

**Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago  
Minutes of Regular Board Meeting No. 1010**

**June 18, 2019**

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

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

**June 18, 2019**

Report of Meeting No. 1010 held on June 18, 2019, starting at 1:06 p.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)
Michael LoVerde	– Secretary (Active Employee Elected Member)
Carol Hamburger	– Trustee (Managing Deputy Comptroller, City of Chicago)
James Capasso, Jr.	– Trustee (Annuitant Elected Member)
James Joiner	– Trustee (Active Employee Elected Member)
Melissa Conyears-Ervin	– Trustee (City Treasurer, City of Chicago)
Jennie Bennett	– Trustee (Chief Financial Officer, City of Chicago)

**Staff & Consultants:**

Joseph Burns	– Jacobs, Burns, Orlove & Hernandez, Fund Counsel
Marisel Hernandez	– Jacobs, Burns, Orlove & Hernandez, Fund Counsel
Taylor Muzzy	– Jacobs, Burns, Orlove & Hernandez, Fund Counsel
Dr. Terence Sullivan	– Fund's Physician (portion*)
James Wesner	– Marquette Associates, Fund Investment Consultant (portion*)
Neil Capps	– Marquette Associates, Fund Investment Consultant (portion*)
Kweku Obed	– Marquette Associates, Fund Investment Consultant (portion*)
Michael Walsh	– Executive Director and Chief Investment Officer
Peggy Grabowski	– Comptroller (portion*)
John Carroll	– Compliance Administrator (portion*)
Sheila Jones	– Administrative Coordinator (portion*)
Nadia Oumata	– Manager of Accounting and Investments (portion*)
Tina Rhoten	– Benefits Manager (portion*)
Paul Rzeszutko	– Assistant Benefits Manager (portion*)

**Absent:** None

**Observer(s):** Martin Johnson, Office of the Chief Financial Officer, City of Chicago  
Tariq Malhance  
Hector Dox, Office of the Treasurer, City of Chicago  
Nathan Worchester, City Bureau  
Megan Wadin, City Bureau

President Roa determined that a quorum was present after Secretary LoVerde took attendance. President Roa and those sitting at the boardroom table introduced themselves to Trustees Conyears-Ervin and Bennett, the Fund's two new Trustees.

Portion\* - These meeting participants were present only for a portion of the meeting.



**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 June 18, 2019. The minutes are comprised of the following:

- Public Participation
- Approval of Minutes of 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
- Administrative Report
- Executive Session No. 1
- Legal Report
- Executive Session No. 2
- Administrative Report Continued
- Legal Report Continued
- 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,

A handwritten signature in blue ink, appearing to read 'Michael R. LoVerde'.

Michael R. LoVerde  
Retirement Board Secretary

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

**June 18, 2019**

**PUBLIC PARTICIPATION**

None.

**APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the regular minutes of Meeting No. 1009 held on May 17, 2019, be approved as submitted.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Hamburger, Capasso, and Joiner.  
Against -- None.  
Abstain -- Trustees Conyears-Ervin and Bennett.

It was moved by Trustee Hamburger, seconded by Trustee LoVerde, that the minutes of Executive Sessions 1, 2 and 3 of Meeting No. 1009 held on May 17, 2019, be approved as submitted.

Roll-call: For -- Trustees Roa, Keane, LoVerde, Hamburger, Capasso, and Joiner.  
Against -- None.  
Abstain -- Trustees Conyears-Ervin and Bennett.

**SCHEDULE A – APPLICATIONS FOR REFUNDS**

1. Refund of Contributions Due to Separation from Service

It was moved by Trustee Capasso, 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, Hamburger, Capasso, Joiner, Conyears-Ervin, and Bennett.  
Against-- None.

2. Miscellaneous Refunds

It was moved by Trustee Capasso, seconded by Trustee Joiner, that the applications presented for Miscellaneous Refunds of Contributions be approved and ordered paid.

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

**SCHEDULE B – APPLICATIONS FOR ANNUITIES**

1. Employee Annuities

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

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

2. Spouse and Child Annuities

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

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

**LABORERS' AND RETIREMENT BOARD EMPLOYEES'  
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**SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS**

None.

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

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

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

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

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

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

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

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

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

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

It was moved by Trustee LoVerde, 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, Hamburger, Capasso, Joiner, Conyears-Ervin, and Bennett.  
Against -- None.

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

None.

**SCHEDULE I – PAYMENT OF EXPENSES**

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

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

*Dr. Sullivan left the meeting.*

**LABORERS' AND RETIREMENT BOARD EMPLOYEES'  
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**INVESTMENTS REPORT**

Market Tracker Report

Mr. Obed provided a summary market update.

May 31, 2019 Preliminary Performance Report

Mr. Wesner reviewed the Fund's May 31, 2019 Preliminary Performance Report and gave an overview of some of the Fund's investment strategies.

Securities Lending Overview and Update

Mr. Obed provided a general overview of the securities lending program and gave an example of a loan transaction. Then, Mr. Obed provided an update on the LABF's securities lending program which is managed by Deutsche Bank. The Trustees followed with questions about the program.

Mr. Obed also noted that Deutsche Bank proposed changes to the program's investment guidelines: lower the overnight liquidity requirement from 25% to 10%, update the list of approved counterparties, and authorize the use of money market funds to invest the cash collateral.

