

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting # 967**

November 12, 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**

November 12, 2015

Report of Meeting No. 967 held on November 12, 2015, starting at 1:04 p.m. in the office of the Laborers' Pension Fund.

The following were present:

Board Members:

Victor Roa, President (Local 1001)
Michael LoVerde, Secretary (City of Chicago)
Carole Brown, Trustee (Chief Financial Officer, City of Chicago) (*arrived at 1:49 p.m.*)
Carol Hamburger, Trustee (Managing Deputy Comptroller, 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
Mike Cairns – NEPC, LLC, Fund's Investment Consultant
Kristin Finney-Cooke – 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 – Payroll Manager
Irene Velazquez – Benefits Payroll Assistant
John Carroll – Compliance Administrator
Sheila Jones – Administrative Coordinator
Nadia Oumata – Manager of Accounting and Investments
Eric Engebretson – Systems/Database Administrator

Absent: Erin Keane, Vice President (First Deputy Comptroller, City of Chicago)
Kurt Summers, Jr., Trustee (City Treasurer, City of Chicago)
Joseph Rinella, Trustee (City of Chicago)

Observers:

James Joiner, LABF Trustee-elect
Jason Parks, Loop Capital, (*arrived at 1:51p.m.*)
Miriam Martinez, Office of the City Treasurer, (*arrived at 2:33 p.m.*)
Audrey Wang, Attucks Asset Management
Beth Grazevich, Lake Forest College, Student

President Roa determined that a quorum was not present and elected to review non-actionable items on the agenda until a quorum was established.

The following minutes are presented in the order that they occurred and do not follow the order of the meeting as noted on the agenda.



***Laborers' and Retirement Board Employees'
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Board Members:

I am transmitting herewith the minutes for the meeting of the Retirement Board which was held on **November 12, 2015**. The minutes are comprised of the following:

- Public Participation
- Investments Report
- Executive Session No. 1
- Investments Report Continued
- 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 Annuity Applications
 2. Spouse and Child Annuity Applications
- 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
- Administrative Report
- Executive Session No. 2
- Executive Session No. 3
- Executive Session No. 4
- Administrative Report Continued
- Legal Report
- 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.

INVESTMENTS REPORT

Third Quarter Investment Performance Analysis

Ms. Finney-Cooke reviewed the Investment Performance Analysis Report for the third quarter of 2015.

Second Quarter Private Equity and Real Estate Reports

Ms. Finney-Cooke reviewed the Second Quarter 2015 Private Equity and Real Estate Reports.

October 31, 2015 Preliminary Flash Report

Ms. Finney-Cooke presented to trustees the Preliminary Flash report for October 31, 2015.

Trustee Brown entered the meeting at 1:49 p.m. President Roa determined that a quorum was present.

Manager Due Diligence/Other

Mr. Cairns reviewed a legal matter that is taking place at PIMCO. NEPC will continue to monitor this matter.

At 1:49pm, Trustee Brown arrived at which point President Roa declared a quorum present.

EXECUTIVE SESSION NO. 1

At 1:54 p.m., Trustee Hamburger 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, LoVerde, Hamburger, Brown and Capasso.
Against -- None.

At 1:58 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, LoVerde, Hamburger, Brown and Capasso.
Against -- None.

The trustees took no action.

INVESTMENTS REPORT CONTINUED

Private Equities Secondaries RFP

This item was deferred to a future Board meeting.

NEPC Real Estate Pacing Plan Update

This item was deferred to a future Board meeting.

NEW BUSINESS

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the regular minutes of Meeting No. 966 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the minutes of the executive sessions 1, 2, 3, 4 and 5 of meeting No. 966 be approved as submitted.

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Roll-call: For-- Trustees Roa, LoVerde, Hamburger, Brown and Capasso.
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 Capasso, that Refunds of Contributions Due to Separation be approved and ordered paid.

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

2. Miscellaneous Refunds

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

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

SCHEDULE B – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

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

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

SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

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

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

SCHEDULE D – APPLICATIONS FOR DUTY DISABILITY BENEFITS

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

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

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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, LoVerde, Hamburger, Brown and Capasso.
Against -- None.

