

**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, FEBRUARY 15, 2024**

A regular meeting of the Board was held on Thursday, February 15, 2024, at 9:30 a.m. in the Judith A. Flaherty Conference Room on the 4<sup>th</sup> 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:** President Edward L. Affolter, Vice President Matthew Duggan, Secretary Frank Hodorowicz, Trustees Brian Biggane, Cynthia Evangelisti and Steven J. Lux

**ABSENT:** Trustee Joan Coogan

**ALSO PRESENT:** Executive Director Steve Swanson and Comptroller Jaime L. McCabe, Park Employees’ Annuity and Benefit Fund of Chicago; Alli Wallace Stone, Meketa Investment Group; Molly Barker, Lauterbach & Amen, LLP (L&A); Matt Strom and Steven Shore, Segal

**APPROVAL OF MEETING MINUTES:** *January 18, 2024 Regular Meeting:* The Board reviewed the January 18, 2024 regular meeting minutes. A motion was made by Secretary Hodorowicz and seconded by Trustee Lux to approve the January 18, 2024 regular meeting minutes as written. Motion carried unanimously by voice vote.

*January 18, 2024 Executive Session:* The Board reviewed the January 18, 2024 executive session minutes. A motion was made by President Affolter and seconded by Vice President Duggan to approve the January 18, 2024 executive session 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 December 21, 2023, January 18, 2024, and February 15, 2024, with the recommendation for approval pending verification of the eligibility of the applicants and the amounts listed. Trustee Lux 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 November 30, 2023, December 31, 2023 and January 31, 2024. Secretary Hodorowicz 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 December 2023, January 2024, and February 2024 in accordance with Section VI (C) of the Benefit Data

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and considered formal approval of the net requirements in the amounts of \$6,791,437.30, \$6,876,605.97 and \$6,870,350.69, respectively. Trustee Biggane moved the ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$6,791,437.30, \$6,876,605.97 and \$6,870,350.69 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>
Christine M. Urso Administrative Secretary II Annuitant	11/03/23	\$ 3,000.00 Death Benefit	Tricia Tedio-Smith & Dawn M. Ropson
Charles T. Gilford Laborer Annuitant	10/18/23	\$ 6,000.00 300.00 <u>\$ 6,300.00</u> Death Benefit Optional Death Benefit	Gynean Smith-Gilford
Susan A. Hofer Press Secretary Employee	05/24/23	\$ 2,021.52 Refund of Employee Contrib.	Harriet H. Sailors
John J. Szewc Laborer Foreman Annuitant	11/25/23	\$ 3,000.00 300.00 <u>\$ 3,300.00</u> Death Benefit Optional Death Benefit	Dinise A. Szewc
Joseph W. Poelsterl Trades Coordinator Annuitant	10/27/23	\$ 3,000.00 300.00 <u>\$ 3,300.00</u> Death Benefit Optional Death Benefit	Margaret Poelsterl
Joseph A. DiFazio Stationary Engineer Class II Annuitant	11/03/23	\$ 3,000.00 Death Benefit	Natia DiFazio
Elmer B. Ludwig Composition Roofer Annuitant	12/03/23	\$ 3,000.00 Death Benefit	Joan M. Ludwig
Joseph Kasper Rigger Annuitant	11/22/23	\$ 3,000.00 Death Benefit	Michael R. Kasper, Anthony J. Kasper & Mary Fran Oskvarek
Jill O'Malley Cavanaugh Recreation Leader Employee	10/17/23	\$ 2,363.11 Refund of Employee Contrib.	Patrick Cavanaugh

Secretary Hodorowicz 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:

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<u>Name and Occupation</u>	<u>Amount</u>	<u>Age</u>	<u>Tier</u>	<u>Years of Service</u>
Wilkins, Keith – Finance Manager	\$ 119,963.17	49	1	22.25
Franco, Eugene V. – Labor Foreman	53,087.51	47	2	11.00
Mooses, Christopher M. – Tree Surgeon	39,782.49	39	2	7.25
Gonzalez, Ulises – Physical Instructor	25,220.49	30	2	11.75
Rosenberg, Christina L. – Counsel	23,171.87	42	2	3.5
Callahan, Patrick M. – IT Director	73,447.20	36	2	9.75
Bond II, Ervin J. – Sr. Activities Instructor	15,172.24	41	1	9.0
Johnson, Samantha G. – Activities Instructor	10,357.14	29	2	3.50
Garcia, Yanni L. – Recreation Leader	7,931.37	29	2	6.5
Perez, Javier – Lifeguard	15,242.11	28	2	6.0
Thomas, Jermaine J. – Physical Instructor	36,867.11	37	1	13.75
Sims, Glenn E. – Physical Instructor	44,750.17	35	1	14.5
Rivera, Jessica – Attendant	14,723.25	49	1	6.25
Espinoza, Angelo S. – Aquatic Coach	22,618.23	28	2	7.25
McAfee, John R. – Recreation Leader	13,075.17	33	1	9.75
Watson-Williams, Nichole – Laborer	31,718.62	32	1	8.5
Fenton, Vernisha – Laborer	<u>18,094.61</u>	43	2	4.75
<b>Total:</b>	<b><u>\$565,222.75</u></b>			

