

RECORD OF PROCEEDINGS  
of the  
RETIREMENT BOARD (the "BOARD") of the  
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")  
REGULAR BOARD MEETING  
THURSDAY, FEBRUARY 21, 2019

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

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

**ROLL CALL**

Trustees present:

EDWARD L. AFFOLTER, Vice President  
FRANK HODOROWICZ, Secretary  
BRIAN BIGGANE, Trustee

MATTHEW DUGGAN, 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, MICHAEL SPYCHALSKI and BRENDAN HOPKINS, Marquette Associates

Absent:

PAMELA A. MUNIZZI, President

**MINUTES OF THE LAST MEETING**

A motion was made by Secretary HODOROWICZ to approve the minutes of the regular Board meeting held on Thursday, January 17, 2019. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

**READING OF COMMUNICATIONS**

The Executive Director noted recent FOIA requests.

A motion was made by Vice President AFFOLTER to accept the Reading of Communications. Secretary HODOROWICZ seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, 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 20, 2018, January 17, 2019, and February 21, 2019, 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, 2018, December 31, 2018, and January 31, 2019, 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 December 2018, January 2019, and February 2019 in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$6,176,860.14, \$6,219,536.14 and \$6,225,089.16, respectively.

Trustee LUX moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$6,176,860.14, \$6,219,536.14 and \$6,225,089.16 to the Omnibus.

### **Report on Death Claims**

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

Name of Decedent	<u>Date of</u> Death	Amount Payable	To Whom Payable
John A. Borek Park Supervisor of Recreation Annuitant, 6-010739	09/28/18	\$ 3,000.00	Death Benefit Marilyn Moskal, Designated Beneficiary
Richard Sienko Music Instructor Inactive Employee, 56484	01/28/18	\$ 1,587.47	Refund of Employee Contributions Janice Cernik, Executor of Estate

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>	<u>To Whom Payable</u>
John J. Leitner Electrician Outside Annuitant, 6-069670	11/12/18	\$ 3,000.00	Death Benefit John R. Leitner & Darlene K. White and Donald R. Leitner, Designated Beneficiaries
Phillip T. Passuntino Attendant Annuitant, 6-089660	10/02/18	\$ 3,000.00	Death Benefit Patricia Nichols & Peter J. Passuntino, Designated Beneficiaries
Billy C. Sollis Security Guard Annuitant, 6-097870	10/04/18	\$ 3,000.00	Death Benefit Kimberly Tipton, Jason Sollis and Tracey Hinrichs, Designated Beneficiaries
Elizabeth D. Kennedy Attendant Employee, 67057	10/21/17	\$ 3,000.00 292.76 <u>\$ 3,292.76</u>	Death Benefit Refund of Employee Contributions Jonathan T. Williams, Jr. and Jennifer Williams, Surviving Heirs
Sammie Kelley Laborer Annuitant, 6-079750	11/25/18	\$ 3,000.00	Death Benefit Jacqueline Kelley, Designated Beneficiary
Edward Dickey, Jr. Physical Instructor Annuitant, 6-010579	11/07/18	\$ 3,000.00	Death Benefit Gwendolyn Coleman, Surviving Spouse
Edward G. Muller Glazier Annuitant, 6-083710	12/18/18	\$ 3,000.00	Death Benefit Sandra A. Fugiel, Designated Beneficiary
Edward Bigos Special Trades Annuitant, 6-089030	12/31/18	\$ 3,000.00	Death Benefit Michael Bigos, Trustee
Denise J. Storcz Recreation Leader Annuitant, 6-011434	08/06/18	\$ 69,877.96 6,000.00 <u>\$ 75,877.96</u>	Refund of AR Death Benefit Laura Zilinger and Richard Storcz, Designated Beneficiaries
Note: Richard Storcz has not yet returned his completed applications. This case will remain open.			
Dolores M. Lee Playground Supervisor Annuitant, 6-090680	11/14/18	\$ 3,000.00	Death Benefit Wanda Petrucci, Diana Companioni and Victoria Zahn, Designated Beneficiaries
Note: Vicki Zahn and Diana Companioni have not returned the completed applications. This case will remain open.			
Charles Sherer Laborer Annuitant, 6-085800	11/10/18	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit Virginia Sherer, Surviving Spouse
Luis G. Mathews, Jr. Attendant Annuitant. 6-078770	11/16/18	\$ 3,000.00	Death Benefit Marcelina Mathews, Surviving Spouse
Henry W. Bredemeier Supervising Stationary Engineer Annuitant, 6-088790	12/31/18	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit Mary A. Bredemeier, Surviving Spouse

