Cyber Liability Insurance

The Executive Director reported that he is continuing the process of securing quotes for Cyber Liability Insurance.

Securities Litigation Roster

The Executive Director distributed the Fund's current Securities Litigation Roster, reviewed it with the Trustees, and asked the Trustees to be prepared to discuss some revisions at the next meeting.

Actuarial Valuation and Review as of December 31, 2016/Audited Financial Statements as of December 31, 2016

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, 2016, and representatives will attend the July Board meeting to address any questions.

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, 2016, and representatives will attend the July Board meeting to address any questions.

Other

Fiduciary Responsibility and Ethics Training – The Executive Director reported he is in the process of scheduling a fall Continuing Education Session to be presented by Fund Counsel on Fiduciary Responsibility and Ethics, Securities Litigation, Fiduciary Liability Insurance, and the Importance of Trustee Education.

Conferences – The Executive Director distributed an updated 2017 Conference Schedules to the Trustees and highlighted upcoming local conferences and events.

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

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, 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. Brett Christenson and Mr. Michael Spychalski of Marquette Associates distributed the Preliminary Monthly Update report as of April 30, 2017, 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.

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, 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 15, 2017**, 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
Secretary