

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting # 957**

January 15, 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. 957 held on January 15, 2015, starting at 1:09 p.m. in the office of the Pension Fund.

The following were present:

Victor Roa – Trustee – President, Union Appointed Member
Erin Keane – Vice President – First Deputy Comptroller, Appointed Member
Michael LoVerde – Trustee – Secretary, Elected Member
Kurt Summers, Jr. – Trustee – City Treasurer, Ex Officio Member
Lois Scott – Trustee – City Chief Financial Officer, Appointed Member
Carol Hamburger – Trustee – City Deputy Budget Director, Appointed Member
Joseph Rinella – Trustee – Elected Member
James Capasso, Jr. – Trustee – Annuitant Member
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 Jackson – NEPC, LLC, Fund's Investment Consultant
Michael Walsh – Executive Director and Chief Investment Officer
Aileen Pecora – Comptroller
Peggy Grabowski – Manager of Accounting/Investments
Kathy Schanding – Fund Actuary
Joan Newman – Benefits Manager
Margie Grazevich – Benefits Payroll Manager
John Carroll – Compliance Administrator

Observers- Sharon Piet of Podesta, Angela Myers of Loop Capital, Heather Arison of JP Morgan Chase.

President Roa determined that a quorum was present. It was moved by Trustee Hamburger, seconded by Trustee LoVerde that the regular minutes of Meeting No. 956 be approved as submitted.

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

It was moved by Trustee Hamburger, seconded by Trustee Keane, that the minutes of the executive session 1 of meeting No. 956 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the minutes of the executive sessions 2, 3, 4 and 5 of meeting No. 956 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 **January 15, 2015**. The minutes are comprised of the following:

- Approval of minutes from prior meetings
- Public Participation
- Presentation of Resolution
- 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

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PUBLIC PARTICIPATION

None.

PRESENTATION OF RESOLUTION

On behalf of the trustees, President Roa read and presented a resolution to Aileen Pecora in recognition of her years of service to the LABF. Attached is a copy of the resolution.

Trustee Capasso also expressed gratitude to Ms. Pecora for her service and dedication to the LABF.

SCHEDULE A – APPLICATIONS FOR REFUNDS

1. Refund of Contributions Due to Separation from Service

It was moved by Trustee Scott, seconded by Trustee LoVerde, 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 LoVerde, seconded by Trustee Hamburger, 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 Scott, 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.

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SCHEDULE C – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

It was moved by Trustee Capasso, seconded by Trustee Scott, 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.

2. Spouse and Child Annuities

It was moved by Trustee Hamburger, seconded by Trustee LoVerde, 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 LoVerde, seconded by Trustee Scott, 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

Trustee LoVerde made a motion, seconded by Trustee Rinella, to approve the Duty Disability Benefits for the seasonal cases listed in the proposal using the rate of pay at the date of injury.

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

The motion did not pass.

Trustee Scott made a motion, seconded by Trustee Summers, to approve the Duty Disability Benefits for seasonal cases listed in the proposal using the seasonal calculation method.

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

The motion did not pass.

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It was moved by Trustee LoVerde, seconded by Trustee Hamburger that the remaining 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 LoVerde made a motion, seconded by Trustee Capasso, that the Board approve the Ordinary Disability benefit application for Office #67462 based upon the rate of pay at date of injury.

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

The motion did not pass.

Trustee Rinella made a motion, seconded by Trustee Hamburger, that the Board approve the Ordinary Disability benefits for Office #67462 based upon the Seasonal Calculation method. The Fund member will be temporarily 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 Scott, 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.

SCHEDULE G – EXTENSION OF DUTY DISABILITY BENEFITS

It was moved by Trustee Rinella, seconded by Trustee LoVerde, 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.

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SCHEDULE H – EXTENSION OF ORDINARY DISABILITY BENEFITS

Trustee Hamburger made a motion, seconded by Trustee Keane, that the Board approve the application for Extension of Ordinary Disability benefit for Office #68264.

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

It was moved by Trustee Capasso, seconded by Trustee Scott, that the remaining 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

It was moved by Trustee LoVerde, seconded by Trustee Rinella, that the Payment of Uncashed Checks of Deceased Members be approved and ordered paid.

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

INVESTMENTS REPORT

Performance Flash

Mr. Cairns reviewed the preliminary Performance Flash Report of December 2014. The trustees requested that NEPC, LLC include some additional information in future Flash Reports.