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

*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>
Donald G. Smiechowski	69	19.50 years	\$ 13,433.72

<u>Name</u>	<u>Age</u>	<u>Years of Service</u>	<u>Amount</u>
Dewayne Leaks	54	19.25 years	\$ 5,029.97
Gregory L. Petty	63	34.25 years	<u>14,088.35</u>
			<u>\$ 19,118.32</u>

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<u>Name</u>	<u>Age</u>	<u>Years of Service</u>	<u>Amount</u>
Anita Gilkey	60	34.00 years	\$ 20,439.06

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

*Nursing Home Case(s) – None:* President Affolter moved ratification of the Nursing Home Case(s) to the Omnibus.

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

	<u>12/31/23</u>	<u>12/31/22</u>	<u>12/31/21</u>
<b>Chicago Park District Active Participants</b> (Tier 2 – approximately 1,052 or 32.34%) (Tier 3 – approximately 905 or 27.82%)	3,253*	2,818*	2,694*
Contributing participants reported by Chicago Park District for pay period ending December 20, 2023	2,727	2,497	2,413
Participants on Disability	16	10	24
Fund employee participants	8	9	8
<b>Total participants as of last payroll</b>	<b>2,751</b>	<b>2,516</b>	<b>2,445</b>
Retired employees	2,114	2,106	2,104
Surviving spouses	614	631	639
Children	3	8	9
<b>Total receiving benefits</b>	<b>2,731</b>	<b>2,745</b>	<b>2,752</b>
Retirements during the year (including spousal)	129	144	126
Deaths among retirees (including spousal)	144	151	149
New Members	559	451	112
Withdrawals with refund (including inactives)	125	136	128

President Affolter moved ratification of the Membership Statistics to the Omnibus.

**REPORT OF THE LEGISLATIVE CONSULTANT:** The Board was provided with the report from the Legislative Consultant for their review. A motion was made by Secretary Hodorowicz and seconded by Vice President Duggan to accept the Legislative Consultant's Report as presented. Motion carried unanimously by voice vote.

**FINANCIAL DATA: Expenditure Reports:** The Board reviewed the Expenditure Report and Disbursements as listed in Section VIII (A) of the Financial Data, dated November 30, 2023, December 31, 2023, and January 31, 2024, for formal approval. President Affolter moved ratification of the Expenditure Report and Disbursements to the Omnibus.

*Summary of Investment Fees, Administrative and General Expenses as of December 31, 2023:* The Board reviewed the Investment Fees, Administrative and General Expenses as listed in Section VIII (B) of the Financial Data, as of December 31, 2023, for ratification. Secretary Hodorowicz 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 November 30, 2023, December 31, 2023 and January 31, 2024, for formal approval. Trustee Lux moved ratification of the Reconciliation and Cash Flow Report to the Omnibus.

*Summary of the Trial Balance (unaudited) as of December 31, 2023:* The Board reviewed the Summary of the Trial Balance (unaudited) as listed in Section VIII (D) as of December 31, 2023, shows ending net assets of \$399,488,280.82. Trustee Lux moved the ratification of the Summary of the Trial Balance (unaudited) to the Omnibus.

**INVESTMENTS: Summary of Investments – Market Value of Investments Owned, Fixed Income, Equity Advisors, Alternative Investments and Real Estate and Other:** The Board reviewed the following reports as listed in Section IX (A) dated December 31, 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.**

President Affolter moved the ratification of the Investments to the Omnibus.

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

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AYES: President Edward Affolter, Vice President Duggan, Secretary Hodorowicz, Trustees Biggane, Evangelisti and Lux

NAYS: None

ABSENT: Trustee Coogan

**OTHER REPORTS – ACTUARY: *Experience Study*:** Mr. Strom and Mr. Shore reviewed the Experience Study for the period January 1, 2018, through December 31, 2022, with the Board. All questions were answered by Mr. Strom and Mr. Shore. A motion was made by Vice President Duggan and seconded by Trustee Biggane to accept the updated economic and demographic assumptions per the Experience Study prepared and recommended by Segal. Motion carried by roll call vote.

