

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
REGULAR BOARD MEETING
THURSDAY, MAY 19 2022

3500 S. Morgan Street
Suite 400
Chicago, Illinois 60609

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

CYNTHIA EVANGELISTI, Trustee
(Participated by telephone)
STEVEN J. LUX, Trustee
CECILIA PRADO, Trustee
(Participated by telephone)

Also Present:

STEVEN SWANSON, Executive Director
JAIME L. MCCABE, Comptroller
MEKETA INVESTMENT GROUP, Fund's Investment Consultant
GEOFF BRIDGES, Segal

MINUTES OF THE LAST MEETING

A motion was made by President AFFOLTER to allow Trustee EVANGELISTI and Trustee PRADO to participate in the meeting via phone. Trustee LUX 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 Vice President BIGGANE to approve the minutes of the regular Board meeting held on Thursday, April 21, 2022. 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 Trustee DUGGAN to approve the minutes of the Executive Session meeting held on Thursday, April 21, 2022. Trustee LUX 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 March 17, 2022, April 21, 2022, and May 19, 2022, 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.

President AFFOLTER 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 February 28, 2021, March 31, 2021, and April 30, 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 March 2022, April 2022, and May 2022 in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$6,552,080.02, \$6,550,135.09 and \$6,577,009.36, respectively.

Trustee LUX moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$6,552,080.02, \$6,550,135.09 and \$6,577,009.36 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> |
|---|----------------------|--------------|-----------------------|--|
| Betty W. Russell Administrative Specialist Class II Annuitant | 12/20/21 | \$ 3,000.00 | Death Benefit. | Lisa Russell Gordon |
| Juan B. Tovar Attendant Annuitant | 12/17/21 | \$ 3,000.00 | Death Benefit | Maria Tovar-Herrera and Juan T. Tovar |
| Arthur K. Stewart Director of Landscape Maintenance Annuitant | 11/11/21 | \$ 3,000.00 | Death Benefit | Rosemary Ann Stewart |
| Victor T. Davis Physical Instructor Employee | 5/21/19 | \$ 10,189.92 | Refund of AI | Kimberly Davis |

Note: Kimberly Davis is a recipient of a spousal pension. She waited to return paperwork to collect the Refund of AI.

| | | | | |
|--|----------|--|---|------------------------|
| Robert V. Kintzel Chauffeur Annuitant | 12/25/21 | \$ 3,000.00 | Death Benefit | Vivian Kintzel |
| Raymond E. Wicks Laborer Annuitant | 12/02/21 | \$ 3,000.00 | Death Benefit | Raymona Wicks |
| Donald Richardson Security Guard Annuitant | 12/09/21 | \$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u> | Death Benefit Optional Death Benefit | Ellen Cave-Richardson |
| Matthew J. Kilgallon Physical Instructor Annuitant | 01/27/22 | \$ 3,000.00 | Death Benefit | Maureen Kilgallon |
| Hubert J. Swift Regional Park Manager Annuitant | 01/16/22 | \$ 3,000.00 | Death Benefit | Alice Swift |
| Eurah A. White Special Laborer Annuitant | 12/16/21 | \$ 3,000.00 | Death Benefit | JeTaun R. Lucas Carter |

Note: The Fund deducted the January 2022 annuity overpayment of \$2,581.57 from the death benefit.

| | | | | |
|--|---------|-------------|---------------|-------------------------------------|
| Richard Saenz Motor Truck Driver Annuitant | 10/3/21 | \$ 3,000.00 | Death Benefit | Richard Saenz and David Arron Saenz |
| Norbert R. Sitkiewicz Assistant Dramatics Supervisor Annuitant | 1/11/22 | \$ 3,000.00 | Death Benefit | Gina Belcastro |

| | | | | |
|---|----------|--|---|---|
| Fredrick T. Shields Plumber Annuitant | 11/3/21 | \$ 3,000.00 | Death Benefit | Laura Call |
| Stanley Zubka Laborer Annuitant | 1/10/22 | \$ 3,000.00 | Death Benefit | Denise Krzesinski |
| Johnny Lee Randle Security Guard Annuitant | 1/10/22 | \$ 3,000.00 | Death Benefit | Emonie Monea Randle and Elinor D. Williams |
| Edward Ryan Chauffeur Annuitant | 1/25/22 | \$ 3,000.00 <u>300.00</u> \$ <u>3,300.00</u> | Death Benefit Optional Death Benefit | Frances P. Ryan |
| Olivia Clinton Attendant Annuitant | 2/14/22 | \$ 3,000.00 | Death Benefit | Richard Jenkins |
| George Nader Attendant Annuitant | 2/22/22 | \$ 3,000.00 | Death Benefit | Angeline C. Nader |
| Mary Anna Manning-Bell Clerk II Annuitant | 12/20/21 | \$ 3,000.00 | Death Benefit | Marie A. Bell and George E. Manning II |
| Sharon Schwanbeck Claims Specialist Annuitant | 01/17/22 | \$ 3,000.00 <u>300.00</u> \$ <u>3,300.00</u> | Death Benefit Optional Death Benefit | Gary Schwanbeck |
| Joseph A. Gavin Fireman Annuitant | 10/17/21 | \$ 300.00 | Optional Death Benefit | Carmella Gavin |
| Joseph J. Sierocki Motor Truck Driver Annuitant | 04/09/22 | \$ 3,000.00 | Death Benefit | April Parham, Joseph Sierocki and David Sierocki |
| Harold T. O'Brien Plumber Annuitant | 03/02/22 | \$ 3,000.00 | Death Benefit | Betty A. Wampach and Nancy A. Morgan |
| Total amount of death claims submitted for approval | | \$ <u>74,389.92</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.

