

**Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago  
Minutes of Regular Board Meeting No. 1004**

**December 18, 2018**

***Suite 1300 • 321 N Clark Street • Chicago Illinois 60654-4739  
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**LABORERS' & RETIREMENT BOARD EMPLOYEES'  
ANNUITY & BENEFIT FUND OF CHICAGO**

**December 18, 2018**

Report of Meeting No. 1004 held on December 18, 2018, starting at 9:02 a.m. at the office of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("Fund" or "LABF"). The following notes attendance:

Board Members:

Victor Roa	– President (Union Appointed Member)
Erin Keane	– Vice President (City Comptroller, City of Chicago) (9:40 a.m. arrival)
Michael LoVerde	– Secretary (Active Employee Elected Member)
Kurt Summers, Jr.	– Trustee (City Treasurer, City of Chicago) (9:30 a.m. arrival)
Carol Hamburger	– Trustee (Managing Deputy Comptroller, City of Chicago)
James Capasso, Jr.	– Trustee (Annuitant Elected Member)
James Joiner	– Trustee (Active Employee Elected Member)

Staff & Consultants:

Graham Grady	– Taft Stettinius & Hollister LLP, Fund's Counsel
Cary Donham	– Taft Stettinius & Hollister LLP, Fund's Counsel
Dr. Terence Sullivan	– Fund's Physician
James Wesner	– Marquette Associates, Fund's Investment Consultant
Jeremy Zirin	– Marquette Associates, Fund's Investment Consultant
Neil Capps	– Marquette Associates, Fund's Investment Consultant
Michael Walsh	– Executive Director and Chief Investment Officer
Peggy Grabowski	– Comptroller
John Carroll	– Compliance Administrator
Nadia Oumata	– Manager of Accounting and Investments
Tina Rhoten	– Benefits Manager
Paul Rzeszutko	– Assistant Benefits Manager

Absent: Carole Brown – Trustee (Chief Financial Officer, City of Chicago)

President Roa determined that a quorum was present after Secretary LoVerde took attendance.



*Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago*

Board Members:

I am transmitting herewith the minutes for the meeting of the Retirement Board which was held on **December 18, 2018**. The minutes are comprised of the following:

- Public Participation
- Approval of Minutes from Prior Meetings
- Schedule A: Applications for Refunds
  1. Refund of Contributions Due to Separation from Service
  2. Miscellaneous Refunds
- Schedule B: Applications for Annuities
  1. Employee Annuities
  2. Spouse and Child Annuities
- Schedule C: Adjustment Refunds to New Annuitants
- Schedule D: Applications for Duty Disability Benefits
- Schedule E: Applications for Ordinary Disability Benefits
- Schedule F: Applications for Extension of Duty Disability Benefits
- Schedule G: Applications for Extension of Ordinary Disability Benefits
- Schedule H: Payment of Uncashed Checks of Deceased Members
- Schedule I: Payment of Administrative Expenses
- Investments Report
- Election of Officers
- Administrative Report
- Executive Session No. 1
- Legal Report
- Executive Session No. 2
- Executive Session No. 3
- Executive Session No. 4
- Adjournment

All the foregoing matters were checked upon receipt in the office of the Retirement Board and were found to be hereinafter set forth.

Sincerely,

  
Michael R. LoVerde  
Retirement Board Secretary

**LABORERS' & RETIREMENT BOARD EMPLOYEES'  
ANNUITY & BENEFIT FUND OF CHICAGO**

**December 18, 2018**

**PUBLIC PARTICIPATION**

None.

**APPROVAL OF MINUTES FROM PREVIOUS MEETINGS**

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the regular minutes of Meeting No. 1003 held on November 20, 2018 be approved as submitted.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the minutes of Executive Sessions 1, 2, 3, 4, 5, 6 and 7 of Meeting No. 1003 held on November 20, 2018 be approved as submitted.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

**SCHEDULE A – APPLICATIONS FOR REFUNDS**

1. Refund of Contributions Due to Separation from Service

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the applications presented for Refunds of Contributions Due to Separation from Service be approved and ordered paid.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

2. Miscellaneous Refunds

None.

