

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting No. 1017**

January 21, 2020

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

January 21, 2020

Report of Meeting No. 1017 held on January 21, 2020, starting at 12:02 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
James Joiner	– Vice-President
Michael LoVerde	– Secretary
James Capasso, Jr.	– Trustee
Melissa Conyears-Ervin*	– Trustee (<i>arrived at 12:40 pm</i>)
Reshma Soni*	– Trustee (<i>arrived at 12:10 pm</i>)
Jennie Bennett*	– Trustee (<i>arrived at 1:11 pm</i>)
Stephen Skardon	– Trustee

Staff & Consultants:

Taylor Muzzy	– Jacobs, Burns, Orlove & Hernandez, Outside Counsel
James Wesner*	– Marquette Associates, Investment Consultant
Neil Capps*	– Marquette Associates, Investment Consultant
Michael Walsh	– Executive Director and Chief Investment Officer
Peggy Grabowski	– Comptroller / Co-Executive Director
John Carroll	– Compliance Administrator
Sheila Jones	– Administrative Coordinator
Nadia Oumata*	– Director of Investments
Tina Rhoten*	– Benefits Manager

Absent:

None.

Observer(s):

Hector Dox*	– Office of the City Treasurer, City of Chicago
Craig Stack*	– Office of the City Treasurer, City of Chicago
Marty Johnson*	– Office of Chief Financial Officer, City of Chicago

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

* *Denotes partial attendance during the open portion of the meeting.*



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Board Members:

I am transmitting herewith the minutes for the meeting of the Retirement Board which was held on January 21, 2020. 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 and Reversionary Annuities
- Schedule C: Adjustment Refunds to New Annuitants
- Schedule D: Applications for Duty Disability Benefits
- Schedule E: Applications for Extension of Duty Disability Benefits
- Schedule F: Applications for Ordinary 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
- Executive Session No. 1
- Investments Report (continued)
- Administrative Report
- Executive Session No. 2
- Legal Report
- 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 cursive script that reads 'Michael R. LoVerde'.

Michael R. LoVerde
Retirement Board Secretary

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PUBLIC PARTICIPATION

None.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the regular minutes of Meeting No. 1016 held on December 17, 2019 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that the executive session minutes of Meeting No. 1016 held on December 17, 2019 be approved as submitted.

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

SCHEDULE A – APPLICATIONS FOR REFUNDS

1. Refund of Contributions Due to Separation from Service

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

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

2. Miscellaneous Refunds

Mr. Walsh updated the Board on the starred case and informed them that due to a pending IWCC claim, the Fund is withholding a portion of the refund until such claim is resolved. It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the applications presented for Miscellaneous Refunds be approved and ordered paid.

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

SCHEDULE B – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

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

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

2. Spouse and Child and Reversionary Annuities

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

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

SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

Mr. Walsh reviewed the starred case and explained that, due to the Board's decision at the prior meeting regarding this member's Section 11-159 annuity application, this member is not eligible for, nor is any survivor of his eligible for, an automatic annual increase (AAI). He noted that member contributions were

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paid into the Fund for an AAI benefit. Since neither the member nor any survivor will be eligible for the AAI, it was determined that the Fund should refund the employee contributions made for this purpose. It was moved by Trustee LoVerde, seconded by Trustee Capasso, that adjustment refunds to new annuitants be approved and ordered paid.

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

SCHEDULE E – 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, Joiner, LoVerde, Capasso, and Skardon.
Against -- None.

SCHEDULE F – APPLICATIONS FOR ORDINARY DISABILITY BENEFITS

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

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

SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS

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

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

SCHEDULE H – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS

None.

SCHEDULE I – PAYMENT OF ADMINISTRATIVE EXPENSES

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

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

Dr. