

RECORD OF PROCEEDINGS
of the
RETIREMENT BOARD (the "BOARD") of the
PARK EMPLOYEES' ANNUITY and BENEFIT FUND (the "FUND")
SCHEDULED REGULAR BOARD MEETING
THURSDAY, JULY 20, 2017

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:

ROBERT GERAGHTY, Vice President
EDWARD L. AFFOLTER, Secretary
BRIAN BIGGANE, Trustee

FRANK HODOROWICZ, Trustee
STEVEN J. LUX, Trustee
CECILIA PRADO, Trustee

Also Present:

DEAN J. NIEDOSPIAL, Executive Director
BRETT CHRISTENSON & MICHAEL SPYCHALSKI, Marquette Associates
TAYLOR MUZZY, Jacobs, Burns, Orlove & Hernandez, Fund attorney
JAMES BROSNAHAN, Fund Lobbyist
GARY PATER, Bansley & Kiener, LLP (departed after the REPORT OF THE ELECTION MONITOR)
MATTHEW STROM & JACOB LIBAUSKAS, The Segal Company, Fund Actuary (entered at the REPORT OF THE ACTUARY)

Absent:

PAMELA A. MUNIZZI, President

REPORT OF THE ELECTION MONITOR

Mr. Gary Pater of Bansley & Kiener, Election Monitor, distributed a letter dated June 30, 2017, of notification of the results of the election for Trustee, for a full term of four years, expiring June 30, 2021, held Friday, June 23, 2017. Based on the results of the vote, Edward L. Affolter was elected Employee Trustee.

Secretary AFFOLTER presented his written "Oath of Office" which was found to be in the form required by law, whereupon Secretary Pro-Tem Hodorowicz declared him Trustee of the Retirement Board for his term.

REORGANIZATION OF THE BOARD

Vice President GERAGHTY announced that the reorganization of the Board and the election of officers for the ensuing year was the next item of business on the agenda.

ELECTION OF OFFICERS**President**

Vice President GERAGHTY announced that nominations for the office of President were open. Trustee GERAGHTY nominated PAMELA A. MUNIZZI for President of the Retirement Board, and the nomination was seconded by Trustee HODOROWICZ. There being no further nominations, the nominations were closed and President MUNIZZI was re-elected President by the following vote:

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

Vice President

Vice President GERAGHTY announced that nominations for the office of Vice President were open. Trustee HODOROWICZ nominated ROBERT GERAGHTY for Vice President of the Retirement Board, and the nomination was seconded by Trustee LUX. There being no further nominations, the nominations were closed and Vice President GERAGHTY was re-elected Vice President by the following vote:

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

Secretary

Vice President GERAGHTY announced that nominations for the office of Secretary were open. Vice President GERAGHTY nominated EDWARD L. AFFOLTER for Secretary of the Retirement Board, and Trustee HODOROWICZ seconded the nomination. There being no further nominations, the nominations were closed and Secretary AFFOLTER was re-elected Secretary by the following vote:

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

Secretary Pro-Tem

Vice President GERAGHTY announced that nominations for the office of Secretary Pro-Tem were open. Trustee BIGGANE nominated FRANK C. HODOROWICZ for Secretary Pro-Tem of the Retirement Board, and the nomination was seconded by Secretary AFFOLTER. There being no further nominations, the nominations were closed and Secretary Pro-Tem HODOROWICZ was re-elected Secretary Pro-Tem by the following vote:

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
 LUX, PRADO

NAYS: None

APPOINTMENT OF COMMITTEES

Vice President GERAGHTY declared the following Committee appointments for the ensuing year:

Investment Committee – Committee of the Whole

Pension Laws and Rules Committee - Committee of the Whole

Personnel Committee (appointed by the President of the Board and approved by the Board) - EDWARD L. AFFOLTER, FRANK C. HODOROWICZ and STEVEN J. LUX

A motion was made by Trustee BIGGANE to approve the appointment of EDWARD L. AFFOLTER, FRANK C. HODOROWICZ and STEVEN J. LUX to the Personnel Committee. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
 LUX, PRADO

NAYS: None

MINUTES OF THE LAST MEETING

A motion was made by Trustee LUX to approve the minutes of the scheduled regular Board meeting held on Thursday, June 15, 2017. Trustee HODOROWICZ seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
 LUX, PRADO

NAYS: None

READING OF COMMUNICATIONS

The Executive Director noted a recent FOIA request.

