

**RECORD OF PROCEEDINGS of the
RETIREMENT BOARD (the “Board”) of the
PARK EMPLOYEES’ ANNUITY AND BENEFIT FUND OF CHICAGO (the “Fund”)
REGULAR BOARD MEETING
THURSDAY, NOVEMBER 16, 2023**

A regular meeting of the Board was held on Thursday, November 16, 2023, at 9:30 a.m. in the Judith A. Flaherty Conference Room on the 4th Floor located at 3500 South Morgan Street, Suite 400, Chicago, Illinois 60609, pursuant to notice.

CALL TO ORDER: The meeting was called to order at 9:30 a.m.

ROLL CALL:

PRESENT: Vice President Matthew Duggan, Secretary Frank Hodorowicz, Trustees Brian Biggane, Joan Coogan (*arrived at 9:33 a.m.*) and Steven J. Lux
ABSENT: President Edward L. Affolter and Trustee Cynthia Evangelisti
ALSO PRESENT: Executive Director Steve Swanson and Comptroller Jaime L. McCabe, Park Employees’ Annuity and Benefit Fund of Chicago; Attorneys Joseph Burns and Taylor Muzzy, Jacobs, Burns, Orlove & Hernandez LLP; Aneish Arora, Meketa Investment Group; Molly Barker, Lauterbach & Amen, LLP (L&A)

APPROVAL OF MEETING MINUTES: *October 19, 2023 Regular Meeting:* The Board reviewed the October 19, 2023 regular meeting minutes. A motion was made by Secretary Hodorowicz and seconded by Trustee Lux to approve the October 19, 2023 regular meeting minutes as written. Motion carried unanimously by voice vote.

READING OF COMMUNICATIONS: Executive Director Swanson noted the recent communications received by the Board.

REPORT OF THE COMMITTEES: No report of the committees was presented.

BENEFIT DATA: *Annuities Granted:* The Board reviewed the Applications for Service, Child and Employees’ Spousal Annuities as listed in Section VI (A) of the Benefit Data, dated September 21, 2023, October 16, 2023, and November 16, 2023, with the recommendation for approval pending verification of the eligibility of the applicants and the amounts listed. Vice President Duggan moved the ratification of the Applications for Service, Child, and Employees’ Spousal Annuities to the Omnibus.

Disabilities Granted: The Board reviewed the Applications for Ordinary and Duty Disability Benefits as listed in Section VI (B) of the Benefit Data, dated August 16, 2023, August 31, 2023, September 30, 2023, October 27, 2023, and October 31, 2023. Trustee Lux moved the ratification of the Applications for Ordinary and Duty Disability Benefits to the Omnibus.

Annuities in Force: The Board reviewed the Statement of Annuity Benefit Requirements for the months of September 2023, October 2023, and November 2023 in accordance with Section VI (C) of the Benefit Data and considered formal approval of the net requirements in the amounts of

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\$6,809,880.40, \$6,831,414.31 and \$6,775,412.51, respectively. Secretary Hodorowicz moved the ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$6,809,880.40, \$6,831,414.31 and \$6,775,412.51 to the Omnibus.

Report on Death Claims: The Board reviewed the following Death Claims report in accordance with Section VI (D) for ratification:

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>		<u>To Whom Payable</u>
Richard J. Bialka Florist Annuitant	07/09/23	\$ 3,000.00	Death Benefit	James J. Bialka
Michael F. Marro Engineer Annuitant	07/05/23	\$ 3,000.00	Death Benefit	Cheryl H. Moran & Michael A. Marro
Ignatius Mercurio Maintenance Foreman Annuitant	06/23/23	\$ 3,000.00	Death Benefit	Linda Kreatsoulas & Phil Mercurio
Note: This case will remain open until receipt of Phil Mercurio's completed applications.				
Fred McBryde Security Guard Annuitant	11/18/20	\$ 6,000.00 <u>41,483.78</u> <u>\$ 47,483.78</u>	Death Benefit Refund of AR	Maceo McBryde & Tonisha McBryde
Charles J. Pembleton Physical Instructor Annuitant	08/14/23	\$ 3,000.00	Optional Death Benefit	Margaret Rank
Arthur Eskridge Laborer Annuitant	07/08/23	\$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Cheryl N. Eskridge
Gregory Aguirre Music Instructor Annuitant	08/17/23	\$ 300.00	Optional Death Benefit	Kristine Aguirre
Kenneth J. Stempinski Attendant Annuitant	08/17/23	\$ 300.00	Optional Death Benefit	Susan A. Stempinski

