

**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, MAY 16, 2024**

A regular meeting of the Board was held on Thursday, May 16, 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 9:34 a.m.

**ROLL CALL:**

**PRESENT:** President Edward L. Affolter, Vice President Matthew Duggan, Secretary Frank Hodorowicz, Trustees Brian Biggane, Joan Coogan, Cynthia Evangelisti and Steven J. Lux

**ABSENT:** None

**ALSO PRESENT:** Executive Director Steve Swanson and Comptroller Jaime L. McCabe, Park Employees’ Annuity and Benefit Fund of Chicago; Attorney Taylor Muzzy, Jacobs, Burns, Orlove & Henandez; Aneish Arora, Meketa Investment Group; Molly Barker, Lauterbach & Amen, LLP (L&A); Bob Debolt, Courtney Haynes and Andy Pataky (*arrived at 10:13 a.m.*), Mesirow Private Equity

**APPROVAL OF MEETING MINUTES:** *April 18, 2024 Regular Meeting:* The Board reviewed the April 18, 2024 regular meeting minutes. A motion was made by Trustee Biggane and seconded by Secretary Hodorowicz to approve the April 18, 2024 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 March 21, 2024, April 18, 2024, and May 16, 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 February 29, 2024, March 31, 2024 and April 30, 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 March 2024, April 2024, and May 2024 in accordance with Section VI (C) of the Benefit Data and considered formal approval of the net requirements in the amounts of \$6,865,826.09, \$6,881,612.06 and \$6,876,066.95, respectively. President Affolter moved the ratification of the required funds from the

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Northern Trust Annuity Account in the amounts of \$6,865,826.09, \$6,881,612.06 and \$6,876,066.95 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>
Joseph C. Luby Attendant Annuitant	01/15/24	\$ 3,000.00	Death Benefit	Agnes Loughin & Mary Anne Luby
H S. Dominowski Chauffeur Annuitant	01/07/24	\$ 3,000.00	Death Benefit	Joan E. Rush
Eddie Thomas Motor Vehicle Repairman Annuitant	12/03/23	\$ 3,000.00	Death Benefit	Katie Mae Thomas
Katherine A. Smith Floor Crew Worker Annuitant	02/04/24	\$ 3,000.00	Death Benefit	Alvin T. Moore
Marie E. Deuter Park Supervisor Annuitant	02/04/24	\$ 3,000.00	Death Benefit	Daniel A. Deuter
Maria Delgado Park Supervisor Annuitant	09/18/23	\$ 3,000.00	Death Benefit	Cynthia Delgado & Milagros Delgado
		<u>93,561.68</u>	Refund of Annuity Reserve	
		<u>\$ 96,561.68</u>		
Anthony Presberry Attendant Annuitant	02/29/24	\$ 3,000.00	Death Benefit	Quanita L. Robinson
Jarrett Moore Playground Supervisor Annuitant	02/07/24	\$ 3,000.00	Death Benefit	Flora Flowers
Andrew Walton Park Supervisor Annuitant	01/17/24	\$ 3,000.00	Death Benefit	Deborah G. Walton

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Frank D. Price Attendant Annuitant	11/10/24	\$ 3,000.00	Death Benefit	Marian Price
Cedric I. Bailey Security Guard Employee	10/22/23	\$ 6,000.00 <u>1,924.41</u> <u>\$ 7,924.41</u>	Death Benefit Refund of Automatic Increase	Eunice Bailey
William J. Smith Laborer Employee	11/20/23	\$ 3,000.00 <u>4,859.24</u> <u>\$ 7,859.24</u>	Death Benefit Refund of Employee Contributions	Mary Ann Smith
Dennis George Franz Rigger Foreman Annuitant	03/23/24	\$ 3,000.00	Death Benefit	Denise G. Egan
Robert KostECKi B & C Laborer Annuitant	12/31/23	\$ 3,000.00	Death Benefit	Samantha Maron & Nicole Maron
Stanley Rankin Attendant Employee	10/22/23	\$ 7,217.97	Refund of Employee Contributions	Rhonda Trice
Bernard A. Ward Plumber Annuitant	03/18/23	\$ 3,000.00	Death Benefit	Kenneth J. Ward, Bernard D. Ward Gary Ward, Steven M. Ward & Ronald Ward
Charles R. Hall Attendant Annuitant	03/26/24	\$ 3,000.00	Death Benefit	Shirley Hall, Arielle Ashley & Rashida Collins
Note: Arielle Asheley has not yet returned her completed application. This case will remain open until receipt of her forms.				
Richard Kennedy Motor Truck Driver Annuitant	12/22/23	\$ 3,000.00	Death Benefit	Lisa Hall, Dwayne Kennedy & Deidra E. Butler
Note: Deidra E. Butler has not yet returned her completed application. This case will remain open until receipt of her forms.				
Charles A. Zemaitis Physical Instructor Annuitant	03/02/24	\$ 300.00	Opt'l Spouse Death Benefit	Juliann Zemaitis
Jeffrey DeTella Recreation Leader Employee	03/24/24	\$ 10,000.00 <u>32,174.82</u> <u>\$ 42,174.82</u>	Death Benefit Refund of Employee Contr.	Marcy DeTella
Total amount of death claims submitted for approval: <u>\$ 204,038.12</u>				

