

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
RESCHEDULED REGULAR BOARD MEETING
THURSDAY, SEPTEMBER 22, 2011

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	MELINDA M. GILDART, Trustee
EDWARD L. AFFOLTER, Secretary	FRANK C. HODOROWICZ, Trustee

Also Present:

DEAN J. NIEDOSPIAL, Executive Director
JAIME L. MCCABE, Comptroller
JOSEPH M. BURNS & TAYLOR MUZZY, Jacobs, Burns, Orlove & Hernandez

Absent:

JOSEPH M. FRATTO, Trustee

PRESENTATIONS

Mr. John McCabe and Mr. James D. Brosnahan, candidates to become the Fund's lobbyist, made presentations to the Board and responded to questions raised by the Trustees.

MINUTES OF THE LAST MEETING

A motion was made by Trustee SHOSTACK to approve the minutes of the Board meeting held on Thursday, August 18, 2011. Trustee AFFOLTER seconded the motion.

Motion carried by the following roll call:

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

READING OF COMMUNICATIONS

None

REPORT OF THE COMMITTEES

None

REPORT OF THE SECRETARY

Expenditure Approvals

Bills for the current General and Operating accounts, as listed in Section IV (A) (1) & (2) of the Report of the Secretary, were presented to the Board for approval.

Trustee AFFOLTER moved the Expenditure Approvals to the Omnibus.

Summary of Investment Fees, Administrative and General Expenses

Administrative Expenses for the preceding month, as listed in Section IV (B) of the Report of the Secretary, dated July 31, 2011, were presented to the Board for approval.

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

Annuities Granted

Applications for annuities and benefits dated September 15, 2011, as listed in Section IV (C) of the Report of the Secretary, 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 Annuities and Benefits to the Omnibus.

Ordinary and Duty Disability Benefit

Applications for ordinary and duty disability benefits as listed in Section IV (D) of the Report of the Secretary, dated July 31, 2011, were presented to the Board for approval.

Trustee HODOROWICZ moved the approval of the Ordinary and Duty Disability Benefit applications to the Omnibus.

Annuities in Force

The Secretary asked the Trustees to consider the statement of annuity benefit requirements for the month of July 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 \$5,174,221.29.

Trustee AFFOLTER moved the approval of the required funds from the Northern Trust Annuity Account in the amount of \$5,174,221.29 to the Omnibus.

Membership Statistics and New Members Qualified/Informational Only

MEMBERSHIP STATISTICS

	09/12/11	06/30/11	06/30/10
Current active participants	2,885	2,878	2,816
Retired employees	2,089	2,096	2,125
Surviving spouses	800	803	817
Children	12	14	14
Retirements during the year – FYTD	6	78	61
Deaths among retirees – FYTD	14	109	104
New Members – FYTD	18	188	174
Withdrawals with refund – FYTD	22	115	133

REPORT OF THE OTHER OFFICERS

Report of the Death Claims

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

<u>NAME OF DECEDENT</u>	<u>D/O/D</u>	<u>AMOUNT PAYABLE</u>	<u>TO WHOM PAYABLE</u>
Irene Kantor Sr. A&B Technician Annuitant 6-6474 *\$125 W/H tax on SSDB	08/13/11	\$ 3,000.00* Death Benefit	Pamela E. Loza-Mikos Designated Beneficiary
Cele Stoper Secretary to Executor Annuitant 6-5973 *\$125 W/H tax on SSDB	07/12/11	\$ 3,000.00* Death Benefit	Susan L. Stoper Designated Beneficiary
Robert Schopp Machinist Annuitant 6-8515	08/09/11	\$ 3,000.00 <u>300.00</u> \$ <u>3,000.00</u>	Death Benefit Optional Death Benefit Total Benefit Betty M. Schopp Surviving Spouse
Johnnie T. Bolster Head Attendant Annuitant 7-7377	08/04/11	\$ 300.00	Optional Death Benefit Diann P. Bolster POA for Mary T. Bolster Surviving Spouse
Peter Foley Laborer Annuitant 6-010654	08/25/11	\$ 300.00	Optional Death Benefit Joan Foley Surviving Spouse

Joseph Canzoneri	02/05/11	\$ 3,000.00*	Death Benefit	Linda Elsen-Buikema POA
Architectural Designer		<u>300.00</u>	Optional Death	For Evelyn Canzoneri
Annuitant 6-6098			Benefit	Surviving Spouse
\$125 W/H tax on SSDB		<u>\$ 3,000.00</u>	Total Benefit	

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.