Following a discussion, and assurance from Marquette Associates that the changes in guidelines would not meaningfully alter the conservative nature of the securities lending program, the Trustees expressed no objections to staff and Marquette Associates working with Deutsche Bank on implementing the requested changes to the securities lending program's investment guidelines.

The Board bid farewell to Vice-President Keane and thanked her for her many years of service on the LABF's Board.

*James Wesner, Kweku Obed and Neil Capps left the meeting.*

**ADMINISTRATIVE REPORT**

Annual Funding Resolution

Mr. Walsh reported that the Annual Funding Resolution for tax year 2020 must be transmitted to the City of Chicago ("City") by July 1, 2019. Mr. Walsh reviewed the sections of the Annual Funding Resolution that differed from resolution transmitted to the City in the prior year. Mr. Walsh noted that the LABF is requesting \$72 million for year 2020 tax levy for which payments will be received by LABF in 2021.

It was moved by Trustee Capasso, seconded by Trustee Joiner, to approve the 2020 Funding Resolution. See attached document.

Roll-call: For -- Trustees Roa, LoVerde, Hamburger, Capasso, Joiner, Conyears-Ervin, and Bennett.  
Against – None.

Trustee Keane left the meeting before the vote on the Annual Funding Resolution.

2019 Election Rules

Mr. Walsh reviewed a draft of the 2019 Active Employee Trustee Election Rules and noted that the election was tentatively scheduled for October 10, 2019, from 6:00 a.m. to 6:00 p.m. Mr. Walsh explained that the draft 2019 election rules call for the voting to occur in person in the lobby of the LABF office suite.

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Following a brief discussion regarding the voting method, Trustee Conyears-Ervin expressed her desire to revisit the topic prior to the next election. Trustees Roa, Hamburger and Conyears-Ervin agreed to serve as members of the Election Committee for the upcoming election. Trustee Joiner agreed to serve as an alternate Election Committee member if necessary.

It was moved by Trustee Hamburger, seconded by Trustee Capasso, to adopt the 2019 Election Rules, as amended, for the 2019 Trustee Election. See attached document.

Roll-call: For -- Trustees Roa, Hamburger, Capasso, Joiner, Conyears-Ervin, and Bennett.  
Against -- None.  
Abstain -- Trustee LoVerde.

Legislative Matters

Mr. Walsh presented a memo from Robert Molaro dated June 6, 2019 (see attached). He also provided an update on Senate Bill 1264 and House Bill 2460 and their possible impact upon the LABF.

Public Act 100-0023 Employer Contribution Mechanics

This topic was discussed in executive session.

**EXECUTIVE SESSION NO. 1**

At 2:38 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss pending or probable litigation against, affecting, or on behalf of the Fund. Trustee Hamburger seconded the motion.

Roll-call: For -- Trustees Roa, LoVerde, Hamburger, Capasso, Joiner, Conyears-Ervin, and Bennett.  
Against -- None.

At 3:11 p.m., Trustee Hamburger 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, LoVerde, Hamburger, Capasso, Joiner, and Bennett.  
Against -- None.

No action taken.

Trustee Conyears-Ervin left the meeting before the vote to come out of executive session.

**LEGAL REPORT**

City of Chicago v. PABF et al.

This item was discussed in executive session.

**EXECUTIVE SESSION NO. 2**

At 3:11 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss pending or probable litigation against, affecting or on behalf of the Fund. Trustee Joiner seconded the motion.

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

**LABORERS' AND RETIREMENT BOARD EMPLOYEES'  
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At 3:15 p.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, LoVerde, Hamburger, Capasso, Joiner, and Bennett.  
Against -- None.

No action taken.

**ADMINISTRATIVE REPORT CONTINUED**

Miscellaneous – Taken out of order.

Election of Vice-President – Mr. Walsh noted that the Board will need to elect a new Vice-President at the July 23, 2019 Board meeting since Trustee Keane will be leaving the Board.

Treadwell Hearing – Mr. Walsh informed the Board that a hearing is scheduled for the July 23, 2019 Board meeting regarding the refund of employee contributions in the Treadwell matter.

City of Chicago Worker's Compensation Administration – Mr. Walsh informed the Board that the City is planning to engage a third-party vendor to assist in administering the City's workers' compensation program. Mr. Walsh expressed his intent to contact the City and request the opportunity to discuss the LABF's needs under the new arrangement. The Board expressed no objections.

**LEGAL REPORT CONTINUED**

Underwood Litigation

Mr. Walsh updated the Board regarding the status of the Underwood litigation and indicated that the notices to members who are or might be eligible for the \$25 per month healthcare subsidy are expected to be approved by the court soon. He also mentioned that Mr. Krislov continues to pursue his claim to a portion of the retroactive subsidy payments to cover his legal fees.

**ADJOURNMENT**

With no further business, at 3:24 p.m., Trustee Hamburger made a motion to adjourn the meeting. Trustee Capasso seconded the motion.

