

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
SCHEDULED REGULAR BOARD MEETING
THURSDAY, OCTOBER 19, 2017

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

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

ROLL CALL

Trustees present:

ROBERT GERAGHTY, Vice President
EDWARD L. AFFOLTER, Secretary
FRANK HODOROWICZ, Trustee

STEVEN J. LUX, Trustee
CECILIA PRADO, Trustee

Also Present:

DEAN J. NIEDOSPIAL, Executive Director
MICHAEL SPYCHALSKI, Marquette Associates

Absent:

PAMELA A. MUNIZZI, President
BRIAN BIGGANE, Trustee

MINUTES OF THE LAST MEETING

A motion was made by Trustee HODOROWICZ to approve the minutes of the scheduled regular Board meeting held on September 21, 2017. Trustee LUX seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, HODOROWICZ, LUX,
PRADO
NAYS: None

READING OF COMMUNICATIONS

The Executive Director noted a recent FOIA request.

A motion was made by Secretary AFFOLTER to accept the Reading of Communications. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, HODOROWICZ, LUX,
PRADO

NAYS: None

REPORT OF THE COMMITTEES

None

REPORT OF THE EXECUTIVE DIRECTOR

Biedron v. PEABF

The Executive Director reported that the next status hearing is scheduled for December 15, 2017.

Cyber Liability Coverage

The Executive Director reported that he received additional cyber liability quotes from Horn-McGowan Insurance Agency with Beazley Breach Response and shared a competitive quote with the Trustees. He also reported that the annual premium for the selected policy, which includes the Beazley's First Party Endorsement, is \$9,131 and is under the \$12,000 previously approved by the Trustees.

Redecorating Allowance

The Executive Director reported that the office improvements approved at the March Board meeting, in accordance with the Tenant Improvement Allowance in the Fund's office lease, are complete and under budget.

Other

Senate Hearings – The Executive Director reported that he and the Fund's investment consultant, Marquette Associates, presented a report on the Fund's use of minority and female-owned investment managers and broker/dealers to the Illinois State Senate Special Committee on State and Pension Fund Investments on Tuesday, October 17. The Executive Director and the Trustees discussed the importance of continuing to support minority and female-owned investment managers, brokers and businesses.

Fiduciary Responsibility and Ethics Training – The Executive Director distributed a copy of the Fund's current Ethics Policy and noted that a Continuing Education Session to be presented by Fund Counsel on Fiduciary Responsibility and Ethics, Securities Litigation, Fiduciary Liability insurance and the Importance of Trustee Education will follow the Board meeting.

Conferences - The Executive Director distributed updated 2017 and 2018 Conference Schedules to the Trustees and highlighted upcoming local conferences.

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

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, HODOROWICZ, LUX,
PRADO
NAYS: None

REPORT OF THE ACTUARY

None

REPORT OF THE ATTORNEY

None

REPORT OF THE LOBBYIST

None

REPORT OF THE INVESTMENT CONSULTANT

Mr. Michael Spychalski of Marquette Associates distributed the Preliminary Monthly Update report as of September 30, 2017, featuring investment performance, market environment analysis, asset allocation and individual investment manager performance. The report was reviewed in detail and the Investment Consultant responded to numerous questions raised by the Trustees. Mr. Spychalski also distributed a report entitled "Private Equity Fund of Funds Search". This report was also reviewed in detail and the Investment Consultant and the Trustees discussed the anticipated timing of additional investment in private equity.

A motion was made by Trustee HODOROWICZ to commit \$15 million to existing private equity investment managers consistent with the Fund's target asset allocation: \$7.5 million to HarbourVest Partners and \$7.5 million to Mesirow Financial, subject to execution of the necessary documents approved by Fund Counsel. Trustee LUX seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, HODOROWICZ, LUX,
PRADO
NAYS: None

A motion was made by Trustee LUX to accept the Report of the Investment Consultant. Trustee HODOROWICZ seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, GERAGHTY, HODOROWICZ, LUX,
PRADO
NAYS: None

OLD BUSINESS

None

NEW BUSINESS

None

ADJOURNMENT

There being no further business, Trustee LUX moved to adjourn the meeting. Trustee PRADO seconded the motion. Motion prevailed unanimously and the meeting was adjourned.

The next regular meeting of the Retirement Board will be on **Thursday, November 16, 2017** 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
Secretary