

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
REGULAR BOARD MEETING
THURSDAY, NOVEMBER 18, 2021

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

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

ROLL CALL

Trustees present:

EDWARD L. AFFOLTER, President
(Participated by telephone)
BRIAN BIGGANE, Vice President
FRANK HODOROWICZ, Secretary
CYNTHIA EVANGELISTI, Trustee

MATTHEW DUGGAN, Trustee
STEVEN J. LUX, Trustee
CECILIA PRADO, 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 Trustee LUX to approve President EDWARD AFFOLTER, to participate in the board meeting by phone. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

A motion was made by Trustee LUX to approve the minutes of the regular Board meeting held on Thursday, October 21, 2021. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

A motion was made by Secretary HODOROWICZ to approve the Executive Session minutes held on Thursday, October 21, 2021. Vice President BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

A motion was made by Secretary HODOROWICZ to approve the Special meeting minutes held on Tuesday, November 2, 2021. Trustee DUGGAN seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, EVANGELISTI,
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 September 16, 2021, October 21, 2021, and November 18, 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.

Trustee LUX 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 August 31, 2021, September 30, 2021, and October 31, 2021, were presented to the Board for approval.

Trustee DUGGAN 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 September 2021, October 2021, and November 2021 in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$6,473,439.95, \$6,435,368.60 and \$6,432,346.70, respectively.

Secretary HODOROWICZ moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$6,473,439.95, \$6,435,368.60, and \$6,432,346.70 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> |
|--|----------------------|--|---|
| Raymond J. Ulrich Carpenter Inactive | 06/11/20 | \$ 5,786.82 | Refund of Employee Contributions Raymond J. Ulrich |
| Richard Vlerick Director of Purchasing Annuitant | 07/01/21 | \$ 3,000.00 | Death Benefit Peter Reynolds Vlerick |
| Robert Lysaught Steamfitter Foreman Annuitant | 07/28/21 | \$ 3,000.00 | Death Benefit James Lysaught |
| Joseph Palider Floriculturist Class 2 Annuitant | 07/31/21 | \$ 3,000.00 | Death Benefit George J. Conrad |
| Walter R. Magnuson Park Supervisor Annuitant | 07/24/21 | \$ 3,000.00 | Death Benefit Sherida V. Magnuson |
| Bennie Lee Rosmon Floriculturist Annuitant | 08/05/21 | \$ 3,000.00 | Death Benefit Sherry L. Rosmon |
| George Odoms, Jr. Garage Manager Annuitant | 08/23/21 | \$ 3,000.00 | Death Benefit Anita Odoms |
| Charles E. Crocker Attendant Annuitant | 08/10/21 | \$ 3,000.00 | Death Benefit Debra Crocker |
| Leslie J. Thomas , Jr. Attendant Annuitant | 08/22/21 | \$ 3,000.00 | Death Benefit Helen G. Thomas |
| James D. Campbell Machinist Annuitant | 08/09/21 | \$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u> | Death Benefit Optional Death Benefit Kathleen Campbell |
| Joseph Puccio Electrician Annuitant | 07/07/21 | \$ 3,000.00 | Death Benefit Gail T. Puccio |
| Robert B. Cooper Chauffeur Annuitant | 09/06/21 | \$ 3,000.00 | Death Benefit Robert B. Cooper, Jr & Ronnie C. Cooper |
| Larry S. Fischer Chauffeur Annuitant | 09/30/21 | \$ 3,000.00 | Death Benefit Larry S. Fischer, David J. Fischer, Deborah Ann Ohara & Daniel J. Fischer |
| Glenn Smith Senior Lifeguard Annuitant | 09/03/21 | \$ 3,000.00 | Death Benefit Stephanie Howe |