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



**LABORERS' AND RETIREMENT BOARD EMPLOYEES'  
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**FUNDING RESOLUTION FOR THE YEAR 2020**

WHEREAS, in accordance with the Illinois Pension Code, and specifically 40 ILCS 5/11-169(b), as amended, the Retirement Board (the "Board") of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (the "Fund") is required to certify the amount of City of Chicago (the "City") contributions required under Article 11 for which the City shall levy a property tax in the following year; and

WHEREAS, 65 ILCS 5/8-2-3, as amended, provides that the City's budget shall include appropriations for "the taxes levied for the purposes of the reserves provided for in the Illinois Pension Code" and that the budget shall include "an amount estimated to be sufficient to cover the loss and cost of collecting taxes to be levied for that fiscal year"; and

WHEREAS, 65 ILCS 5/8-3-1, as amended, provides that in ascertaining the property tax rate for the City, the county clerk shall add to the amount of the tax levied for the Fund an amount to cover the loss and cost of collecting the tax; and

WHEREAS, the Board estimates that the total amount of funding required for the purposes of Article 11 for the year 2020, based on an actuarial valuation of the Fund as of December 31, 2018, and based on the provisions of the statute as in effect on that date, is \$157,873,382, which represents the actuarially determined contribution amount; and

WHEREAS, 40 ILCS 5/11-169, as amended, provides that the City's annual required contribution to the Fund shall be \$72,000,000 in payment year 2021, which corresponds to tax year 2020;

NOW, THEREFORE, BE IT RESOLVED that pursuant to the provisions of an Act of the General Assembly of Illinois, approved March 18, 1963, in force July 1, 1963, entitled "The Illinois Pension Code," as amended, the Retirement Board of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago hereby certifies that the sum required to be contributed by the City for the purposes of this Fund for the tax year 2020, in accordance with the provision of providing revenue for the Annuity and Benefit Fund is \$72,000,000, which shall not be reduced due to loss or cost of collections associated with the property tax.

AND BE IT FURTHER RESOLVED that the Secretary be instructed to submit a copy of this Resolution to the said City Council.

I HEREBY CERTIFY that this is a true copy of a Resolution duly adopted by the Retirement Board of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago, at a meeting held on June 18, 2019, at which meeting a quorum of the said Board was present and voting.

  
The Retirement Board

**RULES GOVERNING THE ELECTION FOR ONE (1) EMPLOYEE MEMBER  
FOR TRUSTEE  
OF THE LABORERS' AND RETIREMENT BOARD EMPLOYEES'  
ANNUITY AND BENEFIT FUND OF CHICAGO**

**THE ELECTION IS SCHEDULED TO BE HELD ON  
THURSDAY OCTOBER 10, 2019  
FOR A TERM OF DECEMBER 2, 2019 THROUGH DECEMBER 1, 2022**

1. **Election Committee.** Trustees Victor Roa, Carol Hamburger and Melisa Conyears-Ervin of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (the "LABF"), shall constitute the Election Committee for the 2019 Active Employee Trustee Election. All actions taken by the Election Committee require a majority vote of its members.
2. **Election Judges.** At least three (3) LABF staff members shall be selected by the Election Committee to be Election Judges in order to assist with the administration of the election.
3. **Power to Adopt Procedures and Set Rules.** The Board of Trustees delegates to the Election Committee the power to adopt procedures and/or make and enforce such further rule or rules as the Election Committee may deem advisable for the proper and orderly administration of the election, including, but not limited to, rules regarding the determination of candidate eligibility and the validity of ballots.
4. **Dispute Resolution.** All disputes shall be referred to the Election Committee and the findings of the Election Committee shall be final and conclusive.
5. **Notices of Election.** Notices of election shall be disseminated as follows:
  - a. Notice of this election shall be published in the legal notice section of the Chicago Sun-Times and/or such other newspaper(s) of general publication published in Chicago once during the week of August 4, 2019, and once during the week of August 11, 2019.
  - b. A notice of the election shall be posted on the LABF's website, [www.LABFChicago.org](http://www.LABFChicago.org), no later than Monday, August 5, 2019.
  - c. The LABF shall make every reasonable effort to deliver a Notice of Election via mail, e-mail, or in person to each City Department which employs active employee members who are eligible to run and/or vote in this election no later than Monday, August 5, 2019.
6. **Candidate Eligibility.** Per 40 ILCS 5/11-182, any active employee member of the LABF "who holds a position by certification and appointment as a result of a competitive civil service examination as distinguished from temporary appointment, or so holds a position which is not exempt from the classified service or the personnel ordinance of a city that has adopted a career service ordinance, for a period of not less than five (5) years prior to the date of election" is eligible to become a candidate for this trustee position.

In general, an active employee member is an employee whose pension contributions are being made to the LABF. However, in the following situations, members will be allowed to become candidates despite the LABF not receiving pension deductions on the last available payroll:

- a. The member is not working due to a seasonal termination but is eligible to be recalled;
- b. The member is on an approved leave of absence from active service (e.g. disability leave, FMLA leave, etc.);

- c. Member's deductions erroneously went to another City of Chicago pension fund; or
- d. Member's deductions appear on a later eligible payroll than the one available to LABF.

