

**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, AUGUST 15, 2024**

A regular meeting of the Board was held on Thursday, August 15, 2024, 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 9:37 a.m.

ROLL CALL:

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

ABSENT: Trustee Steven J. Lux

ALSO PRESENT: Executive Director Steve Swanson and Comptroller Jaime L. McCabe, Park Employees’ Annuity and Benefit Fund of Chicago; Attorney Joseph Burns, Jacobs, Burns, Orlove & Henandez; Alli Wallace Stone, Meketa Investment Group; Molly Barker, Lauterbach & Amen, LLP (L&A); Attorneys Bill Cavanagh and Chad Johnson (*arrived at 11:01 a.m.*), Robbins Geller Rudman & Dowd LLP

APPROVAL OF MEETING MINUTES: *July 18, 2024 Regular Meeting:* The Board reviewed the July 18, 2024 regular meeting minutes. A motion was made by Secretary Hodorowicz and seconded by President Affolter to approve the July 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 June 20, 2024, July 18, 2024, and August 15, 2024, with the recommendation for approval pending verification of the eligibility of the applicants and the amounts listed. President Affolter 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 May 31, 2024, June 30, 2024 and July 31, 2024. Vice President Duggan 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 June 2024, July 2024, and August 2024 in accordance with Section VI (C) of the Benefit Data and considered formal approval of the net requirements in the amounts of \$6,897,854.85, \$6,933,403.49 and \$6,933,397.32, respectively. President Affolter moved the ratification of the required funds from the

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Northern Trust Annuity Account in the amounts of \$6,897,854.85, \$6,933,403.49 and \$6,933,397.32 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>
Harold J. Krzesinski Asst. Director Fleet Maintenance Annuitant	01/14/24	\$ 3,000.00 Death Benefit	Margaret A. Krzesinski
Joseph F. Hosteny Gardener Annuitant	05/01/24	\$ 3,000.00 Death Benefit	John L. Hosteny
Caleb M. Harris Attendant Employee	03/27/24	\$ 10,000.00 32,851.11 <u>\$ 42,851.11</u> Death Benefit Refund of Employee Cont.	Pamela A. Harris
Isaiah Murphy Laborer Annuitant	05/06/24	\$ 3,000.00 Death Benefit	Joy Murphy
Thomas N. Cunningham Electrician Annuitant	05/12/24	\$ 3,000.00 300.00 <u>\$ 3,300.00</u> Death Benefit Opt'l Spouse Death Benefit	Kathleen I. Cunningham
Frank S. Ojeda Attendant Annuitant	03/19/24	\$ 3,000.00 300.00 <u>\$ 3,300.00</u> Death Benefit Opt'l Spouse Death Benefit	Leonor Ojeda
Dorothy Farrell Senior Clerk Annuitant	10/28/23	\$ 3,000.00 Death Benefit	William Farrell
David M. O'Donnell B&C Laborer Annuitant	05/16/24	\$ 3,000.00 Death Benefit	Joseph P. O'Donnell
Donald Kearney Carpenter	05/17/24	\$ 3,000.00 Death Benefit	Donna MacDonald & Jeffrey Kearney

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Annuitant				
Aura Rizzo Attendant Annuitant	02/04/24	\$ 3,000.00	Death Benefit	Irma Rizzo & Regina Rizzo
Note: Regina Rizzo has not yet returned her completed application. This case will remain open until receipt of her forms.				
Brenda J. Bates Security Guard Annuitant	05/13/24	\$ 3,000.00	Death Benefit	Andre Williams & Vernetta Williams
Leo Shanahan Chauffer Annuitant	05/19/24	\$ 3,000.00	Death Benefit	Sharon Shanahan
Bernabe Quintana Saldana Laborer Annuitant	05/24/24	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Opt'l Spouse Death Benefit	Leticia Rezendiz Guzman
Luis N. Echevarria Floor Crew Foreman Annuitant	06/12/24	\$ 3,000.00 300.00 <u>\$ 3,300.00</u>	Death Benefit Opt'l Spouse Death Benefit	Ana Lydia Echevarria
Donald F. Dee Jr. Clerk Annuitant	07/01/24	\$ 300.00	Opt'l Spouse Death Benefit	Sharon A. Lee
William Malloy Laborer Annuitant	05/22/24	\$ 300.00	Opt'l Spouse Death Benefit	Mary Malloy
Jerome Malinowski Carpenter Annuitant	07/01/24	\$ 300.00	Opt'l Spouse Death Benefit	Dorothy Malinowski
Juan M. Regalado Natorium Instructor Employee	05/27/22	\$ 10,000.00 300.00 9,288.43 <u>\$ 19,588.43</u>	Death Benefit Opt'l Spouse Death Benefit Refund of AI	Kenia Rodriguez
Phillip L. House Inclusion Aide Inactive Employee	05/11/24	\$ 8,107.97	Refund of Employee Contr.	Angela House
Jack E. Felke Electrician Annuitant	07/05/24	\$ 3,000.00	Death Benefit	Geraldine Felke
Terrence Ryan Trades Coordinator Annuitant	09/27/23	\$ 3,000.00	Death Benefit	Kimberly Ryan, Terrence Ryan & Michelle Hebson
Rose Marie Sestito Clerk Annuitant	07/01/24	\$ 3,000.00	Death Benefit	Rita Persin Johnston
Total amount of death claims submitted for approval		<u>\$ 120,647.51</u>		

