

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
REGULAR BOARD MEETING
THURSDAY, AUGUST 19, 2021

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

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

ROLL CALL

Trustees present:

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

MATTHEW DUGGAN, Trustee
STEVEN J. LUX, Trustee
CECILIA PRADO, Trustee
(Participated by telephone)

Trustee absent:

PAMELA A. MUNIZZI, Trustee

Also Present:

STEVEN SWANSON, Executive Director
JAIME L. MCCABE, Comptroller
TAYLOR MUZZY, Jacobs, Burns, Orlove & Hernandez LLP, Fund Counsel
MICHAEL SPYCHALSKI, Marquette Associates

MINUTES OF THE LAST MEETING

A motion was made by Secretary HODOROWICZ to approve the minutes of the regular Board meeting held on Thursday, July 15, 2021. Vice President 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.

REPORT OF THE COMMITTEES

None

BENEFIT DATA**Annuities Granted**

Applications for Service, Child and Employees' Spousal Annuities as listed in Section IV (A) of the Benefit Data, dated June 17, 2021, July 15, 2021, and August 19, 2021, 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 HODOROWICZ moved ratification of the Applications for Service, Child 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 May 31, 2021, June 30, 2021, and July 31, 2021, 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 June 2021, July 2021, and August 2021 in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$6,403,597.50, \$6,471,089.49 and \$6,471,111.87, respectively.

Trustee LUX moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$6,403,597.50, \$6,471,089.49 and \$6,471,111.87 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>
Henry John Murawski Sr. Architectural Tech Annuitant	04/13/21	\$ 3,000.00 Death Benefit	Rory S. King
Alice M. Owens Attendant Annuitant	04/02/21	\$ 3,000.00 Death Benefit	Toya L. and Alixe Owens
Yolanda Romero Attendant Annuitant	04/09/21	\$ 3,000.00 Death Benefit	Angel E. Almodovar
Randall Herman Florist Apprentice Annuitant	01/18/21	\$ 3,000.00 Death Benefit	Melanie Herman
Leroy Tate Head Attendant Annuitant	10/22/20	\$ 3,000.00 Death Benefit <u>300.00</u> Optional Death Benefit <u>\$ 3,300.00</u>	Essie Tate
Harold A. Gillespie Supervisor of Beaches and Pools Annuitant	04/29/21	\$ 3,000.00 Death Benefit	Gloria J. Gillespie

Donald Odette Security Guard Annuitant	04/14/21	\$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Barbara Odette
Jesus Jose Duran Marungo Landscaping Employee	05/04/20	\$ 10,000.00 <u>7,140.22</u> <u>\$ 17,140.22</u>	Death Benefit Refund of AI	Rosa I. Velasquez-Duran
Joseph Finnigan Pinter Foreman Annuitant	05/13/21	\$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Helyn Finnigan
Kathleen Brown Animal Keeper Class II Annuitant	07/16/20	\$ 3,000.00	Death Benefit	Sean E. Hengesbach
John F. Truty Arch Ironworker Annuitant	05/03/21	\$ 3,000.00	Death Benefit	John D. Truty
Cashmere Langston Attendant Employee	05/04/20	\$ 10,000.00 <u>18,928.27</u> <u>\$ 28,926.27</u>	Death Benefit Refund of Employee Contributions	Camerah Langston
John J. Hart Security Guard Annuitant	05/08/21	\$ 3,000.00	Death Benefit	Emma B. Hart
Donald Quinn Chauffeur Annuitant	05/13/21	\$ 300.00	Optional Death Benefit	Bernice L. Quinn
Lawrence C. Fugh Painter Annuitant	05/12/21	\$ 3,000.00	Death Benefit	Barbara J. Fugh
Ricky Pittman Attendant Annuitant	05/10/21	\$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Marlene Scott-Pittman
George B. Considine Security Guard Annuitant	03/21/21	\$ 300.00	Optional Death Benefit	Doris A. Considine
Donald Manchester Carpenter Annuitant	05/27/21	\$ 3,000.00	Death Benefit	John C. Manchester, Anne Lynette M. DiMaggio and Robin A. Butz
Faith Fields Recreation Leader Annuitant	05/21/21	\$ 21,898.68	Refund of AR	Laurence D. Roby
Total amount of death claims submitted for approval		<u>\$111,765.17</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.

