

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting # 958**

February 11, 2015

*Suite 1300 • 321 N Clark Street • Chicago Illinois 60654-4739
(312) 236-2065 • Fax (312) 236-0574*

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

Report of Meeting No. 958 held on February 11, 2015, starting at 11:09 a.m. in the office of the Pension Fund.

The following were present:

Board Members:

Victor Roa, President (Local 1001)
Erin Keane, Vice President (First Deputy Comptroller, City of Chicago)
Michael LoVerde, Secretary (City of Chicago)
Kurt Summers, Jr., Trustee (City Treasurer, City of Chicago)
Lois Scott, Trustee (Chief Financial Officer, City of Chicago)
Carol Hamburger, Trustee (Deputy Budget Director, City of Chicago)
Joseph Rinella, Trustee (City of Chicago)
James Capasso, Jr., Trustee (Retired)

Staff & Consultants:

Graham Grady – Taft Stettinius & Hollister LLP, Fund's Attorney
Cary Donham – Taft Stettinius & Hollister LLP, Fund's Attorney
Dr. Terence Sullivan – Fund's Physician
Michael Cairns – NEPC, LLC, Fund's Investment Consultant
Kristen Finney-Cooke – NEPC, LLC, Fund's Investment Consultant
Kristen Jackson – NEPC, LLC, Fund's Investment Consultant
Michael Walsh – Executive Director and Chief Investment Officer
Peggy Grabowski – Comptroller
Kathy Schanding – Fund Actuary
Joan Newman – Benefits Manager
Margie Grazevich – Benefits Payroll Manager
John Carroll – Compliance Administrator
Irene Velazquez – Benefits Service Representative

Observers: Sharon Piet of Podesta, Eric Harris of Loop Capital, Thomas Latzke of the City Treasurer's Office.

President Roa determined that a quorum was present. It was moved by Trustee LoVerde, seconded by Trustee Rinella that the regular minutes of Meeting No. 957 be approved as submitted.

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

It was moved by Trustee Rinella, seconded by Trustee LoVerde, that the minutes of the executive sessions 1, 2 and 3 of meeting No. 957 be approved as submitted.

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



***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 **February 11, 2015**. The minutes are comprised of the following:

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

All the foregoing matters were checked upon receipt into 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

February 11, 2015

PUBLIC PARTICIPATION

None.

SCHEDULE A – APPLICATIONS FOR REFUNDS

1. Refund of Contributions Due to Separation from Service

It was moved by Trustee LoVerde, seconded by Trustee Scott, that Refunds of Contributions Due to Separation be approved and ordered paid.

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

2. Miscellaneous Refunds

a. Refund to Heirs of Deceased Members

It was moved by Trustee Hamburger, seconded by Trustee LoVerde, that Refunds to Heirs of Deceased Members be approved and ordered paid.

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

SCHEDULE B – ADMINISTRATIVE EXPENSES

Administrative Invoices and Investment Invoices

It was moved by Trustee Capasso, seconded by Trustee LoVerde, that Invoices be approved and ordered paid.

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

SCHEDULE C – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

It was moved by Trustee Scott, seconded by Trustee Hamburger, that applications presented for Employee Annuities be approved and ordered paid.

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

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

February 11, 2015

2. Spouse and Child Annuities

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that applications presented for Spouse and Child Annuities be approved and ordered paid.

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

SCHEDULE D – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

It was moved by Trustee Capasso, seconded by Trustee LoVerde, that Adjustment Refunds be approved and ordered paid.

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

SCHEDULE E – DUTY DISABILITY BENEFITS

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

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

SCHEDULE F – ORDINARY DISABILITY BENEFITS

Trustee Hamburger made a motion, seconded by Trustee Scott, that the Board approve the Ordinary Disability benefits for Employee #69435 based upon the Seasonal Calculation method. The Fund member will be paid seasonal ordinary disability benefits calculated at the seasonal rate until such time as a court of law issues a final judgment related to the current litigation that is being heard in the Court of Cook County or until such time as the Board makes a different decision in this matter.

Roll-call: For-- Trustees Keane, Summers, Scott, Hamburger and Rinella.
Against-- Trustees Roa, LoVerde and Capasso.

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

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

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

February 11, 2015

SCHEDULE G – EXTENSION OF DUTY DISABILITY BENEFITS

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

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

SCHEDULE H – EXTENSION OF ORDINARY DISABILITY BENEFITS

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

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

SCHEDULE I – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS

None.

INVESTMENTS REPORT

Market Report and Investment Performance Analysis

Mr. Cairns and Ms. Finney-Cooke reviewed NEPCs Market Report for December 31, 2014. Mr. Cairns and Ms. Finney-Cooke also reviewed the December 31, 2014 Investment Performance Analysis.

The trustees took a short break from 12:25 p.m. to 12:50 p.m. and then returned to complete the review of the Investment Performance Analysis.