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>	<u>To Whom Payable</u>
Sarah A. Johnson Clerk II Annuitant, 6-091990	01/16/19	\$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit John Wilbur Johnson, Surviving Spouse
Total amount of death claims submitted for approval		<u>\$120,658.19</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>Nathalie Betancourt</b> , Life Guard	\$ 8,292.38	23	3.75
<b>Arman Cortes</b> , Physical Instructor	8,482.80	25	5.00
<b>James Cronis</b> , Chief Operating Engineer	34,534.90	58	3.25
<b>Willie Esper</b> , Life Guard	9,212.04	32	4.00
<b>Jose Fox</b> , Senior Financial Analyst	9,355.90	36	2.00
<b>Ariel Hernandez</b> , Physical Instructor	11,724.68	27	8.00
<b>Trevor Hill</b> , Instructor	5,024.97	26	2.50
<b>Courtney Jones</b> , Physical Instructor	10,507.24	29	5.75
<b>Kevin Lince</b> , Recreation Leader	6,973.68	25	5.00
<b>Daniel Moore</b> , Physical Instructor	8,485.61	31	6.25
<b>Monica Murillo</b> , Marketing Assistant	5,729.33	30	2.25
<b>Jeffrey Padilla</b> , Attendant	22,086.86	40	13.75
<b>Charese Reed</b> , Activities Instructor	5,766.42	33	2.00
<b>Daniel Rodriguez</b> , Life Guard	15,478.83	28	7.00
<b>Lawrence Rodriguez</b> , Life Guard	9,618.88	25	5.00
<b>Sam Smith</b> , Program & Event Coordinator	13,719.20	41	3.75
<b>Ralph Spears</b> , Foreman	62,519.07	45	18.00
<b>Nicholas Valdez</b> , Natatorium Instructor	<u>6,043.59</u>	26	2.50
<b>Total:</b>	<u>\$ 253,556.38</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>
Victoria Curry	58	21.00 years	\$ 6,771.07
Linda F. Rhodes	63	21.50 years	9,337.05
Fernando T. Ybarra	65	28.25 years	18,394.88
Michele B. McKenzie	58	30.25 years	11,663.50
John Redemske	59	31.25 years	17,751.67
John Werba	57	30.50 years	20,676.73
Dominic Whitfield	54	33.50 years	19,886.45
			<u>\$104,481.35</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>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
<b>Chicago Park District participants</b>	<b>3,746</b>	<b>3,543</b>	<b>3,114</b>
Contributing Park District payroll (Tier II – approximately 1,285 or 45.0%)	2,852	2,803	2,814
Participants on disability	18	16	21
Fund employee participants	10	10	10
<b>Total participants as of last payroll</b>	<b>2,880</b>	<b>2,829</b>	<b>2,845</b>
Retired employees	2,136	2,096	2,113
Surviving spouses	707	735	744
Children	12	16	13
<b>Total receiving benefits</b>	<b>2,855</b>	<b>2,847</b>	<b>2,870</b>
Retirements during the year (including spousal)	135	146	136
Deaths among retirees (including spousal)	157	140	137
New Members	421	796	420
Withdrawals with refund	146	138	161

Trustee LUX 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 20, 2018, January 17, 2019, and February 21, 2019, 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, 2018, were presented to the Board for ratification.

Trustee BIGGANE 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, 2018, December 31, 2018, and January 31, 2019, 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 BIGGANE 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, 2018, shows ending net assets of \$341,007,641.49

Trustee PRADO 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, 2018, 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 DUGGAN moved ratification of the Investments 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. Trustee LUX seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

**REPORT OF THE EXECUTIVE DIRECTOR****2019 Trustee Election**

The Executive Director distributed a copy of a revised Election Policy with changes recommended by Fund Counsel. He reviewed with the Trustees the revisions within the revised Election Policy, including section 11.G., where the Trustees must choose one of three options.

