

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 21, 2016

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  
ROBERT GERAGHTY, Vice President  
EDWARD L. AFFOLTER, Secretary

BRIAN BIGGANE, Trustee  
FRANK C. HODOROWICZ, Trustee  
STEVEN J. LUX, Trustee

Also Present:

DEAN J. NIEDOSPIAL, Executive Director  
MIKE SPYCHALSKI, Marquette Associates, Inc.  
MATTHEW STROM & JACOB LIBAUSKAS, The Segal Company, Fund Actuary (entered for the REPORT OF THE ACTUARY and departed after their report).

Absent:

CECILIA PRADO, Trustee

**REPORT OF THE ELECTION MONITOR**

The Executive Director distributed a report dated June 29, 2016, on behalf of Bansley & Kiener, L.L.P., the Fund's Election Monitor. The report presented the results of the election for Trustee, for a full term of four years, expiring June 30, 2020, held Friday, June 24, 2016. Based on the results of the vote, BRIAN BIGGANE was elected Employee Trustee.

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

**REORGANIZATION OF THE BOARD**

President MUNIZZI 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**

Trustee MUNIZZI 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 AFFOLTER. There being no further nominations, the nominations were closed and Trustee MUNIZZI was elected President by the following vote:

Motion carried by the following roll call:

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

NAYS: None

**Vice President**

President MUNIZZI 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 Trustee GERAGHTY was elected Vice President by the following vote:

Motion carried by the following roll call:

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

NAYS: None

**Secretary**

President MUNIZZI 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 LUX seconded the nomination. There being no further nominations, the nominations were closed and Trustee AFFOLTER was elected Secretary by the following vote:

Motion carried by the following roll call:

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

NAYS: None

**Secretary Pro-Tem**

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

Motion carried by the following roll call:

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

NAYS: None

**APPOINTMENT OF COMMITTEES**

President MUNIZZI 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 Vice President GERAGHTY to approve the appointment of EDWARD L. AFFOLTER, FRANK C. HODOROWICZ and STEVEN J. LUX to the Personnel Committee. Trustee HODOROWICZ seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

**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, June 23, 2016. Trustee LUX seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

**READING OF COMMUNICATIONS**

The Executive Director noted various FOIA requests.

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

Motion carried by the following roll call:

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

NAYS: None

### **REPORT OF THE COMMITTEES**

None

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

#### **Management Letters from Bansley & Kiener, LLP, Fund Auditor**

The Executive Director presented the required letters to management in accordance with AICPA – Statements of Auditing Standards (SAS) numbers 114 and 115 on the audit of the Fund’s Financial Statements for the year ended December 31, 2015 received from Bansley & Kiener, LLP. The Trustees reviewed the letters.

#### **Request to Reschedule October Regular Board Meeting**

The Executive Director requested that the Trustees consider rescheduling the Regular Board Meeting in October from Thursday, the 20<sup>th</sup> to Thursday, the 27<sup>th</sup> so that a Continuing Education Session presented by Fund Counsel on Fiduciary Responsibility, Ethics, Fiduciary Liability Insurance and the Importance of Trustee Education should follow the meeting.

A motion was made by Trustee BIGGANE to reschedule the Regular Board Meeting in October from Thursday, the 20<sup>th</sup> to Thursday, the 27<sup>th</sup> so that a Continuing Education Session presented by Fund Counsel on Fiduciary Responsibility, Fiduciary Liability Insurance, Ethics and the Importance of Trustee Education could follow the meeting. President MUNIZZI seconded the motion.

Motion carried by the following roll call:

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

NAYS: None

#### **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 at the August Board meeting. He also noted that the Fund filed its annual report to the Illinois Department of Insurance on time as well.

Office flood status - The Executive Director reported that he is working with Fund Counsel and the building to expedite repairs to the Fund's office as a result of the recent flood caused by a leak in the expansion tank attached to the hot water heater in the kitchen.

Conferences – The Executive Director distributed an updated 2016 Conference Schedule and highlighted upcoming local conferences.

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

NAYS: None

### **REPORT OF THE ATTORNEY**

None

### **REPORT OF THE ACTUARY**

Mr. Matthew Strom and Mr. Jacob Libauskas of the Segal Company, Fund Actuary, presented the Fund's Actuarial Valuation and Review as of December 31, 2015. The Trustees reviewed the report and the Segal representatives responded to numerous questions from the Trustees.

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

Motion carried by the following roll call:

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

NAYS: None

### **REPORT OF THE LOBBYIST**

None

### **REPORT OF THE INVESTMENT CONSULTANT**

Mr. Michael Spsychalski of Marquette Associates distributed the Preliminary Monthly Update report as of June 30, 2016, featuring investment performance, market environment analysis, asset allocation and individual investment manager performance. The Trustees reviewed the report in detail and the Investment Consultant responded to numerous questions raised by the Trustees. Mr. Spsychalski also reminded the

Trustees that the three finalists for the Fund's Defensive Equity search would be presenting at the August 18, 2016 Board meeting.

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

Motion carried by the following roll call:

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

NAYS: None

### **OLD BUSINESS**

None

### **NEW BUSINESS**

None

### **ADJOURNMENT**

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

The next regular meeting of the Retirement Board will be on **Thursday, August 18, 2016**, 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