| | | | | |
|---|----------|---------------------|---------------|------------------------|
| Ronald M. Sheehan Plumber Annuitant | 09/24/21 | \$ 3,000.00 | Death Benefit | Barbara J. Sheehan |
| John E. Flink Painter Annuitant | 09/22/21 | \$ 3,000.00 | Death Benefit | Margaret A. Miesen |
| Wayne Swan Stationary Engineer Annuitant | 8/24/21 | \$ 3,000.00 | Death Benefit | Barbara Swan |
| Joseph A. Pecoraro Manager of Beaches & Pools Annuitant | 09/02/21 | \$ 3,000.00 | Death Benefit | Marguerite C. Pecoraro |
| Joseph E. Hutmacher Administrative Aid Annuitant | 08/16/21 | \$ 3,000.00 | Death Benefit | Mary C. Hutmacher |
| Gwendolyn Rogers Associate Superintendent Annuitant | 08/22/21 | \$ 3,000.00 | Death Benefit | Suzanne A. DuBose |
| Total amount of death claims submitted for approval | | <u>\$ 63,086.82</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 DUGGAN 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> |
|--|---------------|------------|-------------|-------------------------|
| Thomas Benigno , Attendant | \$ 5,324.90 | 66 | 1 | 1.50 |
| Unique Bradley , Recreation Leader | 6,749.37 | 25 | 2 | 4.75 |
| Demetrius Brown , Physical Instructor | 10,593.38 | 28 | 2 | 5.50 |
| Karen Burks , Attendant | 12,339.58 | 47 | 2 | 7.25 |
| Marrion Butler , Physical Instructor | 9,834.73 | 44 | 2 | 5.75 |
| Jacob Cypranowski , Lifeguard | 7,998.19 | 26 | 2 | 3.25 |
| Corey Deering , Physical Instructor | 53,058.48 | 40 | 1 | 16.25 |
| Michael Edwards , Attendant | 24,617.21 | 66 | 2 | 7.75 |
| James Fields , Activities Instructor | 8,407.16 | 33 | 2 | 7.75 |
| Liza Fields , Program Specialist | 59,271.00 | 48 | 1 | 12.75 |
| Jason Gach , Attendant | 33,820.29 | 39 | 1 | 21.00 |
| Richard Garcia , Laborer | 17,863.75 | 28 | 2 | 5.00 |
| Jonathan Godwin , Recreation Leader | 19,333.23 | 36 | 1 | 13.75 |

| | | | | |
|--|----------------------------|----|---|-------|
| Pablo Gomez , Lifeguard | 7,799.33 | 24 | 2 | 3.50 |
| Shavonn Jackson , Recreation Leader | 5,266.72 | 36 | 2 | 3.75 |
| Timona Liddell , Attendant | 5,010.75 | 22 | 2 | 3.50 |
| Francisco Lopez , Lifeguard | 19,303.48 | 28 | 2 | 8.25 |
| Alejandro Osorio , Lifeguard | 9,307.03 | 27 | 2 | 5.25 |
| Eduardo Padilla , Lifeguard | 10,181.24 | 27 | 2 | 4.50 |
| Maurico Ramirez , Natatorium Instructor | 27,389.00 | 32 | 2 | 9.75 |
| Henry Ringlever , Project Manager | 9,194.62 | 35 | 2 | 1.75 |
| Miguel Rodriguez , Lifeguard | 6,150.52 | 22 | 2 | 3.00 |
| Adan Santiago , Attendant | 7,056.98 | 59 | 2 | 3.50 |
| Rebecca Schatz , Sr. Program Specialist | 26,310.60 | 31 | 2 | 5.50 |
| Twan Sims , Attendant | 11,116.34 | 30 | 2 | 6.25 |
| Eddie Tyler III , Laborer | 46,263.19 | 37 | 1 | 13.25 |
| Eric Vazquez , Deputy Director of IT | 15,923.80 | 43 | 2 | 2.00 |
| Julio Vazquez , Hourly Lifeguard | 13,367.91 | 24 | 2 | 5.50 |
| Luis Villa , Recreation Leader | <u>6,479.25</u> | 27 | 2 | 4.00 |
| Total: | <u>\$495,332.03</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

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> |
|----------------------|------------|-------------------------|--------------------|
| Cheryl Alli | 68 | 24.50 years | \$ 10,911.10 |
| Lorenzo Fishback Jr. | 53 | 22.75 years | 5,421.89 |
| Kevin R. Patterson | 51 | 26.75 years | 8,991.84 |
| Timothy C. Vanseghi | 56 | 30.25 years | 15,150.19 |
| Yolanda Vazquez | 63 | 33.50 years | <u>14,458.99</u> |
| | | | <u>\$54,934.01</u> |