President AFFOLTER 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> |
|---|------------------|------------|-------------|-------------------------|
| Hernandez, Miguel – Lifeguard | \$ 18,237.22 | 27 | 2 | 7.00 |
| Perez, Fabian – Attendant | 7,815.74 | 36 | 2 | 3.75 |
| Parker, Toyia – Activities Instructor | 7,498.47 | 44 | 2 | 3.50 |
| Roberts, Michael – Security Guard | 25,447.76 | 53 | 1 | 14.00 |
| Lopez, Samuel – Lifeguard | 8,110.97 | 28 | 2 | 3.5 |
| Kreuz, Christine – Security Guard | 10,483.91 | 57 | 1 | 4.00 |
| Robinson, Vincent – Recreation Leader | 17,691.26 | 35 | 1 | 10.50 |
| Epps, Tina – Physical Instructor | 22,388.32 | 47 | 1 | 12.75 |
| Little, Elaine – Inspector General | 11,291.65 | 39 | 2 | 2.25 |
| Searcy, Najee-Zaid – Program Facilitator | 5,031.34 | 30 | 2 | 2.25 |
| Phillips, Tonisha – Recreation Leader | 19,963.84 | 45 | 1 | 12.25 |
| Mayes, Brian – Laborer | 24,777.41 | 31 | 2 | 6.00 |
| Lopez, Adan – Natatorium Instructor | 21,851.73 | 33 | 1 | 9.75 |
| Sanchez, Anthony – Attendant | 7,010.72 | 23 | 2 | 3.75 |
| Alvarez, David – Special Rec. Instructor | 27,933.32 | 38 | 1 | 11.75 |
| Gates, Jennifer – Actives Instructor | 6,076.28 | 51 | 1 | 0.25 |
| Garcia, Sarah - Lifeguard | 13,850.53 | 26 | 2 | 5.50 |
| Mayes, Alfred – Security Supervisor | 24,478.50 | 43 | 2 | 9.75 |
| Stevens, Kennedy – HR coordinator | 17,448.31 | 25 | 2 | 3.75 |
| Perez, Jacqueline – Recreation Leader | 7,997.73 | 26 | 2 | 4.50 |
| Velez, Favian - Lifeguard | 14,375.54 | 27 | 2 | 5.75 |
| Schlueter, Charles – Recreation Leader | 6,698.31 | 28 | 2 | 4.25 |
| Frisch, Carly K. – Staff Assistant to Chief | 9,494.72 | 40 | 2 | 2.25 |
| Flores, Alex – Physical Instructor | 11,357.39 | 28 | 2 | 5.50 |
| Whitfield, Korey – Junior Tree Surgeon | 53,669.84 | 32 | 2 | 13.50 |
| Burgos, Christian – Recreation Leader | 6,668.45 | 24 | 2 | 3.50 |
| Trice, Michael – Natatorium Instructor | 6,869.18 | 50 | 1 | 5.25 |
| Hinton, Gigi – Security Guard | 5,089.09 | 51 | 1 | 2.25 |
| Ramos, Matthew - Lifeguard | 5,393.06 | 24 | 2 | 2.25 |
| Nunnally, Julian – Physical Instructor | <u>33,483.21</u> | 32 | 2 | 8.00 |

Total: **\$458,483.80**

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> |
|----------------------|------------|-------------------------|--------------------|
| Karen Denise Douglas | 68 | 22.50 years | \$10,759.84 |
| Emery J. Yost | 57 | 32.75 years | 12,564.83 |
| Rodney G. Turner | 56 | 20.25 years | 7,135.11 |
| Thomas A. Versen | 60 | 31.25 years | 16,718.84 |
| Kevin P. O'Hara | 53 | 16.75 years | 7,690.89 |
| Michael H. Dickens | 62 | 26.75 years | <u>8,291.93</u> |
| | | | <u>\$63,161.44</u> |