**SCHEDULE B – APPLICATIONS FOR ANNUITIES**

1. Employee Annuities

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that the applications for Employee Annuities be approved and ordered paid.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

2. Spouse and Child

It was moved by Trustee Capasso, seconded by Trustee Joiner, that the applications for Spouse and Child Annuities be approved and ordered paid.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

**SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS**

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the Adjustment Refunds to New Annuitants be approved and ordered paid.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

**LABORERS' & RETIREMENT BOARD EMPLOYEES'  
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**December 18, 2018**

**SCHEDULE D – APPLICATIONS FOR DUTY DISABILITY BENEFITS**

It was moved by Trustee Joiner, seconded by Trustee LoVerde, that the applications for Duty Disability Benefits be approved and ordered paid.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

**SCHEDULE E – APPLICATIONS FOR ORDINARY DISABILITY BENEFITS**

It was moved by Trustee Capasso, seconded by Trustee Joiner, that the applications for Ordinary Disability Benefits be approved and ordered paid.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

**SCHEDULE F – EXTENSION OF DUTY DISABILITY BENEFITS**

Prior to the vote on Schedule F, Mr. Walsh informed the Trustees that the application for extension duty disability benefits for case #29 was being withdrawn from consideration at this meeting and would instead be considered at a future meeting. It was then moved by Trustee LoVerde, seconded by Trustee Joiner, that the applications for Extension of Duty Disability Benefits, as amended, be approved and ordered paid.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

**SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS**

It was moved by Trustee Joiner, seconded by Trustee Capasso, that the applications for Extension of Ordinary Disability Benefits be approved and ordered paid.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

**SCHEDULE H – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS**

It was moved by Trustee Capasso, seconded by Trustee Joiner, that the applications for Payment of Uncashed Checks of Deceased Members be approved and ordered paid.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

**SCHEDULE I – PAYMENT OF EXPENSES**

It was moved by Trustee Joiner, seconded by Trustee LoVerde, that Administrative Expenses be approved and ordered paid.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None

**INVESTMENTS REPORT**

Market Tracker

Mr. Wesner reviewed the November 2018 market performance.

November 30, 2018 Preliminary Performance Report

Mr. Wesner reviewed the Fund's November 30, 2018 Preliminary Performance Report.

Treasurer Summers arrived at 9:30 a.m. and Trustee Keane arrived at 9:40 a.m.

**LABORERS' & RETIREMENT BOARD EMPLOYEES'  
ANNUITY & BENEFIT FUND OF CHICAGO**

**December 18, 2018**

Infrastructure Training by Marquette Associates

Mr. Zirin, of Marquette and Associates, provided an educational session on infrastructure investments. He explained the different types of investments in this class as well as described the investment process and the advantages of these products.

Asset Allocation Follow-up/Implementation Discussion

Mr. Walsh gave a brief update on recent contract negotiations.

**ELECTION OF OFFICERS**

This item was taken out of order.

It was moved by Trustee Capasso, seconded by Trustee Summers, to elect Victor Roa as President, Erin Keane as Vice-President, and Michael LoVerde as Secretary of the Board of Trustees of the LABF for the year 2019.

Roll-call:           For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
                          Against -- None.

**ADMINISTRATIVE REPORT**

2019 Administrative Budget

Mr. Walsh introduced the 2019 Administrative Budget.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to approve the 2019 Administrative Budget for the LABF.

Roll-call:           For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
                          Against -- None.

2019 Meeting Dates and Office Holidays

Mr. Walsh presented the Fund's proposed 2019 Schedule of Monthly Meeting Dates. The Trustees requested that the proposed May 2019 meeting date be changed to May 17, 2019 at 9:00 a.m.

It was moved by Trustee Hamburger, seconded by Trustee Capasso, that the 2019 Board meeting schedule be approved as amended.

Roll-call:           For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
                          Against -- None.

The Trustees also reviewed the proposed 2019 Office Holiday Observance schedule that was presented.

Legislative Matters

Mr. Walsh presented a memo from the Fund's Legislative Liaison. See attached. Mr. Walsh went on to summarize the pension-related proposals that were recently put forth by City of Chicago Mayor Rahm Emanuel in an address to the Chicago City Council's Committee on Finance on December 12, 2018. During the discussion, the Trustees asked Mr. Walsh to prepare a letter to the City of Chicago requesting clarification regarding how the proposed pension fund stabilization bonds would be divided among the various City of Chicago pension plans.

