

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 16, 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:

| | |
|---------------------------------|---------------------------|
| PAMELA A. MUNIZZI, President | FRANK HODOROWICZ, Trustee |
| ROBERT GERAGHTY, Vice President | STEVEN J. LUX, Trustee |
| EDWARD L. AFFOLTER, Secretary | CECILIA PRADO, Trustee |
| BRIAN BIGGANE, Trustee | |

Also Present:

DEAN J. NIEDOSPIAL, Executive Director
BRETT CHRISTENSON and MICHAEL SPYCHALSKI, Marquette Associates

MINUTES OF THE LAST MEETING

A motion was made by Trustee HODOROWICZ to approve the minutes of the scheduled regular Board meeting held on Thursday, February 16, 2017. Vice President GERAGHTY seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

READING OF COMMUNICATIONS

The Executive Director noted a recent FOIA request.

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

Motion carried by the following roll call:

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

NAYS: None

REPORT OF THE COMMITTEES

None

REPORT OF THE EXECUTIVE DIRECTOR**Investment Consultant RFP and Investment Consulting Services Agreement**

The Executive Director distributed a final draft copy of an Investment Consultant RFP prepared by Fund Counsel and previously emailed to the Trustees and distributed at the last Board meeting. The Executive Director and the Trustees reviewed the RFP and discussed the selection process and timeline.

A motion was made by Vice President GERAGHTY to approve the RFP as presented and to authorize the Executive Director to begin the process based on the timeline discussed. Trustee HODOROWICZ seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Biedron v. PEABF

The Executive Director reported that the next status hearing is scheduled for March 22, 2017.

2017 Trustee Election

The Executive Director distributed a copy of the previously approved schedule for the Fund's Annual Election of Trustee on Friday, June 23, 2017, as well as the Notice of Election.

97th Annual Report of the President/Principal Provisions

The Executive Directors distributed draft copies of the Fund's Principal Provisions and the 97th Annual Report of the President for the Trustees to review. He noted that they would be mailed with the member's annual statements next week.

Redecorating Allowance

The Executive Director reminded the Trustees that under the terms of the Fund's current office space lease, on May 1 of this year the Fund is entitled to a redecorating allowance in the amount of \$116,425. The allowance must be used before October 31, 2017, or any unused portion will be converted to rent abatement. The Executive Director distributed a floor plan that includes improvements endorsed by him and Fund staff.

A motion was made by Vice President GERAGHTY to authorize the Executive Director to engage an architect and seek pricing from qualified contractors for the improvements in the floor plan endorsed by Fund staff and to proceed with the construction not to exceed the redecorating allowance in the Fund's office space lease. Trustee BIGGANE seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

Other

Statement of Economic Interest – The Executive Director reminded the Trustees that their Statements of Economic Interest are due May 1, 2017, and must be filed on-line.

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

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

Motion carried by the following roll call:

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

NAYS: None

REPORT OF THE ACTUARY

None

REPORT OF THE ATTORNEY

None

REPORT OF THE LOBBYIST

None

REPORT OF THE INVESTMENT CONSULTANT

Mr. Brett Christenson and Mr. Michael Spychalski of Marquette Associates distributed the Preliminary Monthly Updated report as of February 28, 2017, featuring market environment analysis, asset allocation, investment performance, and individual investment manager performance. The report was reviewed in detail and the Investment Consultant responded to numerous questions raised by the Trustees. The Investment Consultant noted that at the last meeting the Trustees adopted Portfolio A in the Asset Allocation Study dated February 13, 2017, and had approved closing the NTGI Large-Cap Growth index fund and transferring the assets for the time being to the NTGI Mid-Cap Growth index fund. The Investment Consultant suggested that it would now be more appropriate to transfer the assets to the NTGI Mid-Cap Core index fund.

A motion was made by Trustee HODOROWICZ to approve closing the NTGI Large-Cap Growth index fund and transferring the assets for the time being to the NTGI Mid-Cap Core index fund. Trustee LUX seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

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

Motion carried by the following roll call:

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

NAYS: None

OLD BUSINESS

None

NEW BUSINESS

None

ADJOURNMENT

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

The next regular meeting of the Retirement Board will be on **Thursday, April 20, 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