3rd Quarter 2014 Private Equity and Real Estate Reports

This item was taken out of order. Mr. Cairns and Ms. Finney-Cooke reviewed with trustees the 3rd Quarter 2014 Private Equity and Real Estate Reports.

January Performance Flash, Watch List and Preliminary Asset Allocation Review

Mr. Cairns and Ms. Finney-Cooke reviewed with trustees the preliminary Performance Flash Report for January 2015 and the Watch List. Mr. Cairns also previewed the Asset Allocation review which will be discussed in greater detail at the March Board meeting.

Due Diligence

The trustees started to discuss due diligence items and decided to enter executive session.

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

February 11, 2015

EXECUTIVE SESSION NO. 1

At 1:37 p.m., Trustee Capasso requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee Rinella seconded the motion.

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

At 1:45 p.m., Trustee Scott 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, Scott, Hamburger, Rinella and Capasso.
Against-- None.

After the executive session ended, Trustee LoVerde made a motion, seconded by Trustee Scott, to accept the adjusted fee schedule proposed by Wellington Asset Management for the Fund's Opportunistic Investment strategy portfolio.

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

Due Diligence/Other Continued

Mr. Cairns reviewed with trustees some Global Asset Allocation returns, a change to the investment guidelines for Ballie Gifford, and suggested that the trustees have UBS Investments come in to discuss their Emerging Market debt portfolio. NEPC also reviewed with trustees some updated MWDBE statistics.

The trustees took a break from 1:46 p.m. to 2:16 p.m.

ADMINISTRATIVE REPORT

Entrust Special Opportunities Fund III Capital Call

Entrust Special Opportunities Fund III requested a capital call on February 11, 2015 in the amount of \$114,412.00.

Mesirow Real Estate Value Fund Distribution

Mesirow Real Estate Value Fund made a distribution on January 20, 2015 in the amount of \$276,528.89.

Pantheon Global Secondary Fund IV Distribution

Pantheon Global Secondary Fund IV made a distribution on January 26, 2015 in the amount of \$1,830,000.00.

Capri Capital Advisors Apartment Fund III Distribution

Capri Capital Advisors Apartment Fund III made a distribution on February 17, 2015 in the amount of \$55,650.00.

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

February 11, 2015

Vacation Policy

The trustees reviewed an updated draft Vacation Policy that incorporated the trustees' suggested changes from the previous meeting. Trustee Hamburger made a motion, seconded by Trustee LoVerde, to approve the Vacation Policy that was reviewed at the meeting. See attached policy.

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

Investment Consultant Services RFP

The trustees reviewed a draft RFP for the services of a Full-Service Investment Consultant for the Fund. The trustees also discussed the "Quiet Period" for this RFP. Trustee LoVerde made a motion, seconded by Trustee Hamburger, to approve the posting of the RFP pending review by Fund Counsel.

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

Aggregate Pricing Resolution

The trustees reviewed a draft Aggregate Pricing Resolution at the meeting. After a lengthy discussion of the draft, Trustee Capasso made a motion, seconded by Trustee LoVerde, that the Board approve the concept of aggregate pricing pending 1.) a review by counsel of the proposed resolution by the next meeting and 2.) input from the other local pension funds listed in the proposed resolution to arrive at a final resolution.

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

Statement of Economic Interests

The trustees were notified of the need to complete their Statement of Economic Interests filing with the Cook County Clerk.

LEGAL REPORT

EXECUTIVE SESSION NO. 2

At 3:35 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Summers seconded the motion.

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

At 3:43 p.m., Trustee LoVerde made a motion, seconded by Trustee Rinella, that the executive session be adjourned and that the Board return to open session.

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

The trustees took no action.

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

February 11, 2015

EXECUTIVE SESSION NO. 3

At 3:44 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(21) to conduct a biannual review of the Fund's executive session minutes. Trustee LoVerde seconded the motion.

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

At 3:48 p.m., Trustee LoVerde made a motion, seconded by Trustee Keane, that the executive session be adjourned and that the Board return to open session.

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

The Board was presented with a comprehensive review of closed executive session minutes. Trustee LoVerde made a motion, seconded by Trustee Rinella, to approve the recommendations of Fund staff and Fund Counsel to make available for public inspection items 1-26 of Section 1 of the memo presented to trustees. Copies of the memo are on file at the Fund office.

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

ADJOURNMENT

With no further business, Trustee Rinella made a motion to adjourn. Trustee LoVerde seconded the motion.

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

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

Vacation Leave Policy

Prospective Year Methodology (applies to employees hired prior to 1/1/2015):

Full-time employees hired prior to January 1, 2015 shall be eligible to earn vacation leave on a pro rata basis computed as of January 1st of each year following the year in which their employment with LABF began. Vacation leave is computed by dividing the number of months worked in the prior calendar year by twelve and then multiplying by the number of yearly vacation leave days based on years of service. Any fraction will be rounded up to the nearest half day.