President MUNIZZI moved the approval of the Report of the Death Claims to the Omnibus.

Applications for Refunds - over \$5,000

Applications for refund of pension contribution, Section V (B), 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:

Margarita Ayala, Attendant	\$ 8,389.18
Harold Bailey, Area Manager	33,079.42
Jose Gomez, Security Guard	13,022.92
Dan Hibbler, Chief Programming Officer	18,361.33
Ronju Lynch, Attendant	6,315.79
Artis Pearson, Physical Instructor	8,958.83
Michael Zarcone, Attendant	<u>7,057.77</u>
Total	<u>\$95,185.24</u>

The preceding individuals were duly advised of the effect of their refunds on their rights in the Fund, and were given a full explanation relative to the credit they would forfeit by acceptance of the refunds.

President MUNIZZI moved the approval of the Applications for Refunds over \$5,000 to the Omnibus.

INVESTMENTS

The Chairman informed the Board of the following Reports for July 2011, are presented in Section VI(A) 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
Summary of Gains and Losses	VI(A)7

Official copies of the preceding have been placed on file and made a part of the "Minutes" of this meeting.

Important/significant activity in the Equity Accounts:

Great Lakes Advisors, Inc.	(none)
Wellington Trust Company	(none)
Ariel Capital Management Company	(none)
RBC Global Asset Management	(none)
William Blair & Company, LLC	(Investment Agreement in progress)

Important/significant activity in Index Fund Accounts:

Northern Trust Quantitative Advisors	(none)
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Important/significant activity in Fixed Income Accounts:

Chicago Equity Partners	(none)
MacKay Shields	(none)
LM Capital Group	(none)
Ullico Separate Account W1	(none)

Important/significant activity in Private Equity Accounts:

HarbourVest Partners	(none)
Mesirow Financial	(none)
Pine Bridge Investments	(none)
New York Life Capital Partners	(none)

Important/significant activity in Hedge Fund Accounts:

Entrust Capital, Inc.	(none)
K2 Advisors	(none)

Important/significant activity in Real Estate Accounts:

UBS Realty Investors LLC	(none)
Principal Global Investors	(none)

Trustee HODOROWICZ moved the approval of investment reports and important/and or significant activities in the investment accounts to the Omnibus.

CURRENT FINANCIAL DATA**PEABF 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 HODOROWICZ moved the approval of the Reconciliation and Cash Flow Report to the Omnibus.

Statement of Cash Receipts and Disbursements

Statement of Receipts and Disbursements, Section VII (B), for the month of July 31, 2011, containing the following summary balances:

Adjusted balance at June 30, 2011	\$(11,398.38)
Receipts during July	<u>22,655,740.80</u>
Total receipts	22,644,342.42
Disbursements for July	<u>(22,778,414.55)</u>
Balance at July 31, 2011	<u>\$(134,072.13)</u>

Trustee SHOSTACK moved the Statement of Receipts and Disbursements to the Omnibus.

Trial Balance as of July 31, 2011

Trial Balance Summary of General Ledger Accounts, Section VII (C) as of July 31, 2011, showing debit and credit balances in the amount of \$384,924,137.22.

Trustee AFFOLTER moved the approval of the Trial Balance Summary of the General Ledger Accounts to the Omnibus.

MOTION TO APPROVE THE OMNIBUS

A motion was made by President MUNIZZI to approve the Omnibus, with the conditional approval of (V)(B) Page 1 subject to verification of the amount refunded to Dan Hibbler. Trustee SHOSTACK seconded the motion.

