

RECORD OF PROCEEDINGS  
of the  
RETIREMENT BOARD (the "BOARD") of the  
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")  
SCHEDULED REGULAR BOARD MEETING  
THURSDAY, AUGUST 20, 2015

The 55 East Monroe Building  
55 East Monroe Street, Suite 2720  
Chicago, Illinois 60603

President MUNIZZI called the meeting to order at 9:30 A.M.

**ROLL CALL**

Trustees present:

PAMELA A. MUNIZZI, President  
ROBERT GERAGHTY, Vice President  
EDWARD L. AFFOLTER, Secretary

MARIO GIANFORTUNE, Trustee  
STEVEN J. LUX, Trustee

Also Present:

DEAN J. NIEDOSPIAL, Executive Director  
JAIME L. MCCABE, Comptroller  
KELLY M. HUNT, Benefit Manager  
TAYLOR MUZZY, Jacobs, Burns, Orlove & Hernandez, Fund Counsel  
CECILIA PRADO, Appointed Trustee  
JOHN SHOSTACK, S.E.I.U Local #73, attended until the Executive Session  
MIKE SPYCHALSKI, Marquette Associates, Inc., attended until the Executive Session

Absent:

FRANK C. HODOROWICZ, Trustee

The Executive Director reported that he had received notification from the Chicago Park District Board of Commissioners that at its meeting of August 12, 2015, Cecilia Prado was appointed Trustee of the Board of the Park Employees' Annuity and Benefit Fund for a term expiring June 30, 2018.

Secretary AFFOLTER administered the "Oath of Office" to Trustee Prado. A certified copy of the "Oath of Office" will be placed on file at the Fund's office.

**MINUTES OF THE LAST MEETING**

A motion was made by Secretary AFFOLTER to approve the minutes of the scheduled regular Board meeting held on Thursday, July 16, 2015. Trustee GIANFORTUNE seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, LUX,  
MUNIZZI, PRADO

NAYS: None

### **READING OF COMMUNICATIONS**

The Executive Director commented on the following FOIA requests:

1. July 28, 2015 from Better Government Association
2. August 3, 2015 from Better Government Association

A motion was made by Trustee LUX to accept the Reading of Communications. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, LUX,  
MUNIZZI, PRADO

NAYS: None

### **REPORT OF THE COMMITTEES**

None

### **BENEFIT DATA**

#### **Annuities Granted**

Applications for Service and Employees' Spousal Annuities as listed in Section IV (A) of the Benefit Data, dated June 18, 2015, July 16, 2015, and August 20, 2015, 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.

Secretary AFFFOLTER moved ratification of the Applications for Service 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 May 31, 2015, June 30, 2015, and July 31, 2015, were presented to the Board for approval.

Trustee LUX 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 June 2015, July 2015, and August 2015 in accordance with Section IV (C) of the Benefit Data and asked for formal confirmation of the net requirements in the amounts of \$5,667,094.87, \$5,653,386.53 and \$5,623,374.51, respectively.

Secretary AFFOLTER moved ratification of the required funds from the Northern Trust Annuity Account in the amounts of \$5,667,094.87, \$5,653,386.53 and \$5,623,374.51 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>
Joseph Twarowski Jr. Music Instructor Annuitant, 6-010850	03/08/15	\$ 44,561.19 <u>3,000.00</u> <u>\$ 47,561.19</u>	Refund of Annuity Reserve Death Benefit Jeanette Kempf, Independent Administrator
Gail H. Wakefield Security Guard Annuitant, 6-096300	12/01/08	\$ 3,000.00	Death Benefit John, James and Matthew Wakefield, Designated Beneficiaries
LeVerne Theaker Senior Clerk Annuitant, 6-078490	03/08/06	\$ 3,000.00	Death Benefit Sharon M. Pavliga, Designated Beneficiary
John P. O'Brien Sheet Metal Worker Annuitant, 6-094740	05/12/15	\$ 3,000.00	Death Benefit Dan Patrick O'Brien, Designated Beneficiary
Louis Esposito Drama Prop Technician Annuitant, 6-052120	03/26/15	\$ 3,000.00	Death Benefit James Esposito, Designated Beneficiary
Robert S. Strama Engineer Annuitant, 6-090380	07/04/09	\$ 3,000.00	Death Benefit Donald and Stanley Strama, Designated Beneficiaries
Gerard P. Archbold Painter Foreman Annuitant, 6-093080	05/15/15	\$ 3,000.00	Death Benefit Marion B. Hornung, Colleen Dilberto, Jacqueline Zuckerman, and Geraldine Bertog, Designated Beneficiaries
<b>NOTE:</b> Jacqueline Zuckerman has not returned her completed applications. The case will remain open until receipt of the completed forms.			
Surain Stephens Playground Supervisor Annuitant, 6-011117	05/27/15	\$ 189,763.12 <u>6,000.00</u> <u>\$ 195,763.12</u>	Refund of Annuity Reserve Death Benefit Henry A. Stephens, Designated Beneficiary
James L. Crawford Special Laborer Annuitant, 6-080750	03/20/15	\$ 3,000.00	Death Benefit Lawrence Crawford, Mary J. Crawford and Doristine Goodloe, Designated Beneficiaries