Secretary HODOROWICZ 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>10/31/21</u> | <u>12/31/20</u> | <u>12/31/19</u> |
|--|-----------------|-----------------|-----------------|
| Chicago Park District Participants (Tier II – approximately 1,403 or 49.14%) | 2,855* | 2,890* | 3,132* |
| Contributing participants reported by Chicago Park District for pay period ending October 27, 2021 | 2,442 | 2,643 | 2,778 |
| Participants on Disability | 31 | 15 | 28 |
| Fund employee participants | 9 | 8 | 9 |
| Total participants as of last payroll | 2,482 | 2,666 | 2,815 |
| Retired employees | 2,093 | 2,116 | 2,144 |
| Surviving spouses | 639 | 648 | 686 |
| Children | 10 | 11 | 13 |
| Total receiving benefits | 2,742 | 2,775 | 2,843 |
| Retirements during the year (including spousal) | 76 | 102 | 131 |
| Deaths among retirees (including spousal) | 109 | 172 | 142 |
| New Members | 69 | 90 | 320 |
| Withdrawals with refund | 102 | 104 | 165 |

Trustee DUGGAN 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 August 31, 2021, September 30, 2021, and October 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 September, 2021, 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 August 31, 2021, September 30, 2021 and October 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.

Vice President 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 September 30, 2021, shows ending net assets of \$415,281,390.17

Trustee DUGGAN moved ratification of the Summary of the Trial Balance (unaudited) to the Omnibus.

INVESTMENTS

The following reports as listed in Section VI (B) dated September 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.

Secretary HODOROWICZ moved ratification of the Investments to the Omnibus.

MOTION TO ACCEPT ITEMS TRANSFERRED TO THE OMNIBUS

A motion was made by Trustee DUGGAN 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, EVANGELISTI,
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 updated the Board on the progress of the new pension administration system.

The Board heard presentations from the following investment consulting firms; Verus, NEPC, Meketa.

After the conclusion of the presentations, the Trustees discussed at length the proposals from the investment consulting firms with the Executive Director and the Fund's Legal Counsel.

A motion was made by Trustee DUGGAN to accept the proposal received from the Meketa Investment Group in response to the Fund's Request for Proposal for investment consulting services as recommended by the Executive Director and pending successful contract negotiations. Secretary HODOROWICZ seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, EVANGELISTI
HODOROWICZ, LUX, PRADO
NAYS: None

Finally, the Executive Director apprised the Trustees of the following; annuity estimates that had been requested by participants since the October Board meeting, advised the Trustees that the Chicago Park District made a \$10 million employer contribution to the Fund in the month of October and made another \$10 million employer contribution to the Fund before November 1st, updated the Trustees on the number of marriage letters returned by 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 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, EVANGELISTI
HODOROWICZ, LUX, PRADO
NAYS: None

REPORT OF THE ACTUARY

None

REPORT OF THE ATTORNEY

The Fund's Legal Counsel updated the Board on a legal matter of Vega v. Chicago Park District and presented employee and employer contributions calculations prepared by Fund staff to the Board for review and approval.

A motion was made by Trustee DUGGAN to approve the calculations presented by Fund Counsel. Motion was seconded by Trustee PRADO.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, DUGGAN, EVANGELISTI,
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.

REPORT OF THE INVESTMENT CONSULTANT

Mr. Michael Spsychalski of Marquette Associates, the Fund’s Investment Consultant, distributed the Preliminary Monthly Update report as of October 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.

A motion was made by Vice President BIGGANE to allocate an additional \$2,000,000 to the Parametric Defensive Equity mandate as recommended by the Investment Consultant. Trustee LUX seconded the motion.

YEAS: AFFOLTER, BIGGANE, DUGGAN, EVANGELISTI,
HODOROWICZ, LUX, PRADO
NAYS: None

Mr. Spsychalski then departed the meeting prior to the Executive Director’s Report.

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

YEAS: AFFOLTER, BIGGANE, DUGGAN, EVANGELISTI,
HODOROWICZ, LUX, PRADO
NAYS: None

OLD BUSINESS

None

NEW BUSINESS

None

PUBLIC COMMENT

None

ADJOURNMENT

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

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

A handwritten signature in cursive script that reads "Frank Hodorowicz".

FRANK HODOROWICZ
Secretary