Harassment Training

Mr. Donham presented a training session for the Trustees on Sexual Harassment in the Workplace. The presentation was followed by a question-and-answer session which led to a discussion on possible ways to increase employee diversity among the Fund's vendors. A copy of the presentation is attached.

**LABORERS' & RETIREMENT BOARD EMPLOYEES'  
ANNUITY & BENEFIT FUND OF CHICAGO**

**December 18, 2018**

2019 Financing Request (Tax Levy)

This topic was discussed in executive session.

**EXECUTIVE SESSION NO. 1**

At 11:18 a.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss current or potential litigation involving the Fund. Trustee Capasso seconded the motion.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None.

At 11:43 a.m., Trustee LoVerde made a motion, seconded by Trustee Joiner, that the executive session be adjourned and that the Board return to open session.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None.

The Trustees took no action.

**LEGAL REPORT**

Treadwell Litigation

This topic was discussed in executive session.

**EXECUTIVE SESSION NO. 2**

At 11:43 a.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss current or potential litigation involving the Fund. Trustee Joiner seconded the motion.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None.

At 11:51 a.m., Trustee Hamburger made a motion, seconded by Trustee LoVerde, that the executive session be adjourned and that the Board return to open session.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None.

The Trustees took no action.

Underwood Litigation

This topic was discussed in executive session.

**EXECUTIVE SESSION NO. 3**

At 11:51 a.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss current or potential litigation involving the Fund. Trustee Capasso seconded the motion.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None.

At 12:12 p.m., Trustee LoVerde made a motion, seconded by Trustee Capasso, that the executive session be adjourned and that the Board return to open session.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None.

The Trustees took no action.

**LABORERS' & RETIREMENT BOARD EMPLOYEES'  
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**December 18, 2018**

Carmichael Litigation

This topic was discussed in executive session.

**EXECUTIVE SESSION NO. 4**

At 12:12 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss current or potential litigation involving the Fund. Trustee Hamburger seconded the motion.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None.

At 12:37 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None.

The Trustees took no action.

**ADJOURNMENT**

With no further business, at 12:38 p.m., Trustee LoVerde made a motion to adjourn the meeting. Trustee Joiner seconded the motion.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.  
Against -- None.



RSM

ROBERT S. MOLARO & ASSOCIATES

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TO: The Honorable Members of the Board of Trustees  
Laborers' Annuity and Benefit Fund of Chicago

FROM: Robert S. Molaro & Associates

RE: Springfield Update

DATE: December 14, 2018

- The fall Veto Session 2018 for the 100<sup>th</sup> General Assembly adjourned on November 29<sup>th</sup> and is scheduled to reconvene on January 7, 2019. The old G.A. is scheduled to meet for two days before the new 101<sup>st</sup> General Assembly is sworn in on Wednesday, January 9, 2019.
- It is possible that a minor capital bill, regarding roads and bridges, can be moved during the final two days. However, the incoming Governor would rather wait until the new session.
- In the past Veto session, the House and Senate voted, with a super majority, to override the Governor's veto on 30 bills.
- The new Governor has indicated that he will be pushing for a statewide \$15 an hour minimum wage. However, his office has recently stated that the Governor will be reaching out to small businesses and local elected officials to get their input before a bill is introduced.
- The new Governor has also stated that a major capital bill for local and statewide infrastructure is one of his main priorities for this upcoming session.
- HB 166, which contains the technical changes that were in HB 4811 and which were necessary to implement last year's funding law (P.A. 100-23), was passed by both houses and sent to the Governor on December 12, 2018.
- HB 5342 has now become Public Act 100-1144. The Governor had vetoed this bill, which allowed a former firefighter, who is now an Alderman, to transfer his MEABF service credits as an Alderman to the firefighters fund. Both Houses overrode his veto and the bill became law on November 30, 2018.

# **Sexual Harassment in the Workplace**

**Laborers' & Retirement Board  
Employees' Annuity & Benefit Fund of Chicago**

**Presented by  
Cary E. Donham  
Taft Stettinius & Hollister LLP**

**Taft/**

Taft Stettinius & Hollister LLP  
Chicago / Cleveland / Columbus / Dayton / Indianapolis / Northern Kentucky / Phoenix

# INTRODUCTION

The Trustees have adopted an anti-harassment policy. However, as the list of high-profile sexual harassment claims continues to grow, the State of Illinois now requires sexual harassment training for those registered as lobbyists. Since despite our best efforts the LABF is required to register as a lobbyist, we present this training today as a best practice, although most of you may have already had some training like this from the City of Chicago.

