

RECORD OF PROCEEDINGS  
of the  
RETIREMENT BOARD (the "BOARD") of the  
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")  
SCHEDULED REGULAR BOARD MEETING  
THURSDAY, MARCH 15, 2012

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 reported present:

PAMELA A. MUNIZZI, President	ROBERT GERAGHTY, Trustee
JOHN J. SHOSTACK, Vice President	FRANK C. HODOROWICZ, Trustee
EDWARD L. AFFOLTER, Secretary	

Also Present:

DEAN J. NIEDOSPIAL, Executive Director  
JAIME L. MCCABE, Comptroller  
BRETT CHRISTENSON & MIKE SPYCHALSKI, Marquette Associates

Absent:

JOSEPH M. FRATTO, Trustee  
MELINDA M. GILDART, Trustee

**MINUTES OF THE LAST MEETING**

A motion was made by Trustee SHOSTACK to approve the minutes of the scheduled regular Board meeting held on Thursday, February 16, 2012. President MUNIZZI seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, HODOROWICZ,  
MUNIZZI, SHOSTACK

NAYS: None

**READING OF COMMUNICATIONS**

FOIA request received January 26, 2012 from Ms. Catherine Ajaero of S&P Capital IQ was completed on February 24, 2012.

**REPORT OF THE COMMITTEES**

None

**REPORT OF THE SECRETARY**

**Expenditure Approvals**

Expenditure Approvals from the General account as listed in Section IV (A) of the Report of the Secretary, dated March 15, 2012, were presented to the Board for approval.

After review of the expenditures, Trustee HODOROWICZ moved that bills from the General account be approved. Trustee GERAGHTY seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, HODOROWICZ, , SHOSTACK  
ABSTAIN: MUNIZZI  
NAYS: None

**Summary of Investment Fees, Administrative and General Expenses**

Investment Fees, Administrative and General Expenses as listed in Section IV (B) of the Report of the Secretary, dated January 31, 2012, were presented to the Board for approval.

Trustee AFFOLTER moved the approval of the Summary of Investment Fees, Administrative and General Expenses to the Omnibus.

**Annuities Granted**

Applications for Service and Employee's Spousal Annuities as listed in Section IV (C) of the Report of the Secretary, dated March 15, 2012, were presented to the Board with the recommendation for approval based upon the report of the President relative to the eligibility of the applicants and the correctness of the amounts of annuities and benefits indicated.

Trustee HODOROWICZ moved the approval of the Applications for Service and Employee's Spousal Annuities to the Omnibus.

## Disabilities Granted

Applications for Ordinary and Duty Disability Benefits as listed in Section IV (D) of the Report of the Secretary, dated February 29, 2012, were presented to the Board for approval.

Trustee SHOSTACK moved the approval for 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 month of March in accordance with Section IV (E) of the Report of the Secretary, and asked for formal confirmation of the net requirements in the amount of \$5,237,913.31.

Trustee HODOROWICZ moved the approval of the required funds from the Northern Trust Annuity Account in the amount of \$5,237,913.31 to the Omnibus.

## Membership Statistics (informational only)

	03/15/12	06/30/11	06/30/10
Current active participants (Tier II-approx. 311)	2,982	2,795	2,816
Retired employees	2,074	2,096	2,125
Surviving spouses	802	803	817
Children	12	14	14
Retirements during the year – FYTD	55	78	62
Deaths among retirees – FYTD	75	109	104
New Members – FYTD	294	188	174
Withdrawals with refund – FYTD	109	115	133

## REPORT OF THE OTHER OFFICERS

### Report on Death Claims

The following report, Section V (A) was submitted for payment as indicated:

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>	<u>To Whom Payable</u>
John P. Francis Recreation Leader Annuitant, 6-9008	06/29/11	\$ 3,000.00    Death Benefit	Michael Francis, Independent Administrator
Julio Lopez Rodriguez Attendant Annuitant, 6-8432	01/29/12	\$ 3,000.00 *    Death Benefit	Hector Lopez, On Behalf of the Estate