7. **Request for Nominating Petition.** Eligible employee members who desire to become candidates in this election **must** submit a Request for Nominating Petition to the LABF by no later than 3 p.m. on Friday, August 23, 2019. Potential candidates may submit the Request for Nominating Petition by: (1) hand-delivering it to the LABF office at 321 North Clark Street, Suite 1300, Chicago during regular office hours (Monday-Friday 8:30 a.m. and 4:30 p.m.); (2) faxing it to (312) 236-0574; or (3) emailing it to [Election@LABFChicago.org](mailto:Election@LABFChicago.org).

Potential candidates may obtain the Request for Nominating Petition by: (1) visiting the LABF office at 321 North Clark Street, Suite 1300, Chicago during regular office hours (Monday-Friday 8:30 a.m. and 4:30 p.m.); (2) downloading it from the LABF website at [LABFChicago.org](http://LABFChicago.org); or (3) phoning the LABF at (312) 236-2065 during regular office hours to request that it be mailed or emailed to them. The Request for Nominating Petition will be available from 8:30 a.m. on Monday, August 5, 2019, until 3:00 p.m. on Friday, August 23, 2019.

After a Request for Nominating Petition has been submitted and eligibility for candidacy has been verified by the Election Committee and Election Judges, potential candidates will receive a "Nominating Petition".

8. **Nominating Petition Submission.** Eligible members who desire to become candidates must **hand-deliver** completed Nominating Petitions to the LABF office at 321 North Clark Street, Suite 1300, Chicago during regular office hours (Monday-Friday 8:30 a.m. and 4:30 p.m.), **but no later than 3 p.m. on Monday, August 26, 2019**. A candidate must show a valid driver's license, state ID, Chicago municipal ID (CityKey), or passport which bears the active employee member's photo when filing Nominating Petitions. The Nominating Petition must contain a signed statement by the active employee member that he/she desires to be a candidate for trustee in the election to be held on Thursday, October 10, 2019. The Nominating Petition must also contain the signatures of at least ten (10) other active employee members. Signatures must be on the official 2019 Nominating Petition form. Candidates are encouraged to have those signing their Nominating Petition provide all the information necessary to properly identify the signer.
9. **Withdrawal of Candidacy.** Any candidate who has filed a Nominating Petition may withdraw their candidacy by filing written notice of withdrawal with the Executive Director of the LABF before 3:00 p.m. on Tuesday, October 8, 2019.
10. **Termination of Candidacy.** At any point during the election process, the Election Committee may terminate the candidacy of any individual who does not meet the eligibility requirements. The Election Committee may also terminate the candidacy of any candidate who does not adhere to the rules and regulations established for this election.
11. **Code of Conduct.** Candidates and their campaigners are encouraged to remain respectful of their opponents, the LABF, the Election Committee, and any person associated with this election. This includes, but is not limited to, refraining from personal attacks and bullying, whether physical, written, verbal, or cyber.
- No electioneering shall be allowed in LABF's office or within 300 feet of the 321 North Clark Street building entrance on the day of the election.
12. **Sole Candidate.** In the event that only one qualified candidate submits a valid Nominating Petition by the deadline, he/she shall automatically be declared the winner and the election process shall end. Otherwise, the names of all qualified candidates who have filed valid Nominating Petitions shall be printed on the ballot.
13. **Determination of Candidate Order on Ballot.** The names of the candidates shall be printed on the ballot in the order in which the candidates filed valid Nominating Petitions in the office of the LABF. In the event that Nominating Petitions for two (2) or more qualified candidates are received by the LABF at the same time, the order of the candidates' names on the ballot shall be determined by lottery. The lottery shall take place as soon as conveniently possible after the simultaneous filing

of said Nominating Petitions but no later than Friday, September 6, 2019. The LABF will provide notice of such lottery on its website at least 48 hours in advance. Those individuals who have filed Nominating Petitions are entitled to observe the lottery in person at the LABF office. The final ballot order will be determined no later than Friday, September 6, 2019.

14. **Voter Eligibility.** Only LABF members who are active employee participants in the LABF at the time this election is held are eligible to vote. In general, an active employee participant is an employee whose pension deductions are going to the LABF. However, in the following situations, members will be allowed to vote despite the LABF not receiving pension deductions on the last available payroll:
- a. Member is not working due to a seasonal termination but is eligible to be recalled;
  - b. Member is on an approved leave of absence from active service (e.g. disability leave, FMLA leave, etc.);
  - c. Member's deductions erroneously went to another City of Chicago pension fund; or
  - d. Member's deductions appear on a later eligible payroll than the one available to LABF.

*Note: Members who are retired or in "Withdraw and Wait" status may not vote.*

In the event that active employee participant status cannot be verified by an Election Judge, the employee may elect to cast a vote via a provisional ballot. The Election Committee will make a final determination regarding the eligibility of any provisional voter as specified in paragraph 18.

15. **Polling Place and Hours.** Voting shall take place in person. All voting shall take place in the LABF's office suite (Suite 1300) located at 321 North Clark Street, Chicago, on Thursday, October 10, 2019, between the hours of 6:00 a.m. and 6:00 p.m. The polls shall close for the receipt of such ballots promptly at 6:00 p.m., except for the receipt of ballots cast by active employee participants in the building at such hour for the purpose of casting a ballot.

16. **Voting Procedure.** Participants requesting a ballot must identify themselves at the voter identification check-in station by means of a valid driver's license, a valid state ID, Chicago municipal ID (CityKey), a valid passport, or employee ID which bears the active employee member's photo.