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>		<u>To Whom Payable</u>
John J. Morris Sheet Metal Worker Annuitant, 6-075910	08/09/14	\$ 3,000.00	Death Benefit	Loretta A. Morris, Successor Trustee
Peter J. Finan Equipment Dispatcher Annuitant, 6-070050	03/25/15	\$ 3,000.00	Death Benefit	Lois Morton and Julie Finan, Designated Beneficiaries
Darrick K. Nelson B&C Laborer Annuitant, 6-010423	06/15/15	\$ 3,000.00	Death Benefit	Kim, Chris and Darrell Nelson, Designated Beneficiaries
Laura E. Edwards Physical Instructor Annuitant, 6-010502	01/04/10	\$ 228,872.32 <u>4,500.00</u> <u>\$ 233,372.32</u>	Refund of Annuity Reserve Death Benefit	Thomas Bibb Jr. and Dorothy Gray, Designated Beneficiaries
<b>NOTE:</b> Dorothy Gray has not returned her completed applications. The case will remain open until receipt of the completed forms.				
Howard Hawkins Physical Instructor Employee, 43719	11/11/03	\$ 82,716.16 <u>10,000.00</u> <u>\$ 92,716.16</u>	Refund of Empl. Contrib. Death Benefit	Victoria M. Hawkins and John W. Hawkins, Surviving Heir's
Marion Miller Recreation Leader Annuitant, 6-010223	06/08/15	\$ 3,000.00	Death Benefit	Victor W. Johnson, Jr. and Donna M. Johnson, Designated Beneficiaries
John Masello Rigger Annuitant, 6-085310	05/06/15	\$ 3,000.00	Death Benefit	Eileen Odegard and John Masello, Designated Beneficiaries
<b>NOTE:</b> John Masello has not returned his completed applications. The case will remain open until receipt of the completed forms.				
Charles Gaile Chauffeur Annuitant, 6-088060	11/04/07	\$ 3,000.00	Death Benefit	Timothy M. and Michelle Gaile, Designated Beneficiaries
<b>NOTE:</b> Michelle Gaile has not returned her completed applications. The case will remain open until receipt of the completed forms.				
Hazel O. Williams Attendant Annuitant, 6-084850	03/04/15	\$ 3,000.00	Death Benefit	Alatha Newby-Fleming, Designated Beneficiary
Arnold D. Randolph Stationary Engineer Annuitant, 6-094120	06/24/15	\$ 3,000.00	Death Benefit	Vivian R. Barker, Executor
Michael McNulty Operating Engineer Annuitant, 6-010522	07/09/15	\$ 3,000.00	Death Benefit	John C. Daly, Surviving Heir
George R. Russow Traffic Maintenance Man Annuitant, 6-068770	05/18/15	\$ 3,000.00	Death Benefit	Joseph Russow, Successor Trustee
Robert C. Huels Sr. Glazier Annuitant, 6-084340	04/06/15	\$ 3,000.00 <u>300.00</u> <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit	Dolores Huels, Surviving Spouse

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>	<u>To Whom Payable</u>
Robert Naszkiewicz Mailroom Supervisor Annuitant, 6-094050	04/01/15	\$ 3,000.00 <u>300.00</u> \$ <u>3,300.00</u>	Death Benefit Optional Death Benefit Patricia Naszkiewicz, Surviving Spouse
Robert A. Marshall Security Guard Employee, 60782	05/09/15	\$ 767.72 <u>300.00</u> \$ <u>1,067.72</u>	Refund of A.I. Optional Death Benefit Barbara A. Marshall, Surviving Spouse
Charles B. Lofrano Bricklayer Annuitant, 6-090350	05/28/15	\$ 3,000.00	Death Benefit Theresa M. Lofrano, Surviving Spouse
Felix C. Czernik Glazier Annuitant, 6-075310	06/04/15	\$ 3,000.00 <u>300.00</u> \$ <u>3,300.00</u>	Death Benefit Optional Death Benefit Mary Czernik, Surviving Spouse
Kenneth Ewig Laborer Annuitant, 6-093440	06/07/15	\$ 3,000.00 <u>300.00</u> \$ <u>3,300.00</u>	Death Benefit Optional Death Benefit Stephanie I. Ewig, Surviving Spouse
Nathaniel Gage Attendant Annuitant, 1-066670	04/08/15	\$ 300.00	Optional Death Benefit Roberta J. Gage, Surviving Spouse
Terrence G. Foy Attendant Annuitant, 6-011064	06/02/15	\$ 6,000.00 <u>300.00</u> \$ <u>6,300.00</u>	Death Benefit Optional Death Benefit Christine M. Foy, Surviving Spouse
Nicholas V. Fiore Electrician Inside Annuitant, 6-010273	06/07/15	\$ 3,000.00	Death Benefit JoAnn Fiore, Surviving Spouse
Salvador Beltran Laborer Annuitant, 6-098110	07/03/15	\$ 3,000.00 <u>300.00</u> \$ <u>3,300.00</u>	Death Benefit Optional Death Benefit Rose Mary Carney, Surviving Spouse
Total amount of death claims submitted for Approval		<u>\$650,580.51</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.