SCHEDULE F – EXTENSION OF DUTY DISABILITY BENEFITS

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

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

SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS

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

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

SCHEDULE H – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS

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

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

SCHEDULE I – PAYMENT OF ADMINISTRATIVE EXPENSES

Administrative Invoices and Investment Invoices

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

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

ADMINISTRATIVE REPORT

Entrust Special Opps Fund III

Entrust Special Opps Fund III requested a capital call on November 3, 2015 in the amount of \$255,199.00.

JBC Fund IV

JBC Fund IV requested a capital call on November 13, 2015 in the amount of \$632,825.00.

Mesirow Financial RE Value Fund II

Mesirow Financial RE Value Fund II requested a capital call on November 17, 2015 in the amount of \$218,935.00.

Mesirow Partnership Fund II

Mesirow Partnership Fund II made a distribution on October 29, 2015 in the amount of \$245,000.00.

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Mesirow Capital Partners VIII

Mesirow Capital Partners VIII made a distribution on October 29, 2015 in the amount of \$6,984.00.

Entrust Special Opps Fund II

Entrust Special Opps Fund II made a distribution on November 2, 2015 in the amount of \$304,138.00.

Draft Funding Letter and Fund Overview Chart

This item was deferred to the December Board Meeting.

Disaster Recovery Solution

Mr. Walsh introduced a disaster recovery solution for the trustees to consider and the trustees decided to enter executive session.

EXECUTIVE SESSION NO. 2

At 2:17 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(8) to discuss security procedures. Trustee Capasso seconded the motion.

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

At 2:39 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, LoVerde, Hamburger, Brown and Capasso.
Against -- None.

The trustees took no action.

EXECUTIVE SESSION NO. 3

At 2:39 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(1) to discuss personnel matters. Trustee Loverde seconded the motion.

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

At 2:47 p.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, LoVerde, Hamburger, Brown and Capasso.
Against -- None.

The trustees took no action.

EXECUTIVE SESSION NO. 4

At 2:49 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Capasso seconded the motion.

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

At 2:52 p.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, LoVerde, Hamburger, Brown and Capasso.
Against -- None.

The trustees took no action.

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ADMINISTRATIVE REPORT CONTINUED

Trustee Roa left the meeting at 3:00 p.m.

P.A. 99-0642 Review

Mr. Walsh made the trustees aware of Public Act 99-0642, which was passed on August 25, 2015 and will become effective on January 1, 2016. The main objective of the law is to increase the use of MWDE firms for various professional service providers to public pension funds.

2016 Meeting Dates and Office Holidays

Mr. Walsh reviewed the proposed 2016 Board Meeting and Office Holiday Observance schedules with trustees. The trustees discussed their availability and scheduling conflicts.

Miscellaneous:Trustee Education Summaries – Mr. Walsh provided trustees with a summary of their year-to-date Ethics education hours.

2015 Minority Investment Hearings – Mr. Walsh reminded the trustees that the LABF will be presenting at the hearings on November 18 and 19, 2015. The Committee is encouraging trustees to attend the hearings.

2016 Budget Presentation Schedule for December Board Meeting – Mr. Walsh reported that Fund staff is working on the 2016 Budget. The budget proposal will be presented at the December 10, 2015 meeting.

2015 Trustee Election – Mr. Walsh introduced Trustee-Elect, James Joiner to the trustees. Mr. Walsh reported to the trustees that Mr. Joiner will be sworn in December 3rd. Mr. Joiner's three-year term as trustee will begin December 2, 2015.

Trustee Appointments – Mr. Walsh reminded the trustees that the terms of Trustees Hamburger and Brown expire on December 1, 2015. Mr. Walsh stated that he had not yet received notice of the names of the City appointees for the subsequent three-year terms.

Resolution

A Resolution thanking Trustee Joseph Rinella for his service to the LABF was approved unanimously and added to the record.

LEGAL REPORT

P.A. 98-0641 – Mr. Donham reported the status of the appeal for the Johnson v. LABF matter. Mr. Donham noted that the IL Supreme Court Hearing would be held on Tuesday, November 17, 2015.

Dobbs Appeal – Mr. Donham reported that the attorney for the adoptive mother of the children in the Dobbs matter, has filed an appeal of the Board's decision to deny Child Annuities. The trustees requested that Mr. Donham prepare a memo on this matter.

Underwood Update

Mr. Donham updated the trustees on this matter and noted that a ruling will be made by December 15, 2015.

ADJOURNMENT

With no further business, at 3:17, without motion, Trustee LoVerde declared the meeting adjourned as a quorum was no longer present.