Upon verification of voter eligibility, each ballot shall be initialed by an Election Judge before such ballot is given to the voter and no ballot shall be counted which has not been so initialed.

Eligible voters may cast one vote in the following manner: (1) select only one candidate on the ballot by marking the ballot as instructed and (2) insert the completed ballot into the locked ballot box.

Only votes cast in person on an official 2019 LABF Ballot will be counted.

17. **Spoiled Ballot.** If a ballot is damaged by a voter, a replacement ballot may be requested from an Election Judge. The original ballot will be deemed spoiled and invalidated. It will not be counted.

18. **Provisional Ballots.** At times, questions may arise regarding who is or is not eligible to vote in an Active Employee Trustee Election at the LABF. When voter eligibility is unclear, individuals may receive a "Provisional Ballot." The following are the rules and procedures established for individuals who will be casting votes via a Provisional Ballot:

- a. To cast a Provisional Ballot, a valid driver's license, state ID, Chicago municipal ID (CityKey), passport, or employee ID which bears the active employee participant's photo must be presented to an Election Judge.
- b. Provisional Ballots are sealed in an envelope bearing the voter's name, address, and the last 4 digits of the voter's Social Security Number as provided by the voter.
- c. Provisional Ballot envelopes are deposited into the locked election box with all regular ballots.
- d. Election Judges will make a reasonable effort to determine voter eligibility prior to the counting of votes.

19. **Counting the Votes and Declaring a Winner.** The Election Judges shall count the votes on Thursday, October 10, 2019, starting shortly after 6:00 p.m. at the LABF office.
- a. Initially, only Regular Ballots will be counted. Provisional Ballots, if any, will be set aside.
  - b. In the event that the number of votes separating the leading and second place candidate is greater than the number of total Provisional Ballots cast, no Provisional Ballots will be opened, and the candidate receiving the most votes will be declared the winner.
  - c. In the event that the number of votes separating the leading and second place candidate is less than or equal to the number of total Provisional Ballots cast, all Provisional Ballot envelopes will be removed from the ballot box and separated into the following three (3) categories by the Election Judges:
    - i. “Denied”, defined as ballots cast by individuals confirmed to be ineligible to vote.
    - ii. “Approved”, defined as ballots cast by individuals confirmed to be eligible to vote.
    - iii. “Undetermined”, defined as ballots cast by individuals for whom eligibility could not be determined before closing of the polls.
  - d. The Election Committee will verify that all Provisional Ballots are classified correctly.
  - e. Provisional Ballots deemed “Denied” will be set aside. They will not be opened.
  - f. In the event that the number of votes separating the leading and second place candidate is greater than the number of remaining Provisional Ballots (“Approved” and “Undetermined”) cast, no remaining Provisional Ballots will be opened, and the candidate receiving the most votes will be declared the winner.
  - g. In the event that the number of votes separating the leading and second place candidate is less than or equal to the number of remaining Provisional Ballots (“Approved” and “Undetermined”) cast, the Approved Provisional Ballots will be separated from their envelopes (as to protect the anonymity of the voting member) and re-deposited into the locked ballot box.
  - h. Approved Provisional Ballots may only be opened by an Election Judge in the presence of at least one other Election Judge and at least one member of the Election Committee.
  - i. Once all Approved Provisional Ballots have been separated from their envelopes and returned to the ballot box, the ballot counting process will proceed in the same manner as with the regular ballots.
  - j. In the event that the number of votes separating the leading and second place candidate is greater than the number of total “Undetermined” Provisional Ballots cast, no “Undetermined” Provisional Ballots will be opened, and the candidate receiving the most votes will be declared the winner.
  - k. In the event that the number of votes separating the leading and second place candidate is less than or equal to the number of total “Undetermined” Provisional Ballots cast, counting of ballots will be suspended until eligibility is determined for the remaining voters in question. At such time, the Election Committee will establish a date to resume counting, if necessary, and declare a winner.
20. **Breaking a Tie Vote.** In the event of a tie, a coin toss administered by the Election Committee will determine the winner.
21. **Election Watchers.** Each candidate may appoint up to two (2) people to observe the election process (“Election Watcher”) on the day of the election. The name(s) of the Election Watcher(s) must be submitted to the Executive Director of the LABF by no later than Thursday, October 3, 2019. Election Watchers are required to conduct themselves in a professional manner.

22. **Candidate Election Observation.** On the day of the election, each candidate and/or his/her designated Election Watcher(s) may be present in designated areas of the LABF office beginning at 6:00 a.m. to observe the voting and ballot counting processes.
23. **Outside Election Observers.** LABF members are permitted to observe the ballot counting process from special areas designated by the Election Committee. All observers are required to conduct themselves in a professional manner.
24. **Term of Office.** This election for an Active Employee Trustee shall cover a three-year term of office from December 2, 2019, to December 1, 2022.
25. **Oath of Office.** Each person elected ("Trustee-Elect") as a member of the Retirement Board of the LABF ("Board") shall take an oath of office in accordance with 40 ILCS 5/11-182.
26. **No Compensation for Service.** Per 40 ILCS 5/11-224, no member of the Board shall receive any moneys from the LABF as salary for service performed as a member or as an employee of the Board.
27. **Election Protests.** A valid protest must be based on evidence that the election procedures were not substantially followed and that such errors could have materially affected the outcome of the Election, as determined by the Election Committee in its sole discretion.