A motion was made by Trustee LUX to adopt the changes to the Fund's Election Policy as recommended by Fund Counsel, including option (1) "the first ballot shall be counted, and the second ballot shall be disregarded" in Section 11.G. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director distributed a copy of a proposed schedule for the Fund's Annual Election of Trustee on Friday, June 28, 2019, and noted that he had appointed Lucy Lopez as Election Coordinator.

A motion was made by Vice President AFFOLTER to adopt the proposed schedule for the Fund's Annual Election of Trustee on Friday, June 28, 2019, and recognize the appointment of Lucy Lopez as Election Coordinator. Motion was seconded by Trustee DUGGAN.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director distributed a proposal from Governmental Business Systems ("GBS"), including a sample ballot, to serve as Election Monitor for the Fund's Annual Election of Trustee on Friday, June 28, 2019, at a cost not to exceed \$18,883 plus necessary out-of-pocket expenses. He reviewed and discussed the proposal with the Trustees highlighting the vast experience of GBS in handling trustee elections for local pension funds and unions as well as numerous county elections in Illinois, Indiana and Michigan. He also noted their use of bar-coded ballots and advanced tabulating equipment.

A motion was made by Trustee BIGGANE to appoint GBS as Election Monitor for the Fund's Annual Election of Trustee on Friday, June 28, 2019, at a cost not to exceed \$18,883 plus necessary out-of-pocket expenses, subject to negotiation of a contract by Fund Counsel. Motion was seconded by Vice President AFFOLTER.

Motion carried by the following roll call:

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

NAYS: None

### **Biedron**

The Executive Director distributed and reviewed with the Trustees a copy of an Agreed Order including Exhibit A entered January 8, 2019, by Judge Nathan H. Cohen, and noted that the Fund is in compliance with the Order.

### **Member's Annual Statements**

The Executive Director distributed for the Trustees review a draft copy of the STATEMENT OF PARTICIPANT'S CONTRIBUTIONS AS OF DECEMBER 31, 2018 and noted that it will be mailed in March and included in the mailing will be the Fund's Principal Provisions and the 99<sup>th</sup> Annual Report of the President.

### **Compensation Study**

The Executive Director reported that he is in the process of securing bids from qualified consulting firms to perform a compensation study for the Fund, as approved at the December 20, 2018, Board meeting.

### **Other**

Fund Website - The Executive Director reported that the Fund has a new website design and invited the Trustees to review the website and let him know of any comments.

Statement of Economic Interest – The Executive Director reminded the Trustees that their Statements of Economic Interest are due May 1, 2019 and must be filed on-line.

Conferences – The Executive Director distributed an updated 2019 Conference Schedule to the Trustees and highlighted upcoming local conferences and events.

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

Motion carried by the following roll call:

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

NAYS: None



**REPORT OF THE ACTUARY**

None

**REPORT OF THE ATTORNEY**

None

**REPORT OF THE INVESTMENT CONSULTANT**

Mr. Brett Christenson, Mr. Michael Spsychalski and Mr. Brendan Hopkins of Marquette Associates distributed two reports: The Preliminary Monthly Update report as of January 31, 2019 featuring market environment analysis, asset allocation, investment performance and individual investment manager performance; and an Asset Allocation Study dated February 19, 2019. Both reports were reviewed in detail and the Investment Consultant responded to numerous questions raised by the Trustees.

A motion was made by Secretary HODOROWICZ for the Fund to adopt and implement the asset allocation recommended by Marquette Associates and identified as Portfolio A in the Asset Allocation Study dated February 19, 2019. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Mr. James Dominguez and Mr. Andrew Flynn of William Blair, one of the Fund's international equity investment managers, entered the Board room and distributed a report entitled "Chicago Park District Pension Fund International Small Cap Growth" to the Trustees.

Mr. Dominguez and Mr. Flynn reviewed the report and responded to numerous questions raised by the Trustees.

Mr. Dominguez and Mr. Flynn were excused.

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

Motion carried by the following roll call:

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

NAYS: None

**OLD BUSINESS**

None

**NEW BUSINESS**

None

**ADJOURNMENT**

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

The next regular meeting of the Retirement Board will be on **Thursday, March 21, 2019**, 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,



FRANK HODOROWICZ  
Secretary