Vice President GERAGHTY 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>Years of Service</u>
<b>Cordell M. Adams-Cheeks</b> , Lifeguard	\$ 15,686.76	26	7.75
<b>Kevin D. Berlanga</b> , Recreation Leader	5,812.72	26	3.50
<b>Edward Bornstein</b> , Program Facilitator	9,482.70	28	5.00
<b>Mark D. Bradley</b> , Lifeguard	9,268.43	25	4.75
<b>Michael N. Carreon</b> , Aquatic Coach	7,577.99	24	3.25
<b>Alejandro Deluna</b> , Lifeguard	10,715.90	41	5.50
<b>Samantha Evans</b> , Lifeguard	22,408.91	33	11.50
<b>Kenneth J. Henderson</b> , Staff Assistant to Director	9,704.83	29	3.00
<b>Krystal M. Henderson</b> , Recreation Leader	5,284.88	25	4.00
<b>Lisa Jarrett</b> , Special Recreation Instructor	5,190.69	39	2.75
<b>Morgan A. Knox</b> , Recreation Leader	9,453.76	33	10.25
<b>Aaron M. Lesinski</b> , Physical Instructor	19,377.16	27	10.75
<b>Michael S. Martinez</b> , Recreation Leader	5,051.06	27	5.50
<b>Fernando Melquiades, Jr.</b> , Spec Rec Coordinator	14,899.72	25	4.50
<b>Crystal C. Parker</b> , Recreation Leader	16,735.54	30	11.75
<b>Crystal Rodriguez</b> , Lifeguard	5,009.89	26	3.00
<b>LaDisa Stamps</b> , Attendant	6,870.41	38	4.50
<b>Emily Unger</b> , Recreation Leader	6,418.94	32	5.00
<b>James Williams</b> , Physical Instructor	6,156.75	27	3.25
<b>Paige Williams</b> , Natatorium Instructor	8,705.29	24	4.00
<b>David Woods</b> , Security Guard	<u>10,136.95</u>	54	7.50
<b>Total</b>	<u>\$ 209,949.28</u>		

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

### **Refunds of Spouse's Annuity Deduction - over \$5,000**

Application 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>Annuitant Name</u>	<u>Age</u>	<u>Years of Service</u>	<u>Amount</u>
Thomas R. Apel	56	27.25	\$11,755.51
Mary Faith Flahive*	60	24.75	9,283.46
*(\$3,313.98 was used to repay a Workers' Compensation Offset)			
Joann Riley	60	20.25	6,052.32
Yolanda Romero	57	19.00	5,404.64
William A. Simmons**	53	33.00	<u>11,364.00</u>
** (\$9,000.00 was used for a refund repayment and to purchase pre-entry)			
			<u>\$43,859.93</u>

President MUNIZZI 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>08/20/15</u>	<u>12/31/14</u>	<u>12/31/13</u>
Chicago Park District participants	3,140	3,120	3,064
Participants contributing to PEABF (Tier II approx. 880)	2,785	2,688	2,765
Retired employees	2,091	2,101	2,102
Surviving spouses	765	773	785
Children	13	17	16
Retirements during the year	48	90	110
Deaths among retirees (including spousal)	70	91	98
New members	258	250	360
Withdrawals with refund	72	188	151

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

## **FINANCIAL DATA**

### **Expenditure Report**

Disbursements as listed in Section V (A) of the Financial Data, dated June 18, 2015, July 16, 2015, and August 20, 2015, 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 June 30, 2015, were presented to the Board for ratification.

Trustee GIANFORTUNE 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 May 31, 2015, June 30, 2015, and July 31, 2015, 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 June 30, 2015, shows ending net assets of \$413,426,141.23.

Secretary AFFOLTER moved ratification of the Summary of the Trial Balance (unaudited) to the Omnibus.