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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:

<u>Name and Occupation</u>	<u>Amount</u>	<u>Age</u>	<u>Tier</u>	<u>Years of Service</u>
Ayala, Favian – Recreation Leader	10,009.22	25	2	5.75
Dilworth, Jacoba – Lifeguard	33,953.22	45	1	14.5
Burton, Jamal – Recreation Leader	93,538.88	44	1	19
Otto, Julius B. – Program/Event Coordinator	31,303.36	42	3	5.5
Landingham, Jonathan – Attendant	16,492.51	40	1	9.75
Womack, Jocelyn N. – Activities Instructor	32,037.07	36	2	12.75
Young, Destine L. – Activities Instructor-Dance	10,938.18	33	2	4.75
Robles, Anny E. – Lifeguard	20,158.18	35	1	10.0
Cox Jr., Kenneth M. – Physical Instructor	49,177.96	35	2	11.00
Losiak, Jordan J. – Center Director	44,040.73	33	2	9.25
Bryant, Dana V. – Program Director	6,256.18	50	1	5.5
Harris, Nicole – Laborer	6,822.41	36	3	1.5
Gardner, Lillie T.H. – HR Coordinator	13,537.98	32	3	2.75
Wright, Teresa S. – Attendant	21,591.76	49	2	8.75
Guerrero, Adrian. – Legislative Liason	17,727.05	42	1	4.75
Rivera, Adam S. – Aquatic Coach	26,261.84	29	2	9.0
Watson, Jamel J. - Physical Instructor	31,341.29	34	2	7.5
Alexander, Kim R. - Laborer	<u>6,352.98</u>	55	2	1.75
Total:	<u>\$471,540.80</u>			

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>
Rachel M. Dilworth	62	34.25 years	\$ 13,279.65
Denise Rowell-Glasper	67	26.25 years	11,638.42
Troy T. Schulten	61	25.25 years	<u>18,952.62</u>
			<u>\$ 43,870.69</u>

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

Nursing Home Case(s) – None: There were no nursing home cases.

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

	<u>08/15/24</u>	<u>12/31/23</u>	<u>12/31/22</u>
Chicago Park District Active Participants (Tier 1 – approximately 1,247 or 38.45%) (Tier 2 – approximately 903 or 27.84%) (Tier 3 – approximately 1,093 or 33.70%)	3,243*	3,027*	2,818*
Contributing participants reported by Chicago Park District for pay period ending July 17, 2024	2,785	2,727	2,497
Participants on Disability		16	10
Fund employee participants	9	8	9
Total participants as of last payroll	2,794	2,751	2,516
Retired employees	2,114	2,113	2,106
Surviving spouses	610	614	631
Children	3	3	8
Total receiving benefits	2,727	2,730	2,745
Retirements during the year (including spousal)	64	129	144
Deaths among retirees (including spousal)	67	144	151
New Members	297	559	451
Withdrawals with refund (including inactives)	70	125	136

* This represents the total number of active members in the Fund system. At the end of each year, any active member that does not have any contributions for at least one year, is moved to inactive status.

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

REPORT OF THE LEGISLATIVE CONSULTANT: This item was not discussed.

FINANCIAL DATA: *Expenditure Reports:* The Board reviewed the Expenditure Report and Disbursements as listed in Section VIII (A) of the Financial Data, dated May 31, 2024, June 30, 2024, and July 31, 2024, for formal approval. Secretary Hodorowicz moved ratification of the Expenditure Report and Disbursements to the Omnibus.