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Shaquille L. Bryant Attendant Employee	08/30/23	\$ 6,000.00 <u>10,692.67</u> <u>\$ 16,692.67</u>	Death Benefit Refund of Employee Contributions	James E. Bryant
Kenneth R. Papaleo Laborer Annuitant	07/13/23	\$ 300.00	Optional Death Benefit	Mirella Papaleo
Fred Jendra Architectural Delineator Annuitant	01/08/23	\$ 300.00	Optional Death Benefit	Jeanne Jendra
Charles D. Settino Motor Truck Driver Annuitant	09/04/23	\$ 3,000.00	Death Benefit	Jo Ann Settino
Joseph S. Lempa Construction Worker Inspector II Annuitant	04/18/22	\$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Mary Ellen Lempa
David B. Cicero Aquatic Instructor Annuitant	09/08/23	\$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Jorene L. Cicero
Samuel E. Mosley Attendant Annuitant	06/27/23	\$ 3,000.00	Death Benefit	Yvette Mosley- Parks
Richard A. Brennan Carpenter Employee	09/13/23	\$ 6,000.00 <u>76,139.07</u> <u>\$ 89,139.07</u>	Death Benefit Refund of Employee Contributions	Cynthia R. Brennan
Florence Lewis Attendant Annuitant	10/01/23	\$ 3,000.00	Death Benefit	Martha Lewis & Lowell Eddings
Patricia A. Neubauer Attendant Annuitant	09/11/23	\$ 3,000.00	Death Benefit	Elizabeth Simon
Helmut Richter Machinist Foreman Annuitant	06/25/23	\$ 3,000.00	Death Benefit	Sonia Richter & Erika M. Hanisch
Danial F. Taiym Security Supervisor Employee	08/12/23	\$ 5,000.00 <u>5,892.54</u> <u>\$ 10,892.54</u>	Death Benefit Refund of Employee Contrib.	Rosita Alvarez- Taiym
Walter S. Banik Carpenter Annuitant	07/29/23	\$ 3,000.00	Death Benefit	Paula Behling, Suzanne Kremer & Mauren Garbauski
James M. Vezina Gardener Annuitant	10/01/23	\$ 3,000.00	Death Benefit	Michelle Kissane
Bruce A Baker Park Supervisor Annuitant	09/03/23	\$ 3,000.00	Death Benefit	Portia Moseka

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Mark Tuchow Rigger Helper Annuitant	10/26/23	\$ 3,000.00	Death Benefit	Randy Tuchow
Victor Vargas Attendant Annuitant	05/29/23	\$ 3,000.00 <u>13,222.90</u> \$ <u>16,222.90</u>	Death Benefit Refund of Annuity Reserve.	Joe Botzec & Maria M. Duran
Fernando Ybarra Painter Annuitant	09/7/23	\$ 3,000.00	Death Benefit	Eric F. Ybarra & Megan Ybarra
James Spagnola Engineer Annuitant	07/23/23	\$ 3,000.00 <u>300.00</u> \$ <u>3,300.00</u>	Death Benefit Optional Death Benefit	Cynthia Spagnola
Robert B. Knutson Chaffeur Annuitant	10/02/23	\$ 3,000.00 <u>300.00</u> \$ <u>3,300.00</u>	Death Benefit Optional Death Benefit	Cristine Knutson
Alpha James Artcraft Instructor Annuitant	01/29/23	\$ 3,000.00	Death Benefit	Dawn Larry, Gregory James, Michael James, Nadling Fletcher & Sterling Pollard

Note: This case will remain open until receipt of Gregory James, Michael James, Nadling Fletcher & Sterling Pollard's completed applications.

Total amount of death claims submitted for approval \$236,130.96

Executive Director Swanson informed the Board that all of the information in the provided report is accurate. Trustee Biggane moved the ratification of the Report of Death Claims to the Omnibus.

