

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO
SPECIAL MEETING NO. 2016-04-02
APRIL 26, 2016

A special meeting of the Retirement Board of the Municipal Employees' Annuity and Benefit Fund of Chicago was held in the Fund offices on April 26, 2016. The meeting was called to order at 9:06 a.m.

Roll call:

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| Trustee Guest | Present |
| Trustee Johnson | Present |
| Trustee McMahan | Present |
| Trustee Widawsky | Present |

A quorum is present.

Trustee Summers arrived at 9:16 a.m.

Additional attendees include the following individuals:

Ms. Erin Keane, Deputy Director, Department of Finance (Proxy for the Vice President), Mr. James Mohler, Executive Director, Ms. Mary Patricia Burns, Fund Counsel, Mr. Juan Lopez, Jr., Investment Officer, Mr. Jamie Wesner, Marquette Associates, Mr. Neil Capps, Marquette Associates, Ms. Kathy Schanding, Fund Actuary, Ms. Stacey Ruffolo, Project Coordinator, Mr. Robert Molaro, RSM Associates, Legislative Liaison and Ms. Elizabeth Campbell, Bloomberg News.

Legislation

Legislative Update

Robert Molaro, the Fund's Legislative Liaison presented the current legislative climate in the Illinois General Assembly and an update on the stalled negotiations regarding the State's budget. Additionally, Mr. Molaro discussed the past and future meetings with legislators regarding the current status of the Fund and the need for a funding mechanism to insure the future solvency of the MEABF and LABF.

Investments

Consideration and Approval of High Yield Mandate

This topic was discussed in closed session.

Small Cap RFP Discussion

This topic was discussed in closed session.

Other

Disability Procedures Follow-Up Discussion

This topic was deferred until the next regularly scheduled meeting.

Impact Statement Presentation

Mr. Jacob Libauskas and Mr. Matthew Strom of Segal Consulting, the Fund's Actuary, presented impact statements based on draft legislative proposals including one that included a funding mechanism with a ramp allowing the Plan to achieve a 90% funded ratio within the next 40 years.

Segal Consulting strongly urged the Board to propose a funding plan which achieves proper funding as soon as practically possible.

After the presentation, the Board President thanked the representative of Segal Consulting for their presentation.

FOIA Update

Ms. Ruffolo updated the Board on current requests under the Illinois Freedom of Information Act. No actions taken.

Legal Update

The Board moved into closed session at 10:08 a.m. in accordance with 5 ILCS 120/2(c)(7) and (11) in order to discuss issues related to litigation which affects or may affect the Fund and issues related to the purchase or sale of securities.

Roll Call:

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| Trustee Guest | Aye |
| Trustee Johnson | Aye |
| Trustee McMahon | Aye |
| Trustee Summers | Aye |
| Trustee Widawsky | Aye |

Motion carried.

The Board returned to open session at 11:01 a.m. on a motion by Trustee Summers. Seconded by Trustee Widawsky. Carried by a voice vote.

In open session, the following motions were made:

In conjunction with recommendations from Fund staff and the Fund's Investment Consultant, Trustee Summers made a motion to invest \$50 million with Segall Bryant in their International Small Cap Equity product subject to successful contract negotiations by the Executive Director and review by Fund Counsel. Seconded by Trustee Johnson.

Carried: Ayes – Trustee Guest, Trustee Johnson, Trustee McMahon, Trustee Summers and Trustee Widawsky. Nays – None.

In conjunction with recommendations from Fund staff and the Fund's Investment Consultant, Trustee Guest made a motion to invest up to an additional \$50 million with Segall Bryant or one of the other RFP finalists in their International Small Cap Equity product in 12 months, without an additional RFP based upon satisfactory investment performance by Segall Bryant during the 12 month period and the needs of the Fund. Seconded by Trustee Johnson.

Carried: Ayes – Trustee Guest, Trustee Johnson, Trustee McMahon, Trustee Summers and Trustee Widawsky. Nays – None.

The Board directed the Fund’s Legislative Liaison to review the presented proposed legislative options with respect to funding and to provide the Board with a recommendation as to the best option for introduction to the Illinois General Assembly.

There being no further business to come before the Board, Trustee Guest made a motion to adjourn at 11:07 a.m. Seconded by Trustee Widawsky.

Carried: Ayes – Trustee Guest, Trustee Johnson, Trustee McMahon, Trustee Summers and Trustee Widawsky.