Summary of Investment Fees, Administrative and General Expenses as of June 30, 2024: The Board reviewed the Investment Fees, Administrative and General Expenses as listed in Section VIII (B) of the Financial Data, as of June 30, 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 May 31, 2024, June 30, 2024 and July 31, 2024, for formal approval. Vice President Duggan moved ratification of the Reconciliation and Cash Flow Report to the Omnibus.

Summary of the Trial Balance (unaudited) as of June 30, 2024: The Board reviewed the Summary of the Trial Balance (unaudited) as listed in Section VIII (D) as of June 30, 2024, showing ending net assets of \$437,654,804.34. Secretary Hodorowicz 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 June 30, 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.

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

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

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

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

Ms. Wallace Stone also provided the Board with additional information on the performance of the Fund's domestic equity allocation. Ms. Wallace Stone discussed potential changes to allocation that the Board may want to consider in the future and answered all of the questions posed by the Trustees. The Board requested that Ms. Wallace Stone return with additional information on the matter at the September Board meeting.

International Developed Market Equity Manager RFP: Ms. Wallace Stone apprised the Board of the current status of the International Developed Market Equity Manager RFP and reviewed the responses with the Board. The Board determined that PineStone International Equity, C Worldwide Asset Management and Causeway Capital Management will present their proposals at the September 2024 meeting. Further discussion will be held at the next regular meeting.

Trustee Biggane arrived at 10:49 a.m.

A motion was made by Secretary Hodorowicz and seconded by President Affolter to accept the Investment Report as presented. Motion carried unanimously by voice vote.

The Board took a brief recess at 10:51 a.m. and reconvened at 11:01 a.m.

Ms. Wallace Stone left the meeting at 11:00 a.m.

Attorneys Cavanagh and Johnson arrived at 11:01 a.m.

A motion was made by Trustee Evangelisti and seconded by Trustee Coogan to enter into executive session under Section 2(c)(1) of the Open Meetings Act at 11:01 a.m. Motion carried by roll call vote.

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

NAYS: None

ABSENT: Trustee Lux

A motion was made by Secretary Hodorowicz and seconded by Vice President Duggan to adjourn executive session and re-enter the regular meeting at 11:44 a.m. Motion carried by roll call vote.

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

NAYS: None

ABSENT: Trustee Lux

Open session resumed at 11:44 a.m.

OTHER REPORTS – ATTORNEY: *Paramount Securities Litigation Matter:* The Board discussed the Paramount securities litigation matter in executive session. A motion was made by Vice President Duggan and seconded by President Affolter to authorize the retention of Robbins Geller Rudman & Dowd LLP for the purpose of pursuing a books and records review under Delaware law and to authorize Executive Director Swanson to coordinate with the appropriate investment manager regarding any Fund holdings for Paramount. Motion carried by roll call vote.

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

Attorneys Cavanagh and Johnson left the meeting at 11:44 a.m.

Walton Administrative Hearing: Attorney Burns apprised the Board that the administrative hearing for the Walton matter is scheduled for Thursday, September 19, 2024 immediately following the regular meeting.

Takaki Overpayment Update: Attorney Burns informed the Board that correspondence was received from Michael Takaki in regard to his overpayment plan. The Board noted that this matter will be tabled for discussion until the next regular meeting.

A motion was made by Vice President Duggan and seconded by Trustee Biggane 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 they are currently continuing with the testing of the system and that the project is moving along. Updates will be provided to the Board 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 a solution has been found with uploading necessary documents to SharePoint and the project is currently on track. Further discussion will be held at the next regular meeting.

Employee Contribution Review: This item was not discussed.

Annuity Estimates: This item was not discussed.

Marriage Letters: Executive Director Swanson informed the Board that to date there are 8 pensioners who have not completed the necessary eligibility verification and benefit payments are currently being withheld for the outstanding pensioners pending completion of the verification. Further discussion will be held at the next regular meeting.

Reciprocal System Data Sharing Upgrade: This item was not discussed.

IPPFA/PEABF Retirement Guide: Executive Director Swanson provided copies of the IPPFA/PEABF retirement guide booklets to the Board for their review and noted that the Fund has ordered additional copies for their use.

CPD Contributions: Executive Director Swanson informed the Board that the Fund received a contribution of \$7,500,000 in July 2024 and will be receiving an additional \$1,200,000 in August 2024. Executive Director Swanson also provided the Board with the employer contribution letter for review. A motion was made by President Affolter and seconded by Trustee Biggane to approve the letter as prepared. Motion carried unanimously by voice vote.

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

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

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 Trustee Coogan to adjourn the meeting at 11:59 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for September 19, 2024, 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