Vice President BIGGANE 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>05/19/22</u> | <u>12/31/21</u> | <u>12/31/20</u> |
|--|-----------------|-----------------|-----------------|
| Chicago Park District Participants | 2,697* | 2,694* | 2,890* |
| (Tier II – approximately 1,334 or 49.46%) | | | |
| Contributing participants reported by Chicago Park District for pay period ending April 13, 2021 | 2,378 | 2,413 | 2,643 |
| Participants on Disability | 22 | 24 | 15 |
| Fund employee participants | 9 | 8 | 8 |
| Total participants as of last payroll | 2,409 | 2,445 | 2,666 |
| Retired employees | 2,104 | 2,104 | 2,116 |
| Surviving spouses | 632 | 639 | 648 |
| Children | 7 | 9 | 11 |
| Total receiving benefits | 2,743 | 2,752 | 2,775 |
| Retirements during the year (including spousal) | 32 | 126 | 102 |

| | | | |
|---|----|-----|-----|
| Deaths among retirees (including spousal) | 41 | 149 | 172 |
| New Members | 47 | 112 | 90 |
| Withdrawals with refund | 44 | 128 | 104 |

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 February 28, 2022, March 31, 2022, and April 30, 2022, 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 March 31, 2022, were presented to the Board for ratification.

Secretary HODOROWICZ 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, 2022, March 31, 2022 and April 30, 2022, 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 LUX 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, 2022, shows ending net assets of \$446,733,277.01

President AFFOLTER 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, 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.

Trustee LUX 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. Vice President BIGGANE 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 move to a new office space and updated the Board on the progress of the new pension administration system.

The Executive Director presented and discussed with Board a quote from Low Voltage Solutions to provide Boardroom audio visual equipment.

A motion was made by Vice President BIGGANE to accept the proposal from Low Voltage Solutions for audio visual equipment based on the recommendation of the Executive Director. Motion was seconded by Trustee DUGGAN.

Motion carried by the following roll call:

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

NAYS: None

The Executive Director presented and discussed with Board a proposed policy to provide 90% of an estimated reciprocal annuity until such time the final calculations by all reciprocal Funds are complete. Once the calculations are complete, the Fund would deduct any overpayments from the amount withheld and pay the member any outstanding amounts owed.

A motion was made by Secretary HODOROWICZ to accept the proposed Reciprocal Annuity Policy based on the recommendation of the Executive Director. Motion was seconded by Vice President BIGGANE.

Motion carried by the following roll call:

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

NAYS: None

Additionally, the Executive Director apprised the Trustees of the following; the document digitalization project, provided an update of the annual audit and actuarial valuation, the 2022 Trustee election, annuity estimates that had been requested by participants since the April Board meeting, updated the Trustees on the number of marriage letters returned by the Fund's annuitants and beneficiaries, informed the Board about pension contributions for a particular member, updated the Board about contributions received from the Park District and distributed to the Board the approved 2022 Conference Schedule and highlighted upcoming local conferences, virtual remote conferences, and events.

A motion was made by Trustee DUGGAN 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, EVANGELISTI,
HODOROWICZ, LUX, PRADO

NAYS: None

REPORT OF THE ACTUARY

Geoff Bridges, from Segal, presented to the Board the estimated future employer contributions to the Fund with varying assumed rates of investment return and discussed the options at length with the Trustees. Mr. Bridges answered the questions posed by the Trustees.

A motion was made by Secretary HODOROWICZ to lower the Fund's assumed rate of investment return from 7.25% to 7.00%. Motion was seconded by Vice President BIGGANE.

Motion carried by the following roll call:

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

NAYS: None

REPORT OF THE ATTORNEY

None

REPORT OF THE LOBBYIST

None

REPORT OF THE INVESTMENT CONSULTANT

Meketa Investment Group, the Fund's Investment Consultant, distributed the Preliminary Monthly Update report as of April 30, 2022, 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.

The Fund's Investment Consultant then provided the Trustees education on the proposed asset class of risk mitigating hedge fund strategies and answered the questions posed by the Trustees.

The Fund's Investment Consultant also reviewed and discussed with Board the proposed asset allocation options that have been presented to the Board. The Fund's Investment Consultant answered the questions posed by the Trustees.

A motion was made by Trustee DUGGAN to the accept asset allocation policy titled "3 Yr Cash Flow Reserve B" as presented by the Fund's Investment Consultant. Motion was seconded by Trustee PRADO.

Motion carried by the following roll call:

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

The Fund's Investment Consultant recommended that the Board terminate Denali Advisors from the mandate in the international equity portfolio. The reasons for termination included under performing the benchmark, the Fund being the only investor in the Denali product, and the cost of the fees paid to Denali Advisors.

A motion was made by Trustee DUGGAN to the accept the recommendation of the Fund's Investment Consultant to terminate Denali Advisors from the mandate in the international equity portfolio. Motion was seconded by Vice President BIGGANE.

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 accept the Report of the Investment Consultant. President AFFOLTER seconded the motion.

Motion carried by the following roll call:

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

OLD BUSINESS

None

NEW BUSINESS

None

ADJOURNMENT

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

The next regular meeting of the Retirement Board will be on **Thursday, June 16, 2022**, at 9:30 A.M. in the Judith A. Flaherty Conference Room of the 3500 S. Morgan Street, Suite 400, Chicago, Illinois, 60609.

Respectfully submitted,



FRANK HODOROWICZ
Secretary