A candidate may file a written protest with the Executive Director at any time, but under no circumstances later than three business days following the election results being posted on the LABF's website. The protest shall be identified using the word "protest" and shall state the specific grounds of the protest and provide any evidence (including expected witnesses and a summary of expected testimony) in support of the protest.

Upon receipt of a valid and timely protest, the Executive Director shall mail a copy of the protest to all candidates in the affected election and shall notify the Board that a protest has been filed. The Election Committee shall investigate the protest and, based on its investigation, shall make a final decision and determine what remedy, if any, shall be granted to the candidate filing the protest.

If the Election Committee concludes that additional arguments by the protester and other candidates would be helpful to the Election Committee in making its final decision, the Election Committee may consider written and/or oral arguments submitted by the candidate filing the protest and by any other candidate. The determination of the Election Committee shall be rendered within ten calendar days of the submission of the arguments.

The Election Committee has discretion to hold a hearing to assist it in reaching a decision. Such hearing shall be held in the Board's meeting room and shall be open to the public. The Election Committee shall determine the rules, regulations, and process by which this hearing shall gather and admit evidence. The determination of the Election Committee shall be rendered within ten (10) calendar days of the close of the hearing.

If the Election Committee sustains the protest, the Election shall be void for any affected Trustee vacancy and the Board shall schedule a special election to take place as soon as reasonably practical. If the Election Committee overrules a protest, then the certified results shall stand. The Election Committee's decision shall be a final administrative decision and the Board shall notify all candidates of their rights in accordance with the Administrative Review Law and applicable rules.

No candidate may resort to proceedings before any court until the candidate has exhausted the procedures provided for above.

28. **Ballot Retention.** For one year after the election, the Election Committee shall preserve the paper ballots and all other election materials. At or after the expiration of such one-year period, the Election Committee shall notify the Board and, subject to any applicable document retention or legal requirements, such materials shall be destroyed after a vote of the Board. If proceedings are pending in any court in which such ballots and/or other materials may be required as evidence,

the ballots and/or other materials shall not be destroyed until such proceedings are finally adjudicated.

29. **Prohibited Campaign Activities.** Candidates, Trustees and LABF employees shall not intentionally engage in “campaign activities” using LABF property or resources or during any compensated time (other than employee vacation, personal, or other compensatory time off). For purpose of this Rule, “campaign activity” includes any intentional effort, in violation of this Rule, to influence the selection, nomination, election, or appointment of any individual to a Trustee position, including but not limited to collecting Nominating Petition signatures, preparing, distributing, or mailing campaign materials, soliciting votes, or campaigning for office.

No intentional campaign activity by anyone, including but not limited to Trustees, LABF employees, Candidates, or sponsoring organizations is permitted on LABF property, including any space rented or leased.

No Trustee or LABF employee may intentionally misappropriate the services of an LABF employee by requiring an LABF employee to perform any campaign activities (i) as part of that employee’s unofficial LABF duties, (ii) as a condition of LABF employment, or (iii) during any time off that is compensated by the LABF (such as vacation, personal, or other compensatory time off).

Nothing in this Rule otherwise prohibits protected speech or prohibits activities that are otherwise appropriate for LABF employees or Trustees to engage in as a part of their official LABF duties (e.g. LABF employees and Trustees helping to administer the election, pursuant to Illinois law and to this Rule; Trustees carrying out their duties as members of the Election Committee; or otherwise prohibits activities that are undertaken by an LABF employee on a voluntary basis as permitted by law.

MEMORANDUM

June 6, 2019

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

**From: Robert S. Molaro and Associates**

**RE: End of Session Report**

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**The 101<sup>st</sup> General Assembly - Schedule**

2019 Fall Veto Session (Projected)

Nov. 12-14, 2019

Nov. 26-28, 2019

**Information Regarding Bill Signing Procedures, Veto Procedures & Overriding Vetoes**

1. When a bill has passed both Houses of the Illinois General Assembly, the House and Senate each have up to 15 calendar days to review the bill before transmitting the bill to the Governor. [Total 30 days.]
2. Upon receipt, the Governor has 60 calendar days to act upon the bill.
3. If the Governor signs the bill, at any time within the 60 days, it becomes law.
4. If the Governor fails to act on the bill within the 60 days, it becomes law [very rare].
5. The Governor can Veto the bill, also referred to as a Total Veto.
6. The Governor can issue an Amendatory Veto, with recommendations for change.