Motion carried by the following roll call:

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

REPORT OF THE EXECUTIVE DIRECTOR

Tax Levy Requirement Letter

The Executive Director presented the Tax Levy Requirement Letter for the 2012 to 2013 fiscal year to the Trustees and requested their approval to submit the letter to the Chicago Park District Board of Commissioners.

A motion was made by Trustee HODOROWICZ to approve submission of the Tax Levy Requirement Letter, as amended per the suggestions of Fund Counsel, for the 2012 to 2013 fiscal year to the Chicago Park District Board of Commissioners. Trustee SHOSTACK seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GILDART
 HODOROWICZ, MUNIZZI, SHOSTACK

NAYS: None

Consultant Contract Extension

The Executive Director reminded the Trustees that under the terms of the Fund's five year contract entered into as of December 1, 2007, with Marquette Associates, Inc., the first one-year extension will conclude on November 30, 2011, and in accordance with the fee schedule therein, the fee for the second and final extension from December 1, 2011 through November 30, 2012, will be \$100,000.

A motion was made by Trustee SHOSTACK to exercise the second one year extension under the terms of the contract dated December 1, 2007, with Marquette Associates, Inc. at a fee of \$100,000. Trustee HODOROWICZ seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GILDART
 HODOROWICZ, MUNIZZI, SHOSTACK

NAYS: None

Members' Annual Statements

The Executive Director distributed copies of the 92nd Annual Report of the President and the updated Principal Provisions of the Park Employees' Pension Plan, which had been previously emailed to the Trustees, as well as samples of Members' Annual Statements and asked that the Trustees review them. The Annual Report of the President and the Principal Provisions will be included with the Members' Annual Statements which will be mailed by the end of the week.

Other

Investments - The Executive Director distributed the Preliminary Monthly Update investment report prepared by Marquette Associates for the period ending August 31, 2011, and reviewed the report with the Trustees.

Investment Return Assumption Letter - The Executive Director distributed a letter entitled "Investment Return Assumption to be Used for the June 30, 2011 Actuarial Valuation" from the Fund's actuary to be reviewed by the Trustees and discussed at the October Board meeting.

Potential Legislation - The Executive Director reported that he had attended numerous working group meetings hosted by various members of the Illinois General Assembly regarding benefits, funding, structure and general matters and potential legislation.

Continuing Education Session - The Executive Director reminded the Trustees that a two hour continuing education session presented by Joseph Burns on Fiduciary Responsibility, Ethics, Securities Litigation, and Roberts' Rules of Order will follow the meeting.

Conferences - The Executive Director distributed an updated 2011 Conference Schedule to the Trustees. He also noted a few conferences and client conferences which may be of particular interest to the Trustees.

A motion was made by Trustee HODOROWICZ to approve the Report of the Executive Director. Trustee GERAGHTY seconded the motion.

Motion carried by the following roll call:

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

REPORT OF THE ACTUARY

None

REPORT OF THE ATTORNEY

None

OLD BUSINESS

None

NEW BUSINESS

A motion was made by Trustee HODOROWICZ to appoint James D. Brosnahan, Fund lobbyist for a fifteen month period commencing on October 1, 2011, at a monthly rate of \$2,400 subject to the negotiation and approval of an acceptable agreement through Fund counsel. The Trustees discussed the motion and the qualifications of the two lobbyist candidates. Motion was seconded by Trustee GILDART.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, GILDART
 HODOROWICZ, MUNIZZI, SHOSTACK

NAYS: None

Trustee GILDART suggested that the Trustees consider establishing guidelines for visitors on Board meeting days. The Trustees discussed the suggestion.

ADJOURNMENT

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

The next regular meeting of the Retirement Board will be on **Thursday, October 20, 2011** at 9:30 A.M. in the Judith A. Flaherty Conference Room on the 27th floor of the 55 East Monroe Street Building, Suite 2720, Chicago, Illinois, 60603.

Respectfully submitted,

Edward L. Affolter
EDWARD L. AFFOLTER
Secretary