**Taft/**

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# INTRODUCTION

## Today's Topics

- Employees' legal right to a harassment free workplace.
- Define “harassment,” examine “sexual harassment,” and appropriate and inappropriate behavior.
- Review the Board's obligation to comply with the LABF's anti-harassment policy.

# WHAT IS SEXUAL HARASSMENT?

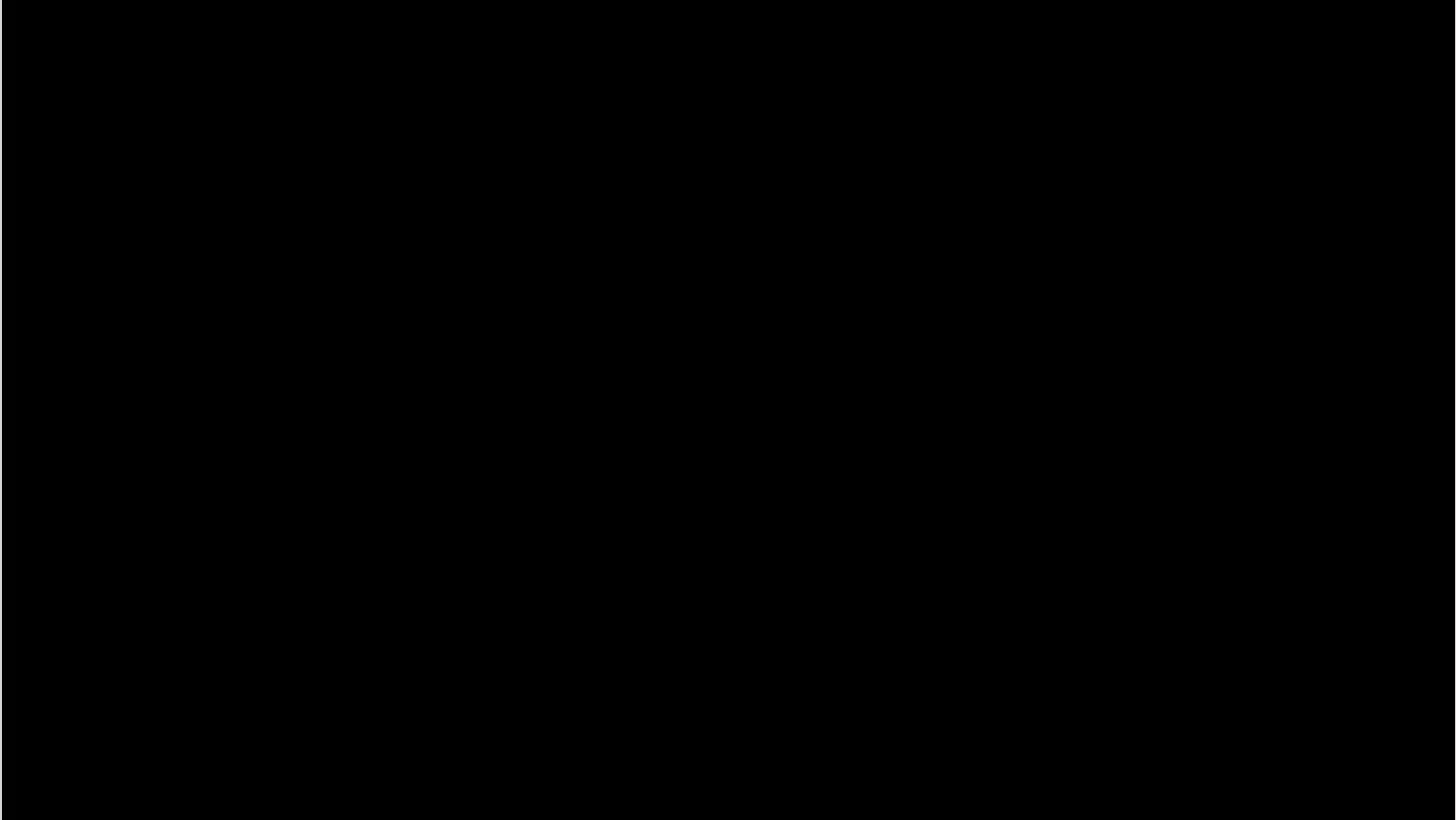


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# ANOTHER EXAMPLE OF SEXUAL HARASSMENT



YouTube video from Kantola Employment Soutions.  
<https://www.youtube.com/watch?v=fBUfrz9pK9Q>

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# WHAT IS HARASSMENT?

