

**ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
SPECIAL MEETING NO. 17-04
APRIL 27, 2017**

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 17-04

SPECIAL MEETING

OF THE

BOARD OF TRUSTEES

The Special Meeting of the Board of Trustees was held at 2:00 p.m. on April 27, 2017, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Ms. Stanish presided as Chair and called the meeting to order.

Ms. Enright called the roll:

Present: Stanish, Thompson, Wallace*, Williams*, Copper, Henry, Kuehne, Miller
Absent: None

*Trustees Wallace and Williams were present via telephone.

(17-04-01) (Consent Agenda) The Chair presented the Consent Agenda. The following items remained on the Consent Agenda since no Board member asked for their removal.

Approval of Minutes

Regular Meeting 17-03-31

Schedules - Dated April 27, 2017

- Schedule A - Benefit award listing of retirement, temporary disability, death benefits, and refund of employee contributions processed during the preceding calendar month under Article 7 of the Illinois Pension Code.
- Schedule B - Adjustment of Benefit Awards showing adjustments required in benefit awards and the reasons therefore.
- Schedule C - Benefit Cancellations.
- Schedule D - Expiration of Temporary Disability Benefits terminated under the provisions of Section 7-147 of the Illinois Pension Code.
- Schedule E - Total and Permanent Disability Benefit Awards recommended by the Fund's medical consultants as provided by Section 7-150 of the Illinois Pension Code.
- Schedule F - Benefits Terminated.

- Schedule G - Administrative Benefit Denials.
- Schedule P - Administrative Denial of Application for Past Service Credit.
- Schedule R - Prior Service - New Governmental Units
- Schedule S - Prior Service Adjustments

Bid

Steelcase Workstations - Oak Brook Office
Approved Bidder: Forward Space
Approved Bid: \$31,184.49

Review of April Financial Reporting Package

Statement of Fiduciary Net Position for February 2017

Impact of 2017 Year-To-Date Investment Income on Employer Reserves,
Funding Status and Average Employer Contribution Rates

Schedule T - Report of Expenditures (April 27, 2017)

It was moved by Ms. Copper, seconded by Mr. Kuehne, to approve the Consent Agenda as presented.

Vote: Unanimous Voice Vote
Absent: None

(17-04-02) (Report of Executive Director Search Committee-Selection of Executive Search Firm) The Chair of the Executive Director Search Committee reported on the Executive Director Search Committee Meeting held via telephone on April 11, 2017.

The Chair reported the Committee reviewed the five Request For Proposals For Executive Search Firm that IMRF received (David P. Gomez & Associates; EFL Associates; William E. Hay & Co.; Korn Ferry; and, Springsted Waters).

She noted the Committee used a Matrix to compare and weight each firm's experience, methodology, and cost.

It was the consensus of the Executive Director Search Committee to recommend the Board retain EFL Associates to assist in the search for an Executive Director, subject to satisfactory contract negotiations.

It was moved by Ms. Henry, seconded by Ms. Thompson, to approve the recommendation of the Executive Director Search Committee.

Vote: Unanimous Voice Vote
Absent: None

(17-04-03) (Resolution Regarding Cash Earnings Related to Healthcare)
IMRF's General Counsel, Associate General Counsel and Chief Audit Officer presented a proposed resolution regarding cash earnings related to healthcare to the Board for adoption.

After questions and discussion, it was moved by Mr. Miller, seconded by Ms. Copper to table a decision to a future Board Meeting.

Vote: Unanimous Voice Vote
Absent: None

(17-04-04) (Legislative Update) General Counsel updated the Board on current legislative activity.

She reported that both bills on the Board's 2017 Legislative Agenda have passed the House and are now in the Senate (HB 2966 - would update qualifications section for IMRF Trustees to ensure the Board candidates are vested; HB 3070 - would codify current IMRF practice to allow members to make one payment for service credit purchases after termination).

Discussion followed.

Trustee Wallace left the meeting at 2:40 p.m.

(17-04-05 (Litigation Update)) The following is an update of the currently pending or recently concluded litigation:

IN RE TRIBUNE CO, ET AL. , THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF TRIBUNE CO, ET AL. VS. FITZSIMONS, ET AL.

Summary: The unsecured creditors in the Tribune bankruptcy sued investors who sold their Tribune stock at the time of the buyout by the Sam Zell group. The plaintiff's theory is that the buyout was fraudulent and therefore a portion of those stockholders' proceeds from the stock sale was due to the fraud and should be returned to the Tribune's bankruptcy estate.