A motion was made by Trustee BIGGANE to accept the Reading of Communications. Trustee HODOROWICZ seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

REPORT OF THE EXECUTIVE DIRECTOR

Communication Letters to Governance and Management from Bansley & Kiener, LLP, Fund Auditor

The Executive Director presented (during the REPORT OF THE ELECTION MONITOR) the required letters to the Board and management in accordance with AICPA – Statements on Auditing Standards (SAS) numbers 114 and 115 on the audit of the Fund’s financial statements for the year ended December 31, 2016 received from Bansley & Kiener, LLP, the Fund’s auditor. Mr. Gary Pater of Bansley & Kiener, LLP reviewed the contents of the letters with the Trustees.

Request to Cancel the August Regular Board Meeting

The Executive Director requested that the Trustees consider cancelling the August 17, 2017, Regular Board Meeting because of construction for the office improvements approved at the March Board meeting.

A motion was made by Secretary AFFOLTER to cancel the August 17, 2017 Regular Board Meeting because of the office construction. Trustee LUX seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

Cyber Liability Insurance

The Executive Director reported that he has received preliminary quotes for Cyber Liability Insurance and he is reviewing them with the insurance broker.

Investment Consultant RFP

The Executive Director reminded the Trustees to return their investment consultant evaluation form at least one week in advance of the September Board meeting and that the final presentations will be scheduled for the October Board meeting.

Other

GFOA/Department of Insurance Reports – The Executive Director noted that the Fund submitted its Comprehensive Annual Financial Report (CAFR) to the GFOA on time and that copies of the CAFR will be distributed to the Trustees. He also noted that the Fund filed its annual report to the Illinois Department of Insurance on time as well.

Fiduciary Responsibility and Ethics Training – The Executive Director reported he is in the process of scheduling a fall or winter 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.

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

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

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

REPORT OF THE ATTORNEY

Mr. Taylor Muzzy of Jacobs, Burns, Orlove & Hernandez, Fund Counsel, distributed a report entitled “Summary of Public Act 100-23 changes applicable to the Fund”. The report was reviewed and Fund counsel responded to numerous questions raised by the Trustees.

A motion was made by Trustee BIGGANE to accept the Report of the Attorney. Trustee HODOROWICZ seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

REPORT OF THE ACTUARY

Mr. Matthew Strom and Mr. Jacob Libauskas of Segal Company distributed the Fund’s Actuarial Valuation and Review as of December 31, 2016. The report was reviewed and the Segal representatives responded to numerous questions from the Trustees.

A motion was made by Trustee LUX to accept the Report of the Actuary. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

REPORT OF THE LOBBYIST

Mr. James Brosnahan, Fund Lobbyist, commented on recent activity of the Illinois General Assembly and issues regarding pension legislation. He responded to numerous questions and comments from the Trustees.

A motion was made by Trustee HODOROWICZ to accept the Report of the Lobbyist. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

REPORT OF THE INVESTMENT CONSULTANT

Mr. Brett Christenson and Mr. Michael Spsychalski of Marquette Associates distributed the Preliminary Monthly Update report as of June 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.

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

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

A motion was made by Secretary AFFOLTER to go into Executive Session. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

A motion was made by Trustee LUX to return to Open Session. Trustee PRADO seconded the motion.

Motion carried by the following roll call:

YEAS: AFFOLTER, BIGGANE, GERAGHTY, HODOROWICZ,
LUX, PRADO

NAYS: None

ADJOURNMENT

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

The next regular meeting of the Retirement Board will be on **Thursday, October 21, 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