Vice President Duggan 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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Re: REFUNDS OVER \$5,000.00 (FEBRUARY 1 – APRIL 30)

<u>Name and Occupation</u>	<u>Amount</u>	<u>Age</u>	<u>Tier</u>	<u>Years of Service</u>
Mays, Charlie T. – Laborer	38,076.19	33	2	10.5
White-Littlejohn, Yonetta – Physical Instructor	46,698.86	34	2	12
McGhee, Monta – Park Supervisor	53,694.02	45	1	11
Johnson, Dwayne – Security Supervisor	11,861.73	60	1	4.0
Cooke, Destiny – Physical Instructor	31,030.86	33	2	12.25
Sliwiak, Michal D. – Lifeguard	7,472.07	30	2	4.0
Jackson, Chermell L. – Recreation Leader	10,057.99	52	2	6.75
Sotelo, Jonathan – Special Recreation Leader	16,619.73	28	2	6.75
Leal, Christian M. – Recreation Leader	10,015.31	28	2	5.25
Johnson, Wilesha – Security Guard	10,510.06	51	1	6.0
Rodgers, Anthony – Activities Instructor	10,846.05	49	1	7.75
Jayne, Samantha K. – Playground Supervisor	91,411.52	40	1	22.5
Shegog, Nicolette – Physical Instructor	6,123.99	30	2	2.75
Toner, Paul J. – Security Guard	5,189.40	60	2	2.0
Misher, Arnold – Attendant	<u>22,672.01</u>	30	2	10.0
<b>Total:</b>	<b><u>\$372,279.79</u></b>			

Trustee Evangelisti 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>
Gerald J. Holst Jr.	62	7.00 years	\$ 5,076.02
Ignacio J. Saucedo	66	33.50 years	10,622.29
Jerry Wilson	83	35.00 years	<u>22,238.58</u>
			<b><u>\$ 37,936.89</u></b>

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<u>Name</u>	<u>Age</u>	<u>Years of Service</u>	<u>Amount</u>
Janice M. Karas	65	24.75 years	\$ 14,357.28
Magdalena Santiago	62	30.00 years	9,096.25
Carol M. Scriven	79	26.00 years	9,137.68
Nicholas E. Swientek	58	19.75 years	17,179.99
Anita G. Whiteside	70	34.00 years	15,169.01
			<u>\$ 64,940.21</u>

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

*Nursing Home Case(s) – None:* Trustee Lux 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>05/16/24</u>	<u>12/31/23</u>	<u>12/31/22</u>
<b>Chicago Park District Active Participants</b>	3,199*	3,027*	2,818*
(Tier 1 – approximately 1,259 or 39.36%)			
(Tier 2 – approximately 905 or 28.24%)			
(Tier 3 – approximately 1,035 or 32.29%)			
Contributing participants reported by Chicago Park District for pay period ending April 24, 2024	2,805	2,727	2,497
Participants on Disability	16	16	10
Fund employee participants	9	8	9
<b>Total participants as of last payroll</b>	<b>2,830</b>	<b>2,751</b>	<b>2,516</b>
Retired employees	2,111	2,113	2,106
Surviving spouses	608	614	631
Children	3	3	8
<b>Total receiving benefits</b>	<b>2,722</b>	<b>2,730</b>	<b>2,745</b>
Retirements during the year (including spousal)	26	129	144
Deaths among retirees (including spousal)	35	144	151
New Members	203	559	451
Withdrawals with refund (including inactives)	24	125	136

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 February 29, 2024, March 31, 2024, and April 30, 2024, 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 March 31, 2024:* The Board reviewed the Investment Fees, Administrative and General Expenses as listed in Section VIII (B) of the Financial Data, as of March 31, 2024, for ratification. President Affolter 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 February 29, 2024, March 31, 2024 and April 30, 2024, for formal approval. Secretary Hodorowicz moved ratification of the Reconciliation and Cash Flow Report to the Omnibus.

*Summary of the Trial Balance (unaudited) as of March 31, 2024:* The Board reviewed the Summary of the Trial Balance (unaudited) as listed in Section VIII (D) as of March 31, 2024, showing ending net assets of \$453,554,996.91. Vice President Duggan 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 March 31, 2024, 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.**

Secretary Hodorowicz 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 President Affolter to ratify the foregoing reports as part of the Omnibus. Motion carried unanimously by voice vote.