Applications for Refunds – over \$5,000: The Board reviewed the following Applications for Refunds over \$5,000 in accordance with Section VI (E) received from former employees of the Chicago Park District:

<u>Name and Occupation</u>	<u>Amount</u>	<u>Age</u>	<u>Tier</u>	<u>Years of Service</u>
Lockett, Stephanie D. – Inclusion Aide	\$ 6,397.37	57	1	3.0
Lemon, Jenaya A. – Recreation Leader	7,754.43	22	2	4.75
Biondo, Anthony – Laborer	25,486.44	31	2	6.75
Bernardez, Don Johnson – Lifeguard	13,149.40	24	2	5.25
Johnson, Audrene C. – Physical Instructor	61,909.67	41	1	17.75
Brown, Kerry – HR Technician III	21,649.58	38	2	4.5
Ruiz, John – Attendant	11,043.99	65	2	6.5

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Woods, Lemont – Recreation Leader	9,949.04	32	2	5.5
Porter, Ericka – Physical Instructor	56,049.66	38	1	15.5
Rankin, Daniel M. – Attendant	11,234.06	34	2	5.5
Peppler, Kelsei N. – Recreation Leader	7,471.64	27	2	4.75
Guerrero, Matthew – Special Rec. Coordinator	11,110.70	40	2	1.5
Patterson, Robin F. – Laborer	15,867.89	27	2	4.0
Charles, Keaira – Attendant	35,435.13	34	2	12.0
Lumpkins, Tamira M. – Recreational Leader	10,320.40	26	2	7.5
Lopez, D'Sean – Natatorium Instructor	18,355.16	32	1	8.5
Velez, Danielle K. – Recreational Leader	<u>5,602.04</u>	30	2	3.75
Total:	<u>\$328,786.60</u>			

The Board noted that the individuals noted have been informed of the effect of their refund as well as the forfeiture of their position in the Fund upon receipt of their refunds. Trustee Lux moved ratification of the Applications for Refunds over \$5,000 to the Omnibus.

Trustee Coogan arrived at 9:33 a.m.

Refunds of Spouse's Annuity Deductions – over \$5,000: The Board reviewed the following Applications for Refunds of Spouse Annuity Deductions over \$5,000 in accordance with Section VI (F) received from former employees of the Chicago Park District who have been confirmed to be unmarried at the time of retirement:

<u>Name</u>	<u>Age</u>	<u>Years of Service</u>	<u>Amount</u>
Adam Dunbar	53	17.02 years	\$ 8,860.68
Stacey Y. Lowe	54	19.50 years	<u>10,776.02</u>
			<u>\$ 19,636.70</u>

<u>Name</u>	<u>Age</u>	<u>Years of Service</u>	<u>Amount</u>
Narcisa C. Bernardo	67	13.25 years	\$ 7,152.44
Shreece L. Childs	57	24.50 years	<u>11,531.36</u>
			<u>\$ 18,683.80</u>

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<u>Name</u>	<u>Age</u>	<u>Years of Service</u>	<u>Amount</u>
Jacquelyn Anderson	63	26.75 years	\$ 12,925.46
Falguni N. Desai	66	16.50 years	7,548.48
David H. Gordon	69	28.25 years	9,344.35
Emanuel J. Moguel	65	26.00 years	11,281.90
Kantrice Ogletree	50	13.75 years	8,768.15
Eduardo A. Santos*	73	28.50 years	9,332.94
			<u>\$ 59,201.28</u>

*\$6,746.58 was used for the purchase of Additional Service

Secretary Hodorowicz moved ratification of the Applications for Refunds of Spouse Annuity Deductions over \$5,000 to the Omnibus.

Nursing Home Case(s) – None: No nursing home cases were presented.

Membership Statistics: The following membership statistics were provided to the Board for informational purposes:

	<u>11/16/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
Chicago Park District Active Participants (Tier 2 – approximately 1,052 or 33.42%) (Tier 3 – approximately 800 or 25.41%)	3,148*	2,818*	2,694*
Contributing participants reported by Chicago Park District for pay period ending October 25, 2023	2,634	2,497	2,413
Participants on Disability	18	10	24
Fund employee participants	8	9	8
Total participants as of last payroll	2,660	2,516	2,445
Retired employees	2,110	2,106	2,104
Surviving spouses	622	631	639
Children	4	8	9
Total receiving benefits	2,736	2,745	2,752
Retirements during the year (including spousal)	104	144	126
Deaths among retirees (including spousal)	113	151	149
New Members	433	451	112
Withdrawals with refund (including inactives)	104	136	128

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

FINANCIAL DATA: Expenditure Reports: The Board reviewed the Expenditure Report and Disbursements as listed in Section VIII (A) of the Financial Data, dated August 31, 2023, September 30, 2023, and October 31, 2023, for formal approval. Trustee Lux moved ratification of the Expenditure Report and Disbursements to the Omnibus.