Each employee with fewer than six years of service will be eligible to earn, on a pro rata basis, two calendar weeks and three days (13 working days) vacation leave in each year.

Each employee who has served the Fund for six years or more prior to July 1st shall be eligible to earn, on a pro rata basis, three calendar weeks and three days (18 working days) vacation leave in each calendar year.

Each employee who has served the Fund for fourteen years or more prior to July 1st shall be eligible to earn, on a pro rata basis, four calendar weeks and three days (23 working days) vacation leave in each calendar year.

Each employee who has served the Fund for twenty-four years or more prior to July 1st shall be eligible to earn, on a pro rata basis, four calendar weeks and four days (24 working days) vacation leave in each calendar year.

Each employee who has served the Fund for twenty-five years or more prior to July 1st shall be eligible to earn, on a pro rata basis, four calendar weeks and five days (25 working days) vacation leave in each calendar year.

For those employees who started in July through December, the transition years will be prorated.

Current Year Methodology (applies to employees hired on or after 1/1/2015):

Full-time employees hired on or after January 1, 2015 shall be eligible to earn vacation leave on a pro rata basis computed as of the 1st day of each month following the first full month in which they were employed. Any month in which the employee worked for at least 50% of the time shall be credited as a full month of work. Vacation leave will be earned and accrued each full month and can be used as soon as the 1st day of the following month.

Each employee with fewer than six years of service shall be eligible to earn, on a pro rata basis, 1.083 vacation days for each month worked (equivalent to 13 working days on an annual basis).

Each employee who has served the Fund for six years or more shall be eligible to earn, on a pro rata basis, 1.5 vacation days for each month worked (equivalent to 18 working days on an annual basis).

Each employee who has served the Fund for fourteen years or more shall be eligible to earn, on a pro rata basis, 1.916 vacation days for each month worked (equivalent to 23 working days on an annual basis).

Each employee who has served the Fund for twenty-four years or more shall be eligible to earn, on a pro rata basis, 2 vacation days for each month worked (equivalent to 24 working days on an annual basis).

Each employee who has served the Fund for twenty-five years or more shall be eligible to earn, on a pro rata basis, 2.083 vacation days for each month worked (equivalent to 25 working days on an annual basis).

Subject to approval by the Executive Director, the Fund shall have the ability to advance an employee vacation time that has not yet been earned. To obtain an advance of unearned vacation days, an employee must agree in writing that, upon separation from service, he/she shall, if applicable, be responsible for repaying the Fund for vacation time that was used, but not earned as of the date of separation, through a deduction from the employee's final paycheck. Any advancement of vacation days shall be limited to vacation days the employee is expected to earn by the end of the current calendar year.

General Provisions:

No employee may earn vacation credit while on leave of absence or leave without pay status except when eligible for duty disability. Vacation leave will be reduced in proportion to the length of leave (excluding leave of absence for duty disability) during the prior calendar year. Any month in which the employee worked for at least 50% of the time shall be credited for purposes of computing vacation leave. Time worked shall be defined as time on the Fund's payroll.

No more than five days of earned but unused vacation leave may be carried over from the calendar year in which such vacation was due to the next calendar year.

If an employee has not taken his/her vacation, as provided above due to separation from service, he/she shall be entitled to receive the prevailing salary for such unused vacation. All unused vacation, including vacation earned and accrued in the current year, shall be paid on a supplemental payroll as soon as is practicable following the last day worked. In the event of an employee's death, such payment for unused vacation shall be paid to the employee's widow, widower, heirs or estate

In the case of a holiday observed on any workday during a full week of an employee's regularly scheduled vacation, an additional day off with pay shall be allowed for each such holiday.

In the case of a scheduled early work release because of a holiday falling on any workday during a full week of an employee's regularly scheduled vacation, a full vacation day will be charged for the day.

The department supervisor shall approve when vacation shall be taken. Due to staffing needs, vacation is to be taken at the discretion of the department supervisor in order to maintain satisfactory service to our participants. Additionally, any vacation leave of more than 10 consecutive business days must be approved by the Executive Director.

VACATION POLICY ACKNOWLEDGEMENT FORM

I, _____, hereby acknowledge that I am in receipt of the Vacation Policy ("Policy") for the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("LABF") adopted as of February 11, 2015. I understand that it is my responsibility to familiarize myself with the information and procedures described in the Policy. I agree to abide by the principles and practices explained in the Policy and to contact my Supervisor or the Executive Director if I should have any questions or need clarification as to its content or interpretation. I understand that the procedures contained in the Policy are subject to change, and I will be notified of such changes.

I further understand that the Policy permits cash advances from the LABF in the form of advanced, unearned vacation days. In the event that such an advance is given, I agree that if I leave the employment of the LABF before I earn the advanced vacation days, the LABF may deduct the monetary equivalent of the unearned vacation days I used from my final LABF paycheck.

Employee Signature

Date

Employee's Name (Printed)