Watch List

The trustees reviewed the Watch List and discussed the Shamrock-Hostmark Hotel Fund. Trustee LoVerde made a motion, seconded by Trustee Scott, to remove Shamrock-Hostmark Hotel Fund from the Watch List.

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

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EXECUTIVE SESSION NO. 1

At 1:57 p.m., Trustee Scott requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee LoVerde seconded the motion.

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

At 2:31 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, Scott, Hamburger, Rinella and Capasso.
Against-- None.

The trustees requested that memos be distributed to them prior or at the meeting in which they will be discussed.

Hedge Fund Operations Due Diligence

Mr. Cairns reviewed the 2014 Hedge Fund Operations Due Diligence Survey results with the trustees.

P.A. 98-1022

Mr. Cairns reviewed with trustees an updated listing of the MWDBE investment manager universe. Mr. Walsh also presented staff's recommendations regarding the goals for P.A. 98-1022. Mr. Walsh reviewed a draft policy with trustees which incorporated the requirements of P.A. 98-1022. Trustee Capasso made a motion, seconded by Trustee Scott, to adopt the amended policy presented to trustees for the Fund's investment goals with MWDBE investment managers.

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

See attached copy of the amended policy.

At this point in the meeting, the trustees took a short break.

Trustee Scott left the meeting at 3:25 p.m.

Investment Fees

The trustees discussed various methods of reducing the future investment management fees incurred by the Fund.

ADMINISTRATIVE REPORT

Pantheon Global Secondary Fund IV Capital Call

Pantheon Global Secondary Fund IV requested a capital call on December 19, 2014 in the amount of \$60,000.00.

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Entrust Special Opportunities Fund II Distribution

Entrust Special Opportunities Fund II made a distribution on December 18, 2014 in the amount of \$172,589.00.

Mesirow Fund I Distribution

Mesirow Fund I made a distribution on December 19, 2014 in the amount of \$437,500.00.

Mesirow Fund II Distribution

Mesirow Fund II made a distribution on December 19, 2014 in the amount of \$161,875.00.

Midwest Mezzanine Fund IV Distribution

Midwest Mezzanine Fund IV made a distribution on December 19, 2014 in the amount of \$436,211.34.

Pantheon Global Secondary Fund IV Distribution

Pantheon Global Secondary Fund IV made a distribution on December 19, 2014 in the amount of \$3,000,000.00.

Mesirow X Distribution

Mesirow X made a distribution on December 22, 2014 in the amount of \$65,000.00.

Capri Capital Apartment Fund III Distribution

Capri Capital Apartment Fund III made a distribution on December 23, 2014 in the amount of \$1,540,594.00.

Mesirow Fund IV Distribution

Mesirow Fund IV made a distribution on December 30, 2014 in the amount of \$100,000.00.

SB Partners Distribution

SB Partners made a distribution on December 30, 2014 in the amount of \$41,907.32.

Meeting Date Change

The trustees agreed to change the date of the February Regular Meeting from February 12, 2015 to February 11, 2015 at 11 a.m.

Trustee Education Certification for 2014

Trustee LoVerde made a motion, seconded by Trustee Hamburger, to certify that the following trustees completed their required ethics training in 2014: Trustees Roa, Keane, LoVerde, Scott, Hamburger and Rinella

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

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Parental Leave Policy

The trustees reviewed an amended Paid Parental Leave Policy. Trustee Summers made a motion, seconded by Trustee LoVerde, to approve the Amended Paid Parental Leave Policy that was reviewed at the meeting.

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

See attached policy.

Vacation Policy

Mr. Walsh reviewed a draft Vacation Policy proposed for Fund staff. The trustees reviewed the draft policy and suggested some changes be incorporated. The updated policy will be reviewed at the next meeting.

Investment Consultant Services

Mr. Walsh notified trustees that the contract for services with the Fund's Investment Consultant, NEPC, LLC is set to expire in July 31, 2015. The trustees requested that Mr. Walsh circulate a draft RFP for investment consulting services for the trustees to review.

LEGAL REPORT

EXECUTIVE SESSION NO. 2

At 4:13 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 LoVerde seconded the motion.

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

At 4:18 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, Hamburger, Rinella and Capasso.
Against-- None.

The trustees took no action.

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EXECUTIVE SESSION NO. 3

At 4:18 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 Rinella seconded the motion.

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

At 4:21 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, Rinella and Capasso.
Against-- None.

The trustees took no action.

ADJOURNMENT

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

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