\*\$217.14 W/H tax on SSDB

<u>Name of Decedent</u>	<u>Date of Death</u>	<u>Amount Payable</u>	<u>To Whom Payable</u>
Lander Coleman Attendant  Annuitant, 6-7938 *\$25.42 W/H tax on SSDB	04/25/11	\$ 3,000.00 * 2,355.92 <u>(500.00)</u> <u>\$ 4,855.92</u>	Death Benefit October/December '08 annuity checks May '11 Credit Union Victoria Coleman, Theresa Coleman, Patricia Robertson, Vanessa Williamson*, and Victor Coleman Designated Beneficiaries
Richard Ulas Motor Truck Driver Annuitant, 6-10668	11/25/11	\$ 4,500.00 <u>130,240.34</u> <u>\$ 134,740.34</u>	Death Benefit Refund of Annuity Reserve Ericka Bates and Neil Wallace Designated Beneficiaries
Manuel Santana Laborer Annuitant, 6-8702	01/15/12	\$ 3,000.00	Death Benefit Aurea Santana, Surviving Spouse
Peter Barbarone Plumber Annuitant, 6-99380 *\$489.12 W/H tax on SSDB	12/22/11	\$ 3,000.00 *	Death Benefit Nancy J. Barbarone, Surviving Spouse
Joseph McDermott Assistant Engineer Design Annuitant, 6-6851	01/16/12	\$ 3,000.00	Death Benefit Joanne E. McDermott, Surviving Spouse
Jose Vega Motor Truck Driver Annuitant, 6-9913 *\$223.68 W/H tax on SSDB	01/24/12	\$ 3,000.00 * <u>300.00</u> <u>\$ 3,300.00</u>	Death Benefit Optional Death Benefit Amelia Vega, Surviving Spouse
Total amount of death claims submitted for approval		<u>\$157,896.26</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.

Trustee HODOROWICZ moved the approval of the Report on Death Claims to the Omnibus.

### Applications for Refunds - over \$5,000.00

Applications for refund of pension contributions, Section V (B), involving payment in excess of \$5,000.00 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>Bessie Dart</b> , Natatorium Instructor	\$ 14,851.83	26	7.25
<b>Amelia Saragosa</b> , Special Recreation Leader	5,439.66	41	5.25
<b>Jamaal Steward</b> , Life Guard	<u>11,166.08</u>	28	6.00
<b>Total refunds submitted for approval</b>	<u>\$ 31,457.57</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 HODOROWICZ moved the approval of the Applications for Refunds over \$5,000.00 to the Omnibus.

## **INVESTMENTS**

The following reports as listed in Section VI (A) dated January 31, 2012, are presented to the Board for approval:

Northern Trust Company investment manager performance snapshot	VI (A)1
Market Value of Investments Owned	VI (A)2
Fixed Income	VI (A)3
Equity Advisors	VI (A)4
Alternative Investments	VI (A)5
Real Estate Accounts	VI (A)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 HODOROWICZ moved the approval of investment reports and important/and or significant activities in the investment accounts to the Omnibus.

## **CURRENT FINANCIAL DATA**

### **Cash Account - Reconciliation and Cash Flow Report**

The Trustees discussed maintaining the cash balance in the Northern Trust STIF account in accordance with the Fund's investment policy.

Trustee AFFOLTER moved the approval of the Reconciliation and Cash Flow Report to the Omnibus.

### **Summary of Cash Receipts and Disbursements**

Summary of Cash Receipts and Disbursements, Section VII (B), through January 31, 2012 containing the following summary balances:

Adjusted balance at December 31, 2011	\$ 3,691,054.57
Receipts during January	79,664,451.54
Disbursements for January	<u>(83,346,850.09)</u>
Balance at January 31, 2012	<u>\$ 8,656.02</u>

Trustee SHOSTACK moved the Summary of Cash Receipts and Disbursements to the Omnibus.

### **Summary of the Trial Balance (unaudited)**

Summary of the Trial Balance (unaudited), Section VII (C) as of January 31, 2012 shows the ending net assets of \$445,754,976.99.

Trustee SHOSTACK moved the approval of the Summary of the Trial Balance (unaudited) to the Omnibus.

### **MOTION TO APPROVE THE OMNIBUS**

A motion was made by Trustee HODOROWICZ to approve the foregoing reports which were moved to the Omnibus. Trustee SHOSTACK seconded the motion.

Motion carried by the following roll call:

YEAS:           AFFOLTER, GERAGHTY, HODOROWICZ,  
                      MUNIZZI, SHOSTACK

NAYS:           None

### **REPORT OF THE EXECUTIVE DIRECTOR**

#### **Duty Disability/Workers' Compensation Policy**

The Executive Director reported that he is continuing discussions with Fund Counsel to develop a comprehensive policy to address Duty Disability/Workers' Compensation issues. He also noted that this policy will address a request that was noted in Reading of Communications at last month's Board meeting.

#### **Meeting with Chicago Park District Staff**

The Executive Director reported that he, Trustee FRATTO, and James Brosnahan, the Fund's lobbyist, met with Superintendent and Chief Executive Officer Michael P. Kelly and Chief Financial Officer Steve Hughes of the Chicago Park District on February 27, 2012 to discuss alternative pension reform and funding scenarios. He also reported that it appears that there is support in the Illinois legislature to approve changing the Fund from a fiscal year end to a calendar year end.