Summary of Investment Fees, Administrative and General Expenses as of September 30, 2023: The Board reviewed the Investment Fees, Administrative and General Expenses as listed in Section VIII (B) of the Financial Data, as of September 30, 2023, for ratification. Trustee Lux moved the ratification of the Summary of Investment Fees, Administrative and General Expenses to the Omnibus.

Cash Account – Reconciliation and Cash Flow Reports: The Board reviewed the Cash Account – Reconciliation and Cash Flow Report as listed in Section VIII (C) of the Financial Data, as of August 31, 2023, September 30, 2023 and October 31, 2023, for formal approval. Trustee Biggane moved ratification of the Reconciliation and Cash Flow Report to the Omnibus.

Summary of the Trial Balance (unaudited) as of September 30, 2023: The Board reviewed the Summary of the Trial Balance (unaudited) as listed in Section VIII (D) as of September 30, 2023, shows ending net assets of \$380,960,108.38. Secretary Hodorowicz moved the ratification of the Summary of the Trial Balance (unaudited) to the Omnibus.

INVESTMENTS: Summary of Investments – Market Value of Investments Owed, Fixed Income, Equity Advisors, Alternative Investments, and Real Estate and Other: The Board reviewed the following reports as listed in Section IX (A) dated September 30, 2023, for acceptance:

- 1) Market Value of Investments Owned
- 2) Fixed Income
- 3) Equity Advisors
- 4) Alternative Investments
- 5) Real Estate and Other

The Board noted that official copies of the investment reports have been placed on file.

There were no significant activities in the investment accounts.

Trustee Lux moved the ratification of the Investments to the Omnibus.

MOTION TO ACCEPT ITEMS TRANSFERRED TO OMNIBUS: A motion was made by Secretary Hodorowicz and seconded by Vice President Duggan to ratify the foregoing reports as part of the Omnibus. Motion carried by roll call vote.

AYES: Vice President Duggan, Secretary Hodorowicz, Trustees Coogan, Biggane and Lux

NAYS: None

ABSENT: President Affolter and Trustee Evangelisti

OTHER REPORTS – EXECUTIVE DIRECTOR: *Pension Administration System:* Executive Director Swanson gave a status update on the pension administration system through Pension Technology Group as well as the different features to be utilized by members of the Fund. He noted that there has not been sufficient testing yet to implement the system but that Pension Technology Group has brought a new Vice President of Delivery on board to assist with the implementation of the project.

Document Digitalization and Records Inventory Project: Executive Director Swanson reviewed the current status of the records inventory project conducted by L&A with the Board and noted that boxes of records were pulled from storage for L&A to review. He stated that the project should be winding down next year and updates will be provided as they become available.

2024 Budget: Executive Director Swanson reviewed the 2024 budget with the Board and noted that the professional services amount will be decreased after the records inventory project is complete. The Board was also provided with the employee salary schedule which includes COLA's and year-end bonuses based on the requirement of the Fund Staff to be in the office at least 90% of their scheduled working hours.

A motion was made by Trustee Lux and seconded by Trustee Biggane to enter into executive session under Section 2(c)(1) of the Open Meetings Act at 9:50 a.m. Motion carried by roll call vote.

AYES: Vice President Duggan, Secretary Hodorowicz, Trustees Coogan, Biggane and Lux
NAYS: None
ABSENT: President Affolter and Trustee Evangelisti

Open session resumed at 9:57 a.m.

A motion was made by Trustee Biggane and seconded by Secretary Hodorowicz to exit executive session and to re-enter open session at 9:57 a.m. Motion carried by roll call vote.

AYES: Vice President Duggan, Secretary Hodorowicz, Trustees Coogan, Biggane and Lux
NAYS: None
ABSENT: President Affolter and Trustee Evangelisti

A motion was made by Trustee Biggane and seconded by Secretary Hodorowicz to approve the 2024 annual budget as well as the employee salary schedule provided by Executive Director Swanson. Motion carried by roll call vote.