Vice President BIGGANE 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>Tier</u>	<u>Years of Service</u>
Alexander Alverio , Natatorium Instructor	\$ 17,238.61	27	2	6.00
Justin Baker , Lifeguard	7,063.31	21	2	3.00
Delaina Benson , Special Recreation Leader	21,173.33	46	2	11.75
Michael Castellanos , Boxing Coach	6,306.11	34	2	4.00
Hector DeReza , Attendant	8,165.49	51	2	4.75
Monica Diaz , Lifeguard	7,302.75	21	2	3.50
Kristian Espino , Lifeguard	6,999.78	25	2	3.00
Luis Hernandez , Deputy Director of	24,908.82	43	2	2.75
Hillari Hunter , Boxing Instructor	10,212.52	59	2	6.00
Craig Jones , Natatorium Instructor	18,019.79	29	2	6.75
Joseph Koziol , Lifeguard	9,044.26	24	2	4.75
Jaime Morales , Security Guard	14,958.37	51	1	11.50
Jennifer Park , Lifeguard	8,824.89	26	2	4.75
Gennesis Pena , Recreation Leader	7,637.26	22	2	4.25
Thomas Perry , Motor Truck Driver	18,548.77	62	2	3.25
Adriana Salinas , Physical Instructor	9,181.24	24	2	4.75
Latoya Scott , Attendant	10,725.11	34	2	6.00
Marlon Scott , Boxing Instructor	8,494.38	25	2	5.00
Joseph Taylor , Physical Instructor	5,616.55	28	2	3.75
David Wiggins , Operating Engineer	<u>22,152.71</u>	60	1	3.75
Total:	<u>\$ 242,574.05</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.

Vice President BIGGANE moved ratification of the Applications for Refunds over \$5,000 to the Omnibus.

Refunds of Spouse’s Annuity Deduction - over \$5,000

Applications 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>
Maria D. Delgado	60	32.50 years	\$ 14,655.61
Laura A. Casey	59	33.25 years	16,220.87
Michael J. Gornick	60	30.50 years	23,546.93
Michelle Heinen	52	32.25 years	14,237.26
Bob Knight	70	14.50 years	5,529.27
Frank Medina	61	41.50 years	12,331.32
Tiger C. Pulliam	64	22.75 years	<u>16,224.28</u>
			<u>\$102,745.54</u>

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

Nursing Home Care

<u>Annuitant Name</u>	<u>Nursing Home</u>
Frances Gartland	ManorCare Health Services - Palos Heights West 11860 Southwest Hwy Palos Heights, IL 60463 Administrator - Cathy McBride Contact - Sandi Wheeler Phone# 815-483-7018

Trustee DUGGAN moved ratification of the Nursing Home Care to the Omnibus.

Membership Statistics (informational only)

	<u>07/31/21</u>	<u>12/31/20</u>	<u>12/31/19</u>
Chicago Park District Participants (Tier II – approximately 1,366 or 48.13%)	2,838*	2,890*	3,132*
Contributing participants reported by Chicago Park District for pay period ending July 21, 2021	2,483	2,643	2,778
Participants on Disability	20	15	28
Fund employee participants	9	8	9
Total participants as of last payroll	2,512	2,666	2,815
Retired employees	2,100	2,116	2,144
Surviving spouses	641	648	686
Children	11	11	13
Total receiving benefits	2,752	2,775	2,843
Retirements during the year (including spousal)	45	102	131
Deaths among retirees (including spousal)	68	172	142
New Members	5	90	320
Withdrawals with refund	63	104	165

Secretary HODOROWICZ moved the ratification of the Membership Statistics to the Omnibus.

FINANCIAL DATA**Expenditure Report**

Disbursements as listed in Section V (A) of the Financial Data, dated May 31, 2021, June 30, 2021, and July 31, 2021, 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 June 30, 2021, were presented to the Board for ratification.

Vice President 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 May 31, 2021, June 30, 2021 and July 31, 2021, 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 Report to the Omnibus.

Summary of the Trial Balance (unaudited)

Summary of the Trial Balance (unaudited), Section V (D) as of June 30, 2021, shows ending net assets of \$388,834,153.76

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 June 30, 2021, 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.

Vice President BIGGANE moved ratification of the Investments to the Omnibus.

MOTION TO ACCEPT ITEMS TRANSFERRED TO THE OMNIBUS

A motion was made by Secretary 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, DUGGAN, HODOROWICZ,
LUX, PRADO

NAYS: None

REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director provided the Trustees an update on the status of the Fund's search for a new office space and presented the lease proposal negotiated by the Fund's Real Estate Broker.

A motion was made by Secretary HODOROWICZ to approve the office space lease proposal and to direct the Fund's Real Estate Broker and Executive Director to commence negotiating a formal office lease pending legal review. Motion was seconded by President AFFOLTER.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director informed the Trustees that American Eagle had completed all the work to host the Fund's website and the newly hosted website was now live.