#### **New Telephone System Update**

The Executive Director distributed a "Cisco Small Business Phone System Fact Sheet" and recommended that the Board approve replacing the new analog telephone system which was previously approved by the Board, but not yet installed, at the October 20, 2011 Board meeting, with the more economical and efficient Cisco digital system.

A motion was made by Trustee SHOSTACK to approve the purchase of the Cisco telephone system provided by PC Mall for the Fund office consistent with the terms as presented to the Board and subject to the approval of the necessary documents by Fund Counsel. President MUNIZZI seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, HODOROWICZ,  
MUNIZZI, SHOSTACK

NAYS: None

### **Investment Consultant RFP**

The Executive Director reported that he and Fund Counsel are in the process of completing the final draft of the Investment Consultant RFP, consistent with Public Act 96-006, and timetable for the RFP process and will be reporting on progress at the April Board meeting.

President MUNIZZI formed an "Investment Consultant Search Committee" and appointed Trustees FRATTO, GERAGHTY and SHOSTACK as members.

### **Reception Security Window**

The Executive Director presented a proposal from GlenStar, the building manager, to install a security window at the reception desk at a cost of \$2,271.25. He commented that this would provide the office with additional security and other efficiencies would be achieved especially after the installation of the new telephone system.

A motion was made by President MUNIZZI to approve installation of a security window at the reception desk at a cost of \$2,271.25. Trustee AFFOLTER seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, HODOROWICZ,  
MUNIZZI, SHOSTACK

NAYS: None

### **2012 Trustee Election**

The Executive Director distributed a copy of the approved schedule for the Trustees' Annual Election on June 22, 2012 (ballots counted on Tuesday, June 26<sup>th</sup> at 10:00 AM).

## **NATO Summit in Chicago**

The Executive Director reminded the Trustees that the Board moved the Thursday, May 17, 2012 Board Meeting to Thursday, May 10, 2012 due to the G8 and NATO Summits and recommended holding the meeting on May 10<sup>th</sup> as planned, although the G8 Summit will not be held in Chicago. As the Fund becomes aware of the details of the NATO Summits, such as street closings, redirected traffic patterns and other disruptions in the downtown area, the Board will be advised.

## **Fund Actuary**

The Executive Director reported that Sandor Goldstein of Goldstein & Associates, the Fund's actuary, has indicated that he will be retiring effective June 30, 2012 and as such the Fund will begin the process of selecting a new actuary. He also noted that the Fund has adopted policies to have all pension calculations for Fund employees reviewed by the Fund's Actuary at the time of retirement and to have other pension calculations periodically reviewed by the Fund's Actuary for quality control.

## **Other**

Staff Development/Office Restructure and Review - The Executive Director reported that review of the Fund's Information Technology area is proceeding as planned and key recommendations noted within the Bansley & Kiener Information Technology review are being implemented.

Statement of Economic Interest - The Executive Director reminded the Trustees that their Statements of Economic Interest are due May 1, 2012 and must be filed online.

Conferences - The Executive Director distributed an updated 2012 Conference Schedule to the Trustees. He also noted a few conferences and client events which may be of particular interest to the Trustees.

The Executive Director reported that one Trustee has indicated her interest in attending the IFEBP 58<sup>th</sup> Annual Employee Benefits Conference, November 10-14, 2012.

A motion was made by Trustee SHOSTACK to authorize President MUNIZZI to attend the IFEBP 58<sup>th</sup> Annual Employee Benefits Conference, November 10-14, 2012. Trustee AFFOLTER seconded the motion.

Motion carried by the following roll call:

YEAS:           AFFOLTER, GERAGHTY, HODOROWICZ,  
                      MUNIZZI, SHOSTACK

NAYS:           None



A motion was made by Trustee HODOROWICZ to accept the Report of the Executive Director. Trustee SHOSTACK seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, HODOROWICZ,  
MUNIZZI, SHOSTACK

NAYS: None

### **REPORT OF THE ACTUARY**

None

### **REPORT OF THE ATTORNEY**

None

### **PRESENTATIONS**

#### **Marquette Associates**

Mr. Brett Christenson of Marquette Associates distributed the Preliminary Monthly Update report as of February 29, 2012 featuring investment performance, market highlights, asset allocation and individual investment manager performance. The reports were reviewed and discussed with the Trustees. President MUNIZZI thanked Mr. Christenson.

### **OLD BUSINESS**

None

### **NEW BUSINESS**

None

### **ADJOURNMENT**

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

The next regular meeting of the Retirement Board will be on **Thursday, April 19, 2012** 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*

EDWARD L. AFFOLTER  
Secretary