7. Either a Total Veto or an Amendatory Veto can be Overridden by the General Assembly with a 3/5's vote by each Chamber.
  8. An Amendatory Veto can be accepted by a Majority Vote of each Chamber. [Both current Legislative Leaders believe Amendatory Veto authority should be limited to minor fixes. If changes are substantive, neither will consider the changes to the original bill. They often will amend them onto another.]
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## **HB 2824 MEABF Bill**

**This bill amends the MEABF Article of the Illinois Pension Code by adding the language regarding mandatory physician exams that Governor Rauner vetoed last year.**

**Passed both Houses unanimously**

**HB 2071 - FURLOUGH CREDIT [Rep. Michael J. Zalewski/Sen. Michael Hastings]**

**Statutes Amended**

**40 ILCS 5/9-179.4 new**

**30 ILCS 805/8.43 new**

### **Synopsis: As Amended**

Amends the Cook County Article of the Illinois Pension Code. Provides that a participant may establish service credit and earnings credit for periods of furlough beginning on or after December 1, 2017 and ending on or before November 30, 2018 if the participant applies before December 31, 2019, makes a specified contribution, and meets other criteria. **Provides that to receive the service credit and earnings credit for periods of salary reduction, the participant must not receive compensation or any type of remuneration from the county for any reduction in salary and must provide a written certification from the county stating that the participant has not received compensation or any type of remuneration from the county for such reduction in salary. Specifies that the employer's normal cost for the purposes of the provision shall be determined by the Fund's actuarial valuation for the year ending December 31, 2018.**

*Full*

*Amended*

*Text:*

<http://www.ilga.gov/legislation/101/HB/PDF/10100HB2071eng.pdf>

**3/27/2019 House Third Reading, Passed, 75-36-0**

**5/29/2019 Senate Third Reading, Passed 54-4-0**

**Passed Both Houses**

## **SB 1300 – COOK FUNDING SOURCE [Sen. Aquino/Rep. Martwick]**

House Sponsor & House Committee Chair Rep. Martwick asked to use SB 1300 for a clean-up of several issues, none of which affect Article 9 (Cook) or Article 10 (Cook FPD). There are several provisions affecting Article 1 Section on Tier 2 for State employees only.

*Full Amended Text*

<http://www.ilga.gov/legislation/101/SB/PDF/10100SB1300ham003.pdf>

**3/28/2019 Senate Third Reading, Passed, 46-0-0**

**5/22/2019 House Held on Second Reading**

**5/30/2019 House Pensions Committee: Floor Amend. #3 Recommend Adoption, 6-4-0**

## **Bills Applicable to All Funds, including Articles 1 & 1A of Pension Code:**

## **SB 1264 - UNCLAIMED PROPERTY-PENSIONS [Sen. Omar Aquino]**

Statutes Amended

765 ILCS 1026/15-1505 new

765 ILCS 1026/15-1506 new

Synopsis of **House Amendment #1:**

Amends the Revised Uniform Unclaimed Property Act. Provides that property assumed abandoned in an annuity, pension, or benefit fund held in a fiduciary capacity by a retirement system shall be reported by the retirement system to the State Treasurer. Provides that no retirement system shall pay or deliver any annuity, pension, or benefit funds held in a fiduciary capacity to the State Treasurer. Provides, with exceptions, that the provisions are retroactive to January 1, 2018.

*Full Amended Text:*

<http://www.ilga.gov/legislation/101/SB/PDF/10100SB1264ham001.pdf>

*Full Text of RUUPA:*

<http://www.ilga.gov/legislation/ilcs/ilcs5.asp?ActID=3794&ChapterID=62>

**5/28/2019 House Third Reading, Passed, 106-0-0**

**5/31/2019 Senate Final, Passed, 54-4-0 (Concurrence in House Amend.)**

Passes both Houses

## **HB 2460 - SUSTAINABILITY INVESTING ACT [Rep. William Davis]**

### **Statutes Amended**

#### **New Act**

15 ILCS 520/22.8

30 ILCS 235/2.5

40 ILCS 5/1-113.6

40 ILCS 5/1-113.17 new

#### **Synopsis: As Passed**

Creates the Illinois Sustainable Investing Act. Provides that any public agency or governmental unit **should (originally, shall)** develop, publish, and implement sustainable investment policies applicable to the management of all public funds under its control. Provides that the sustainable investment policy **should (originally, shall)** include material, relevant, and decision-useful sustainability factors to be considered by the public agency or governmental unit as one component of its overall evaluation of investment decisions, which **may (originally, shall)** include specified items. Makes other changes concerning specified investment policies. Defines "financial institution".

*Full Text:* <http://www.ilga.gov/legislation/101/HB/PDF/10100HB2460enr.pdf>

**5/28/2019 Senate Third Reading, Passed, 37-19-0**

**5/31/2019 House Final, Passed 73-42-0 (Concurrence in Senate Amendment 1)**  
**Passed Both Houses**

## **SB 1698 - BROADCAST PENSION BOARD MEETINGS [Sen. Iris Y. Martinez/Rep. Robert Martwick]**

### **Statutes Amended**

40 ILCS 5/1-113.16

30 ILCS 805/8.43 new

#### **Synopsis: As Introduced**

Amends the General Provisions Article of the Illinois Pension Code. Provides that any open meeting of the board of trustees of a retirement system or pension fund or any committee established by a retirement system or pension fund must be broadcast to the public and maintained in real-time on the retirement system's or pension fund's website using a high-speed Internet

connection. Provides that the broadcast and maintenance requirements for open meetings do not apply to a pension fund established under the Downstate Police Article or the Downstate Firefighter Article of the Code or to the portion of a hearing or meeting of any pension fund or retirement system during which medical information or other privileged information of participants and beneficiaries will be discussed or presented. Amends the State Mandates Act to require implementation without reimbursement by the State. Effective July 1, 2020.