- Harassment is a form of employment discrimination prohibited by federal and state laws under Title VII of the Civil Rights Act of 1964, the ADA, the ADEA, the Illinois Human Rights Act and the City of Chicago Human Rights Ordinance.
- Harassment imposes an unwanted condition on a person's employment because of that person's legally protected characteristic.
- Harassment involves offensive and unwelcome conduct.
- Harassment is severe, or pervasive and persistent conduct.
- Retaliation against employees who complained of harassment or discrimination or who participate in an investigation of harassment in good faith **IS STRICTLY PROHIBITED.**

# IT'S NOT JUST ABOUT SEX

- Age
- Race
- Religion
- Disability
- National Origin
- LGBT
- Veteran Status
- Marital Status



# TYPES OF SEXUAL HARASSMENT

- Quid Pro Quo
  - Sexual Demand by Supervisor
    - with a Promise
      - or Detriment

# HOSTILE ENVIRONMENT

- Unwelcome “Sexual” Conduct
- Offensive
- Pervasive/Severe
  - Alters the employee’s conditions of employment and creates an abusive working environment.

# WHO IS PROTECTED?

- Employees
- Supervisors
- Males and Females
- Co-Workers
- Non-Employees

# WHO CAN BE A “HARASSER?”

- Executives
- Managers/Supervisors
- Staff and co-workers
- Non-employee third parties:
  - Vendors
  - Customers
  - Visitors
  - Contractors

**Note:** A man or woman may be the harasser, just as a man or woman may be the victim.

**Taft/**

# EXAMPLES OF UNWANTED BEHAVIOR

- Leering or wolf whistles
- Discussion of one's partner's sexual inadequacies
- Comments about target's body
- 'Accidentally' brushing sexual parts of the body
- Lewd and threatening written communications or obscene phone calls
- Tales of sexual exploitation
- Graphic descriptions of pornography
- Pressure for dates or inappropriate invitations (e.g., hot tub)
- Sexually explicit gestures
- Unwelcome touching and hugging
- Sabotaging target's work
- Sexist and insulting graffiti; sexist jokes and cartoons
- Demanding, "Hey, baby, give me a smile"
- Exaggerated, mocking 'courtesy'
- Public humiliation

# INVESTIGATE COMPLAINTS

- Characteristics of an effective investigation:
  - Prompt;
  - Fair; and
  - Thorough
- **PROMPTNESS IS THE KEY!!!!**

# INVESTIGATE COMPLAINTS, CON'T

- **Prompt:** Employer must promptly investigate and remedy any incidents of alleged harassment.
- **Fair:** Employer must treat complaints seriously and remain neutral throughout investigation.
- **Thorough:** A thorough investigation can identify instances of harassment, help formulate the appropriate remedial action, and minimize an employer's liability.

# RESPONSE TO COMPLAINTS

- Potential Actions
  - Warning/Training/Education.
  - Reprimand harasser.
  - Suspend harasser.
  - Discharge harasser.
  - Separate complaining party and harasser.
  - Make certain that complainant and witnesses are not subjected to retaliation.



# CAN CONFIDENTIALITY BE GUARANTEED?

- Claims of unlawful harassment involve sensitive and emotional situations.
- Confidentiality cannot be guaranteed, but...
- Only those people who have a need to know will be told about or involved in the investigation.

# NO RETALIATION

- Title VII strictly prohibits retaliation.
- An employee is protected against retaliation if he/she made a claim in good faith.

# REPORTING HARRASSMENT TO TRUSTEES

- LABF's Policy lists the Board, as well as the Executive Director, as part of the reporting process.
- If someone comes to you to report a discrimination or harassment allegation you should contact the Executive Director.
- The LABF's anti-harassment policy includes processes to deal with allegations of harassment.

# Questions?

**Cary E. Donham**

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