

RECORD OF PROCEEDINGS  
of the  
RETIREMENT BOARD (the "BOARD") of the  
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")  
REGULAR BOARD MEETING  
THURSDAY, MAY 16, 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  
MICHAEL SPYCHALSKI, Marquette Associates

Absent:

PAMELA A. MUNIZZI, President

**MINUTES OF THE LAST MEETING**

A motion was made by Trustee LUX to approve the minutes of the regular Board meeting held on Thursday, April 18, 2019. Trustee PRADO 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 March 21, 2019, April 18, 2019, and May 16, 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 February 28, 2019, March 31, 2019, and April 30, 2019, were presented to the Board for approval.

Secretary 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 2019, April 2019, and May 2019 in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$6,262,763.95, \$6,267,213.38 and \$6,213,086.00, respectively.

Vice President AFFOLTER moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$6,262,763.95, \$6,267,213.38 and \$6,213,086.00 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>
Sam Dileonardo Laborer Annuitant, 6-073960	01/18/19	\$ 3,000.00    Death Benefit	Frank Dileonardo & Laura Dileonardo, Designated Beneficiaries
William B. Fitzpatrick Floor Maintenance Supervisor Annuitant, 6-010403	01/29/19	\$ 3,000.00    Death Benefit	Marlene Jakobi, Designated Beneficiary

Adolphus A. McMillian Physical Instructor Annuitant, 6-099030	11/10/18	\$ 3,000.00	Death Benefit	Rasharrd McMillian, Designated Beneficiary
Faviola Coreas Human Resource Coordinator Employee, 61520	04/16/18	\$ 10,000.00 <u>58,463.27</u> <u>\$ 68,463.27</u>	Death Benefit Refund of Employee Contributions	Kiara Veronica Coreas-Rosado, Designated Beneficiary
Norma P. Diezel Playground Supervisor Annuitant, 6-060460	12/14/18	\$ 3,000.00	Death Benefit	Charles Jeffrey, Designated Beneficiary
Stanley Williams, Sr. Crafts Instructor Annuitant, 6-010268	03/08/19	\$ 3,000.00	Death Benefit	Ebonie Williams & Staley D. Williams Jr., Designated Beneficiaries
Lanell Triplett Laborer Inactive employee, 60155	07/12/18	\$ 55,751.22	Refund of Employee Contributions	Donta Moye, Surviving Heir
Lawrence Minute Landscape Maintenance Supervisor Annuitant, 6-073850	03/06/19	\$ 3,000.00	Death Benefit	Patrice M. Eberhardt, Designated Beneficiary
Eugene Johnson Laborer Annuitant, 6-084900	12/01/18	\$ 3,000.00	Death Benefit	Michael Johnson, Carolyn Knight, Ronald Johnson, Christopher Jackson, Laverne Allen, Kennie Johnson & Andrea Johnson, Surviving Heirs
Note: Andrea Johnson has not returned the completed applications; therefore, case will remain open until received.				
James Brown Maintenance Foreman Annuitant, 6-080870	03/06/19	\$ 3,000.00	Death Benefit	Antoinette Brown, Surviving Spouse
James Nithman Laborer Annuitant, 6-078780	03/25/19	\$ 3,000.00	Death Benefit	Alice Combs, Designated Beneficiary
Marilyn D'Andrea-Chambers Senior Clerk Annuitant, 6-083600	04/16/19	\$ 3,000.00	Death Benefit	Mike A. Koumantos, Designated Beneficiary
Robert Samat Recreation Leader Annuitant, 6-098220	11/25/18	\$ 300.00	Optional Death Benefit	Beth Samat, Surviving Spouse
Carlos Martinez Attendant Annuitant. 6-011203	12/16/18	\$ 300.00	Optional Death Benefit	Darlene Proczek, Surviving Spouse
Jose A. Alvarez Laborer Annuitant, 6-010495	03/14/19	\$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Haydee Alvarez, Surviving Spouse
Kenneth Nitsche Park Supervisor Annuitant, 6-078240	03/14/19	\$ 3,000.00	Death Benefit	Jean Nitsche, Surviving Spouse

Michael Joseph Jordan Chauffeur Annuitant, 6-083700	03/27/19	\$ 3,000.00 <u>300.00</u> \$ <u>3,300.00</u>	Death Benefit Optional Death Benefit	Bernadette E. Jordan, Surviving Spouse
Thomas J. Dunne Plumber Annuitant, 6-099910	04/06/19	\$ 3,000.00	Death Benefit	Kathleen M. Dunne, Surviving Spouse
Joseph D'Attomo Plumber Foreman Annuitant, 6-09371	04/02/19	\$ 3,000.00	Death Benefit	Irena D'Attomo Surviving Spouse
Joseph Guzman B&C Laborer Annuitant, 6-08820	04/08/19	\$ 3,000.00 <u>300.00</u> \$ <u>3,300.00</u>	Death Benefit Optional Death Benefit	Mary Guzman, Surviving Spouse
Total amount of death claims submitted for approval		\$ <u>173,714.49</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>Althea Adejude</b> , Recreation Leader	\$ 6,417.49	27	4.00
<b>Dan Bernardez</b> , Lifeguard	7,944.99	25	3.50
<b>Edson Brito</b> , Lifeguard	25,444.21	30	12.25
<b>Lisa Brogaard</b> , Recreation Leader	10,690.19	27	6.75
<b>Arsiris Doyle</b> , Recreation Leader	5,700.40	23	4.75
<b>Lauren James</b> , Physical Instructor	23,195.39	29	6.25
<b>Patrick Knapp</b> , Physical Instructor	30,566.43	31	7.75
<b>Rochelle Lester</b> , Attendant	7,348.97	52	4.25
<b>Conor Maloney</b> , Activities Instructor	5,704.45	25	3.00
<b>Gene Morgan</b> , Playground Supervisor	82,195.94	44	22.25
<b>Victoria Neal</b> , Recreation Leader	5,965.27	29	4.50
<b>Sorin Ogrin</b> , Natatorium Instructor	24,528.79	30	10.75
<b>Samantha Rio</b> , Program & Event Coordinator	22,286.10	41	5.50
<b>Juan Roman</b> , Lifeguard	12,828.81	26	5.75
<b>Jeremy Sanicki</b> , Physical Instructor	8,056.93	23	5.00
<b>Gregory Sims</b> , Attendant	12,702.28	30	6.50
<b>Julie Smith</b> , Senior Project Manager	14,161.70	35	2.50
<b>Jake Swanson</b> , Wellness Instructor	7,431.02	26	2.75
<b>Daniel Tun</b> , Special Rec Coordinator	32,910.98	38	8.25
<b>Mizell Walls</b> , Security Guard	9,920.04	43	5.50
<b>Michael Zarcone</b> , Attendant	<u>15,986.09</u>	36	5.75
<b>Total:</b>	\$ <u>371,986.47</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 HODOROWICZ 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>
Providence R. Farella	65	20.75 years	\$ 6,856.18
Roel R. Moya	63	33.00 years	9,162.81
Geralyn M. Henaghan	51	33.50 years	15,696.83
Steven B. Meyer	65	25.25 years	<u>13,291.56</u>
			<u>\$ 45,007.38</u>