*Full Text:* <http://www.ilga.gov/legislation/101/SB/PDF/10100SB1698lv.pdf>

**3/28/2019 Senate Third Reading, Passed, 48-0-0**

**5/10/2019 House Re-referred to House Rules Committee**

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## **SB 1671 - EMERGING INVESTMENT MANAGER [Sen. Iris Y. Martinez]**

### **Statutes Amended**

40 ILCS 5/1-109.1 from Ch. 108 1/2, par. 1-109.1

40 ILCS 5/1-113.14

### **Synopsis: As Amended**

Amends the General Provisions Article of the Illinois Pension Code. Provides that "emerging investment manager" means a qualified investment adviser that manages an investment portfolio of at least \$10,000,000 but less than \$10,000,000,000 at the time of the initial contract with the retirement system, pension fund, or investment board (rather than at least \$10,000,000 but less than \$10,000,000,000) and is a minority-owned business, women-owned business, or business owned by a person with a disability. In a provision requiring a competitive process for awarding investment contracts, adds an exclusion for contracts for investment services with an emerging investment manager. Effective immediately.

*Full Text:* <http://www.ilga.gov/legislation/101/SB/PDF/10100SB1671eng.pdf>

**3/28/2019 Senate Third Reading, Passed, 48-0-0**

**5/22/2019 House Held on Second Reading**

## **SB 2060 - INVESTMENT GOALS [Sen. Iris Y. Martinez]**

### **Statutes Amended**

40 ILCS 5/1-109.1 from Ch. 108 1/2, par. 1-109.1

### **Synopsis: As Amended**

Amends the General Provisions Article of the Illinois Pension Code. In a provision requiring a retirement system, pension fund, or investment board to adopt a policy setting forth goals for the utilization of emerging investment managers, provides that the goals established shall be based on the percentage of total dollar amount of fees paid under (instead of the total dollar amount of)

investment contracts let to minority-owned businesses, women-owned businesses, and businesses owned by a person with a disability. Makes related changes. Provides that it shall be the aspirational goal for a retirement system, pension fund, or investment board subject to this Code to use emerging investment managers for not less than 20% of the fees paid in each asset class (instead of 20% of the total funds under management).

*Full Text:* <http://www.ilga.gov/legislation/101/SB/PDF/10100SB2060eng.pdf>

**4/10/2019 Senate Third Reading, Passed, 56-0-0**

**5/10/2019 House Re-Referred to House Rules Committee**

**Bills Amending Open Meetings Act, FOIA Act, Municipal Bankruptcy:**

**HB 2124 - OPEN MEETINGS ACT-EXCEPTIONS [Rep. Emanuel Chris Welch]**

Statutes Amended

5 ILCS 120/2 from Ch. 102, par. 42

**Synopsis: As Amended**

Amends the Open Meetings Act. Provides that a public body may hold a closed meeting to consider the appointment, employment, compensation, discipline, performance, or dismissal of specific employees, specific individuals who serve as independent contractors in a park, recreational, or educational setting (rather than specific independent contractors), or specific volunteers of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee, a specific individual who serves as an independent contractor in a park, recreational, or educational setting (rather than an independent contractor), or a volunteer of the public body or against legal counsel for the public body to determine its validity. Effective immediately.

*Full Text:* <http://www.ilga.gov/legislation/101/HB/PDF/10100HB2124enr.pdf>

**5/21/2019 Senate Third Reading, Passed. 056-000-000**

**5/29/2019 House Final, Passed, 108-7-0 (House Concurrence in Senate Amendment)**

**Passed Both Houses**

**HB 3147 - OPEN MEETINGS ACT-NOTICE [Rep. Brad Halbrook/Sen. Chapin Rose]**

Statutes Amended

5 ILCS 120/2.03 from Ch. 102, par. 42.03

**Synopsis: As Amended**

Amends the Open Meetings Act. Provides that at least 10 days' notice of a change made in regular meeting dates, times, or locations may also be provided on the website of a public body in addition to providing notice in a newspaper, or in lieu of providing notice in a newspaper if there is no such newspaper of general circulation in the area in which the public body functions.

*Full Text:* <http://www.ilga.gov/legislation/101/HB/PDF/10100HB3147eng.pdf>

**4/09/2019 House Third Reading, Passed, 111-0-0**

**4/10/2019 Senate Referred to Senate Assignments Committee**

**SB 1712 - FOIA-PUBLIC BODY CREDIT CARDS [Sen. David Koehler/Rep. Kelly Burke]**

Statutes Amended

5 ILCS 140/7 from Ch. 116, par. 207

Synopsis: **As Amended**

Amends the Freedom of Information Act. Exempts from disclosure a public body's credit card numbers, debit card numbers, bank account numbers, Federal Employer Identification Number, security code numbers, passwords, and similar account information, the disclosure of which could result in identity theft or impression or defrauding of a governmental entity or a person.

*Full Text:* <http://www.ilga.gov/legislation/101/SB/PDF/10100SB1712enr.pdf>

**3/28/2019 Senate Third Reading, Passed, 48-0-0**

**5/31/2019 House Third Reading, Passed, 104-10-1**

**Passed Both Houses**