The Executive Director informed the Trustees that the Fund's new Information Technology Managed Service Provider EMPIS had been begun transitioning with the current provider and the transition was expected to be completed by September 1st.

The Executive Director informed the Trustees that the Fund's Record Retention Policy was slated to be reviewed in the coming months and that any proposed revisions to the policy will be submitted to the Trustees for review and approval.

The Executive Director updated the Trustees on the Pension Administration System RFP and reviewed the three proposals that had been submitted. The Trustees gave direction as to the due diligence to be performed regarding the proposals.

The Executive Director updated the Trustees on the project to move checking printing to Northern Trust and the expected four-month timeframe to complete the project.

The Executive Director reviewed and discussed the revised Northern Trust Corporate Resolution with the Trustees.

A motion was made by Trustee LUX to approve the revised Northern Trust Corporate Resolution as presented by the Executive Director. 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 reviewed and discussed the impact statement that was prepared by the Fund's Actuary regarding Public Act 102-0263 with the Trustees.

A motion was made by Secretary HODOROWICZ to approve the impact statement that was prepared by the Fund's Actuary regarding Public Act 102-0263. 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 reviewed and discussed the 2022 Tax Levy Requirement Letter with the Trustees.

A motion was made by Trustee LUX to approve the 2022 Tax Levy Requirement Letter as presented by the Executive Director. Vice President BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director reviewed and discussed the Fund's Actuary's proposal to conduct a review of the Fund's Actuarial Funding Policy with the Trustees.

A motion was made by Trustee DUGGAN to accept the Fund's Actuary's proposal to conduct a review of the Fund's Actuarial Funding Policy. Vice President BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director and the Fund's Legal Counsel reviewed and discussed the request for proposal for investment consultant services with the Trustees.

A motion was made by President AFFOLTER to advertise a request for proposal for investment consultant services. Vice President BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director reviewed and discussed proposed amendments to the 2021 operating budget with the Trustees.

A motion was made by Secretary HODOROWICZ to approve the 2021 amended operating budget as presented by the Executive Director. Vice President BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Finally, the Executive Director apprised the Trustees of the following; the annuity estimates that had been requested by participants since the June Board meeting, advised the Trustees that the Chicago Park District anticipated an estimated \$10 million employer contribution to the Fund in the month of August, informed the Trustees that the Fund's Staff was scheduled to send out marriage letters to the Fund's annuitants and beneficiaries and distributed to the Board the approved 2021 Conference Schedule and highlighted upcoming local conferences, virtual remote conferences, and events.

A motion was made Vice President BIGGANE to accept the report of the Executive Director. Motion was seconded by President AFFOLTER.

Motion carried by the following roll call:

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

NAYS: None

EXECUTIVE SESSION

A motion was made by Trustee LUX to go into Executive Session for the purpose of discussing pending litigation and the status of current litigation. Motion was seconded by Trustee DUGGAN.

Motion carried by the following roll call:

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

NAYS: None

A motion was made by Trustee LUX to return to Open Session. Motion was seconded by Trustee DUGGAN.

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

The Fund's Legal Counsel presented a draft Indemnification Agreement for the Trustees review and discussed the provisions of the agreement with the Trustees.

A motion was made by Vice President BIGGANE to accept the Report of the Attorney. Motion was seconded by Trustee PRADO.

Motion carried by the following roll call:

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

NAYS: None

REPORT OF THE LOBBYIST

A written report from the Fund's Lobbyist, James Brosnahan, was presented to the Trustees by the Executive Director.

A motion was made by Trustee LUX to accept the Report of the Lobbyist. Motion was seconded by Trustee PRADO.

Motion carried by the following roll call:

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

NAYS: None

REPORT OF THE INVESTMENT CONSULTANT

Mr. Michael Spychalski of Marquette Associates, the Fund's Investment Consultant, distributed the Preliminary Monthly Update report as of July 31, 2021, featuring investment performance, market environment analysis, asset allocation and individual investment manager performance. The Fund's Investment Consultant discussed with Trustees the Fund's investment portfolio's performance and the performance of specific investment managers.

Mr. Spychalski then departed the meeting prior to the Executive Director's Report.

A motion was made by Secretary HODOROWICZ to accept the Report of the Investment Consultant. President AFFOLTER seconded the motion.

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

NAYS: None

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENT

None

ADJOURNMENT

There being no further business, Vice President BIGGANE moved to adjourn the meeting. 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, September 16, 2021**, 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,



FRANK HODOROWICZ
Secretary