**INVESTMENTS:** *Economic and Market Update as of April 30, 2024:* Mr. Arora apprised the Board of the current status of the market.

*Performance Update as of April 30, 2024:* Mr. Arora reviewed with the Board the Interim Performance Report as of April 30, 2024, which consisted of the investment performance, asset allocation and individual investment manager performance. All questions were answered by Mr. Arora.

*Mr. DeBolt, Ms. Haynes, and Mr. Pataky arrived at 10:13 a.m.*

*Mesirow Private Equity Portfolio Review and Follow-on Fund Presentation – Fund IX:* Mr. DeBolt, Ms. Haynes and Mr. Pataky reviewed the Fund's private equity portfolio and performance with the Board and presented a proposal for their services for follow-on Fund IX. All questions were answered by Mr. DeBolt, Ms. Haynes and Mr. Pataky.

*Mr. DeBolt, Ms. Haynes and Mr. Pataky left the meeting at 10:50 a.m.*

*The Board took a brief recess at 10:51 a.m.*

*The Board reconvened at 10:55 a.m.*

A motion was made by President Affolter and seconded by Secretary Hodorowicz to allocate \$15,000,000 into Mesirow Fund IX, a follow-on investment through a closed-end fund that is necessary to achieve the investment allocation policy targets over the long term, pending successful contract negotiations. Motion carried by roll call vote.

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

**OTHER REPORTS – ATTORNEY:** *Discuss Possible Beneficiary Payments to the Beneficiaries of Member #6-11720:* Attorney Muzzy reviewed the memo provided to the Board regarding a potential surviving spouse annuity for member #6-11720. All questions were answered by Attorney Muzzy. A motion was made by Trustee Lux and seconded by Trustee Biggane to deny a surviving spouse annuity to an individual claiming to be the surviving spouse of member #6-11720. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

A motion was made by Vice President Duggan and seconded by Trustee Lux to (1) deny a surviving spouse annuity to the surviving spouse of member #6-11720, on the basis that the refund to the member #6-11720 of the employee contributions for a spousal annuity forfeited the right to a spousal annuity; and (2) to grant the surviving spouse a refund of the reserve of employee contributions, pending an application from the former spouse and subsequent to a minimum 60-day review period. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

A motion was made by Trustee Coogan and seconded by Trustee Evangelisti to accept the Attorney's Report as presented. Motion carried unanimously by voice vote.

**OTHER REPORTS – EXECUTIVE DIRECTOR:** *Pension Administration System:* Executive Director Swanson gave a status update on the pension administration system through Pension Technology Group. He noted that the payroll function is scheduled for testing in June 2024 and will hopefully be able to be fully utilized by September 2024 with the rest of the functions becoming available for use after that. Updates will be provided as they become available.

*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 boxes are still being unpacked and documents will start being uploaded to DocuWare. Updates will be provided as they become available.

*Employee Handbook Update:* Executive Director Swanson informed the Board that the Fund is still currently waiting on the State to adopt new rules regarding the Paid Leave for All Workers Act before finalizing changes to the employee handbook. He noted that the handbook should hopefully be finalized by the June or July regular meeting. Further discussion will be held at the next regular meeting.

*2024 Trustee Election:* Executive Director Swanson noted that petitions for the 2024 trustee election are available and the election notice has been posted.

*Audit/Actuarial Valuation Update:* Executive Director Swanson noted that the audit and actuarial valuation have been completed and will be presented at the June regular meeting.

*Employee Contribution Review:* Executive Director Swanson discussed the employee contribution report with the Board and noted that the Fund is currently working with the Park District to secure proper payroll reporting.

*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 letters have been sent to the 44 outstanding pension benefit recipients who have not completed their eligibility verification. He noted that the Fund received about 15 responses after the letter was sent out and that benefit payments moving forward will be suspended for the remaining 29 outstanding pensioners pending receipt of their completed eligibility verification. Further discussion will be held at the next regular meeting.

*IPPFA/PEABF Retirement Guide:* Executive Director Swanson gave a status update on the IPPFA/PEABF retirement guide booklets and noted that the draft version of the guide is still in process. Updates will be provided as they become available.

*CPD Contributions:* Executive Director Swanson informed the Board that the Fund received a contribution of \$5,000,000 in April 2024 and will be receiving an additional \$7,500,000 by the end of May 2024 with contributions slowing down after that.

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

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Executive Director Swanson also noted that no response has been received to date from Michael Takaki regarding his amended overpayment plan. He noted that correspondence will be sent to Mr. Takaki prior to the June regular meeting informing him that he is currently in default. A motion was made by President Affolter and seconded by Trustee Biggane to authorize Fund Legal Counsel to send correspondence to Mr. Takaki regarding his plan. Motion carried unanimously by voice vote.

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

**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 Vice President Duggan and seconded by President Affolter to adjourn the meeting at 11:38 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for June 20, 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*