AYES: Vice President Duggan, Secretary Hodorowicz, Trustees Coogan, Biggane and Lux
NAYS: None
ABSENT: President Affolter and Trustee Evangelisti

Staff Accountant Position: Executive Director Swanson updated the Board on the status of the hiring process for the staff accountant position and provided the resume of a potential new hire for the position. Updates will be provided to the Board as they become available.

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Employee Contribution Review: Executive Director Swanson provided the Board with the draft employee contribution report and noted that it will be reviewed by himself and Comptroller McCabe. Further discussion will be held at the next regular meeting.

Annuity Estimates: Executive Director Swanson noted that the annuity estimates were available for the Board to review in the meeting packet.

Marriage Letters: Executive Director Swanson noted that no marriage letters have been received since the last Board meeting.

Trustee Fiduciary Training: Executive Director Swanson noted that an updated list of trustee training opportunities will be provided to the Board at the next regular meeting.

A motion was made by Secretary Hodorowicz and seconded by Trustee Coogan to accept the Executive Director's Report as presented. Motion carried unanimously by voice vote.

OTHER REPORTS – ATTORNEY: No report of the Attorney was presented.

OTHER REPORTS – LOBBYIST: The Board was provided with the report from the Fund Lobbyist for their review. A motion was made by Trustee Lux and seconded by Secretary Hodorowicz to accept the Lobbyist's Report as presented. Motion carried unanimously by voice vote.

OTHER REPORTS – OTHERS: No other reports were presented.

INVESTMENTS: *Economic and Market Update as of October 31, 2023:* Mr. Arora apprised the Board of the current status of the market.

Performance Update as of October 31, 2023: Mr. Arora reviewed with the Board the Interim Performance Report as of October 31, 2023, which consisted of the investment performance, asset allocation and individual investment manager performance. All questions were answered by Mr. Arora.

Mr. Arora recommended liquidating \$1,000,000 from the Wilshire 5000 account if needed in order to make benefit payments. A motion was made by Trustee Biggane and seconded by Secretary Hodorowicz to liquidate \$1,000,000 from the Wilshire 5000 account if needed to make benefit payments. Motion carried by roll call vote.

AYES: Vice President Duggan, Secretary Hodorowicz, Trustees Coogan, Biggane and Lux

NAYS: None

ABSENT: President Affolter and Trustee Evangelisti

Verbal Update/Discussion on Jefferies: Mr. Arora updated the Board on the status of the Jefferies contract negotiations and noted that the Board authorized committing \$5,000,000 to Jefferies, but that the commitment will not be moving forward due to Jefferies stating their unwillingness to

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comply with fiduciary requirements under the Illinois Pension Code. Mr. Arora recommended that the Board instead commit the \$5,000,000 to the PIMCO account.

Attorney Muzzy reviewed the Illinois Pension Code's fiduciary requirement, which was a minimum requirement of the RFP. Jefferies stated in its response to the RFP that it would agree to be a fiduciary under the Illinois Pension Code, but several months later during the contracting process stated that it was unable to agree to that requirement.

A motion was made by Secretary Hodorowicz and seconded by Trustee Biggane to, as a result of Jefferies not agreeing to be a fiduciary under the Illinois Pension Code, reallocate to PIMCO the \$5,000,000 allocated to Jefferies. Motion carried by roll call vote.

AYES: Vice President Duggan, Secretary Hodorowicz, Trustees Coogan, Biggane and Lux

NAYS: None

ABSENT: President Affolter and Trustee Evangelisti

Mid Cap Growth Equity Search Respondent Review: Mr. Arora apprised the Board of the current status of the Mid Cap Growth Equity RFP and reviewed the responses with the Board. The Board directed that Baron Capital Management, Inc., Eventide Asset Management LLC, TimesSquare Capital Management LLC and Westfield Capital Management Company, L.P. will be invited to present their proposals at the January 2024 meeting. Updates will be provided to the Board as they become available.

A motion was made by Secretary Hodorowicz and seconded by Vice President Duggan to accept the Investment Report as presented. Motion carried by roll call vote.

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: There was no new business to discuss.

PUBLIC COMMENT: There was no public comment.

ADJOURNMENT: A motion was made by Trustee Biggane and seconded by Vice President Duggan to adjourn the meeting at 11:18 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for December 21, 2023, at 9:30 a.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____.

*Minutes prepared by Molly Barker, Professional Services Administrator, Lauterbach & Amen,
LLP*