AYES: President Edward Affolter, Vice President Duggan, Secretary Hodorowicz, Trustees Biggane, Evangelisti and Lux

NAYS: None

ABSENT: Trustee Coogan

**INVESTMENTS: *Economic and Market Update as of January 31, 2024*:** Ms. Wallace Stone apprised the Board of the current status of the market.

*Performance Update as of January 31, 2024*: Ms. Wallace Stone reviewed with the Board the Interim Performance Report as of January 31, 2024, which consisted of the investment performance, asset allocation and individual investment manager performance. All questions were answered by Ms. Wallace Stone.

*Emerging Markets Equity Respondent Review*: Ms. Wallace Stone apprised the Board of the current status of the Emerging Markets Equity RFP and reviewed the responses with the Board. A motion was made by Secretary Hodorowicz and seconded by Trustee Biggane to have Acadian, EARNEST, LSV and William Blair present their proposals at the March 2024 meeting. Updates will be provided to the Board as they become available. Motion carried unanimously by voice vote.

*Transition Management Recommendation*: Ms. Wallace Stone apprised the Board of the current status of the transition management recommendation and noted that responses were received from PGM, Northern Trust and Loop Capital. A motion was made by Trustee Lux and seconded by President Affolter to utilize Loop Capital as the transition manager based on the recommendation of the investment consultant. Motion carried by roll call vote.

AYES: President Edward Affolter, Vice President Duggan, Secretary Hodorowicz, Trustees Biggane, Evangelisti and Lux

NAYS: None

ABSENT: Trustee Coogan

A motion was made by Vice President Duggan and seconded by Trustee Biggane to accept the Investment Report as presented. Motion carried unanimously by voice vote.

*The Board took a brief recess at 10:39 a.m.*

*Mr. Strom, Mr. Shore and Trustee Lux left the meeting at 10:40 a.m.*

*The Board reconvened the meeting at 10:45 a.m.*

**OTHER REPORTS (CONTINUED) – EXECUTIVE DIRECTOR: *Pension Administration System*:** Executive Director Swanson gave a status update on the pension administration system through Pension

Technology Group. He noted that they currently have a drafted plan for the payroll function release which will go live in September 2024. He also noted that there is a project plan being drafted for the system which includes payroll rollout, the rest of the core system and member self-service.

*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. He noted that inventory of the off-site storage records is still ongoing and they are currently finishing the data migration.

*2024 Trustee Election:* Executive Director Swanson discussed the 2024 trustee election schedule as well as the proposal from Government Business Systems for election monitoring services. A motion was made by President Affolter and seconded by Vice President Duggan to approve the proposal as presented. Motion carried by roll call vote.

AYES: President Edward Affolter, Vice President Duggan, Secretary Hodorowicz, Trustees Biggane, Evangelisti and Lux

NAYS: None

ABSENT: Trustee Coogan

*Audit/Actuarial Valuation Update:* Executive Director Swanson noted that the actuarial experience study was presented earlier in the meeting and that the audit and actuarial valuation will be available by the May or June regular meeting pending receipt of the final actuarial results. Updates will be provided as they become available.

*Employee Contribution Review:* Executive Director Swanson discussed the employee contribution report with the Board. He noted that a meeting will be held with the auditors regarding possible discrepancies noted within the report which are still being reviewed. 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.

*Employer Contributions:* Executive Director Swanson stated that no employer contributions have been received yet for the year but the Fund will utilize the current cash on hand to fund upcoming benefit payments.

*Trustee Ethics Statement Filing:* Executive Director Swanson discussed the upcoming trustee ethics filing statement which is due by May 1, 2024.

Executive Director Swanson also discussed the new ordinance regarding Paid Time Off and noted that updates will need to be made to their current processes to meet the requirements of the ordinance as well as the employee handbook, which should be completed shortly.

Executive Director Swanson also presented a book explaining benefits and other pertinent information to the Board that can be provided to current and future retired Park employees. He noted that he will obtain a quote for printing the books to be brought before the Board for approval. Further discussion will be held at the next regular meeting.

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*Trustee Fiduciary Filing:* Executive Director Swanson also discussed the conference schedule for 2024 for trustee training.

A motion was made by Secretary Hodorowicz and seconded by President Affolter 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 noted that this item was discussed under *Report of the Legislative Consultant*.

**OTHER REPORTS – OTHERS:** No other reports were presented.

**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 Evangelisti and seconded by Vice President Duggan to adjourn the meeting at 11:01 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for March 21, 2024, at 9:30 a.m.

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Board President or Secretary

Minutes approved by the Board of Trustees on \_\_\_\_\_.

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