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

### **Nursing Home Care**

<u>NAME</u>	<u>ID#</u>	<u>NURSING HOME</u>
Harold O'Brien	6-07040	Fort Myers Rehabilitation and Nursing Center 7173 Cypress Drive Fort Myers, FL 33907  Administrator - Tobias Breder Contact - Gabriel Tyler Phone #239-936-0203 ext. 1005

Trustee BIGGANE moved ratification of the Nursing Home case to the Omnibus.

**Membership Statistics (informational only)**

	<u>5/16/19</u>	<u>12/31/18</u>	<u>12/31/17</u>
<b>Chicago Park District participants</b>	<b>3,222</b>	<b>3,187</b>	<b>3,543</b>
Contributing Park District payroll (Tier II – approximately 1,302 or 45.8%)	2,841	2,852	2,803
Participants on disability	20	18	26
Fund employee participants	10	10	10
<b>Total participants as of last payroll</b>	<b>2,871</b>	<b>2,880</b>	<b>2,829</b>
Retired employees	2,129	2,136	2,096
Surviving spouses	691	706	735
Children	12	12	16
<b>Total receiving benefits</b>	<b>2,852</b>	<b>2,854</b>	<b>2,847</b>
Retirements during the year (including spousal)	26	133	146
Deaths among retirees (including spousal)	48	156	140
New Members	81	421	796
Withdrawals with refund	42	146	138

Secretary 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 February 28, 2019, March 31, 2019, and April 30, 2019, were presented to the Board for approval.

Secretary 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 March 31, 2019, 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, 2019, March 31, 2019, and April 30, 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.

Vice President 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 March 31, 2019, shows ending net assets of \$376,384,870.96

Trustee BIGGANE 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, 2019, 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 PRADO 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 the previously approved schedule for the Fund's Annual Election of Trustee on Friday, June 28, 2019 and noted that Trustee HODOROWICZ and Valerie Tines-Lyons had requested nominating petitions.

**Actuarial Valuation and Review as of December 31, 2018/Audited Financial Statements as of December 31, 2018**

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, 2018, and representatives will attend the July Board meeting to address any questions.

The Executive Director also reported that Bansley & Kiener, the Fund’s auditor, is in the process of finalizing its report as of December 31, 2018, 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 Trustee Education in general.

Executive Summary – The Executive Director distributed a copy of the Fund’s Executive Summary as of December 31, 2018, provided by Marquette Associates, the Fund’s investment consultant.

Chicago Park District Tax Levy – The Executive Director reported that the Fund received an additional advance of \$1.8 million on April 25, 2019, of its share of the 2018 tax levy.

Securities Litigation – The Executive Director reported that information regarding the Endo matter will be provided as soon as it is available.

Conferences - The Executive Director distributed a copy of the Board approved 2019 Conference Schedule to the Trustees and highlighted upcoming local conferences and events.

Trustee PRADO moved to accept the Report of the Executive Director. Trustee DUGGAN 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. Michael Spychalski of Marquette Associates distributed the Preliminary Monthly Update report as of April 30, 2019 featuring investment performance, market environment analysis, asset allocation and individual investment manager performance. The Trustees reviewed the report in detail and the Investment Consultant responded to numerous questions raised by the Trustees.

Mr. Kelly Weller and Mr. Gary Lenhoff of Great Lakes Advisors, one of the Fund’s domestic equity investment managers, entered the Board room and distributed a report entitled “Park Employees’ Annuity and Benefit Fund of Chicago Large Cap Value Investment Review” to the Trustees.



Mr. Weller and Mr. Lenhoff reviewed the report and responded to numerous questions raised by the Trustees.

Mr. Weller and Mr. Lenhoff were excused.

Trustee LUX moved 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**

Trustee DUGGAN led a discussion regarding the Fund's normal cost for Tier I, Tier II, and the projected Tier IIA.

Trustee DUGGAN made a motion to have the Segal Company, the Fund's actuary, provide a breakdown of the Fund's normal cost for Tier I, Tier II, and projected Tier IIA, subject to the fee that the Segal Company would charge. Trustee HODOROWICZ seconded the motion.

### **ADJOURNMENT**

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

The next regular meeting of the Retirement Board will be on **Thursday, June 20, 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