### **PUBLIC PARTICIPATION**

Michael Peneschi, Yvette Vasquez, and Odilia Sanchez of Unite Here entered the meeting. President Munizzi recognized the group and allowed the guests in the room the opportunity to make a three-minute presentation to the Board. The group identified themselves and discussed an Unfair Labor Practice complaint filed by employees of the DoubleTree Downtown located in Los Angeles, which is a holding of UBS, one of the Fund’s real estate investments. The group departed after their presentation.

### **INVESTMENTS**

The following reports as listed in Section VI (B) dated July 31, 2015, are presented to the Board for acceptance:

Northern Trust Company investment manager performance snapshot	VI (B) 1
Market Value of Investments Owned	VI (B) 2
Fixed Income	VI (B) 3
Equity Advisors	VI (B) 4
Alternative Investments	VI (B) 5
Real Estate Accounts	VI (B) 6

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 investment reports to the Omnibus.

### **MOTION TO ACCEPT ITEMS TRANSFERRED TO THE OMNIBUS**

A motion was made by Trustee GIANFORTUNE to ratify the foregoing reports as part of the Omnibus. Vice President GERAGHTY seconded the motion.



Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, LUX,  
MUNIZZI, PRADO

NAYS: None

## **REPORT OF THE EXECUTIVE DIRECTOR**

### **Tax Levy Requirement Letter**

The Executive Director presented to the Trustees the Tax Levy Requirement Letter to the Chicago Park District Board of Commissioners for 2016. He noted that the letter contains the amount as prescribed in the Illinois Pension Code and indicates the annual Actuarially Determined Contribution as determined by the Fund's Actuary.

A motion was made by Vice President GERAGHTY to approve submission of the Tax Levy Requirement Letter for 2016 to the Chicago Park District Board of Commissioners. Trustee LUX seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, LUX,  
MUNIZZI, PRADO

NAYS: None

### **Fee Schedule under the Freedom of Information Act**

The Executive Director presented a proposed Fee Schedule under the Freedom of Information Act. The Trustees and Fund Counsel reviewed and discussed the fee schedule.

A motion was made by Vice President GERAGHTY to approve the Fee Schedule under the Freedom of Information Act as presented. President MUNIZZI seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, LUX,  
MUNIZZI, PRADO

NAYS: None

### **Other**

Meeting with Bryan Traubert, President of the Board of Commissioners of the Chicago Park District – The Executive Director reported that he had met with President Traubert on Wednesday, August 5<sup>th</sup> and reviewed the Fund's Comprehensive Annual Financial Report (CAFR) and discussed other Fund matters.

Joseph M. Fratto - The Trustees and the Executive Director discussed adopting a resolution and hosting a luncheon in honor of Joseph M. Fratto, who was a Trustee of the Fund for over 31 years.

Fiduciary Responsibility and Ethics Training - The Executive Director noted that a Continuing Education Session to be presented by Fund counsel on Fiduciary Responsibility and Ethics, Securities Litigation and the Importance of Trustee Education has been scheduled to follow the October 15, 2015 Board meeting.

Conferences - The Executive Director distributed an updated 2015 Conference Schedule to the Trustees and highlighted upcoming local conferences.

CAFR - The Executive Director distributed copies of the Fund's CAFR for the period ending December 31, 2014 to the Trustees.

A motion was made by Secretary AFFOLTER to accept the Report of the Executive Director. Trustee GIANFORTUNE seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, LUX,  
MUNIZZI, PRADO

NAYS: None

#### **REPORT OF THE INVESTMENT CONSULTANT**

Mr. Michael Spychalski of Marquette Associates, Inc. distributed the Preliminary Monthly Updated report as of July 31, 2015, featuring investment performance, market environment analysis, asset allocation and individual investment manager performance. The Trustees reviewed and discussed the report.

A motion was made by Vice President GERAGHTY to accept the Report of the Investment Consultant. Secretary AFFOLTER seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, LUX,  
MUNIZZI, PRADO

NAYS: None

A motion was made by Trustee LUX to go into Executive Session. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, LUX,  
MUNIZZI, PRADO

NAYS: None

A motion was made by Trustee LUX to return to open Session. President MUNIZZI seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GIANFORTUNE, LUX,  
MUNIZZI, PRADO

NAYS: None

**REPORT OF THE ACTUARY**

None

**REPORT OF THE ATTORNEY**

None

**OLD BUSINESS**

None

**NEW BUSINESS**

None

**ADJOURNMENT**

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

The next regular meeting of the Retirement Board will be on **Thursday, September 17, 2015**, at 9:30 A.M. in the Judith A. Flaherty Conference Room on the 27<sup>th</sup> floor of the 55 East Monroe Street Building, Suite 2720, Chicago, Illinois, 60603.

Respectfully submitted,



EDWARD L. AFFOLTER  
Secretary