Status: The stockholders' motion to dismiss the intentional fraudulent transfer claim was granted on January 6, 2017 and the claim against them was dismissed. Another portion of this claim against the stockholders was previously dismissed on motions and that decision was upheld on appeal. Therefore, unless there is an appeal of the January 6 decision, the case against the disinterested stockholders (including IMRF) is over.

It is not clear if the creditors can appeal the January 6 decision at this point, since other parts of the claim remain to be litigated (the claims against the remaining defendants—certain officers, directors, and professional service firms retained by Tribune in connection with the LBO).

KATHLEEN KONICKI V. IMRF (14 MR 32) (SANGAMON CO)

Summary: Administrative review challenging the Board's decision that Ms. Konicki was not eligible to convert service into Original ECO.

Status: On July 29, 2016, Judge Belz upheld the IMRF Board's decision finding that the law clearly did not allow Plaintiff to participate in Original ECO and that the law creating Revised ECO did not violate the Pension Protection Clause. Plaintiff had 30 days from July 29, 2016 to file a notice of appeal. She did not do so, however, it was discovered that the court clerk never mailed Plaintiff the judge's order. Konicki filed a motion for relief from Judgment which was granted. The case has been appealed to the Fourth District Appellate Court and a scheduling order has been entered. IMRF's appellate brief is due in May.

MCLEAN COUNTY V. IMRF (MCLEAN COUNTY 2016 MR 563)

Summary: This is an appeal from the IMRF Board's decision denying an exemption from the AP for a charge to McLean County that resulted from a payment of back wages under a collective bargaining agreement that was entered into after January 1, 2012. The County also charges a violation of the Open Meetings Act by IMRF claiming that its Board Agenda was not sufficiently detailed regarding the decision.

Status: IMRF and McLean County are working on the details based on the Board Resolution allowing certain back wages to be allocated to prior months when AP charges are involved and a new case management date is set for June 2017.

MOTORS LIQUIDATION COMPANY AVOIDANCE ACTION TRUST VS. JP MORGAN CHASE, ET AL. (US BANKRUPTCY CT., SO. DIST. OF N.Y.)

Summary: This is an adversary action stemming from the General Motors bankruptcy. A loan in which IMRF was an investor was paid off after the bankruptcy filing. It was later discovered that an error, before the bankruptcy, had released part of the security. A group of unsecured creditors sued to force the recipients of the loan pay-off proceeds to return them.

Status: The parties are currently litigating the value of the remaining security, which if it is sufficient would end the case. We are sharing our defense counsel with several other public pension funds.

THERESA MILLER V. IMRF (16 MR 58 MONROE COUNTY)

Summary: This is an administrative review of the Board's decision to deny total and permanent disability benefits to Ms. Miller.

Status: IMRF's answer and appearance were filed on 11/28/2016.

KATHERINE HADLER V. IMRF (16 MR 1375 DUPAGE COUNTY)

Summary: This is an administrative review of the Board's decision to deny total and permanent disability benefits to Ms. Hadler.

Status: Judge Fullerton issued a written decision on April 3, 2017 upholding the decision of the IMRF Board.

CARRIE MCHUGH V. IMRF (17 MR 135 KANE COUNTY)

Summary: This is an administrative review of the IMRF Board's decision adopting the recommendation of the IMRF hearing officer which found that Ms. McHugh was ineligible for disability benefits due to a voluntary termination of her employment with the City of Aurora.

Status: IMRF's answer and appearance were filed and an initial court appearance is set for 5/18/17.


(17-04-06) (Report of Executive Director)

Quarterly Compliance Certifications

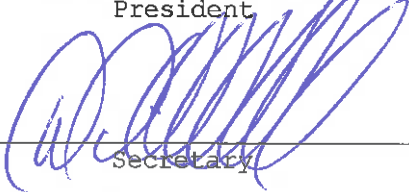
The Executive Director reported that IMRF was in Compliance with the Applicable Statutes and Regulations in the 1st Quarter of 2017.

(17-04-07) (Adjournment) It was the moved by Ms. Copper seconded by Mr. Kuehne, to adjourn the Board Meeting at 2:46 p.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on May 19, 2017.


Vote: Unanimous Voice Vote
Absent: Wallace



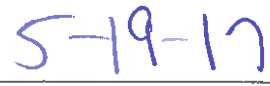
President



Secretary



Date



Date

Schedules A, B, C, D, E, F, G, P, R and S are omitted from this copy of Minutes. These schedules are identical to schedules attached to Minutes distributed to Board of Trustees prior to meeting.

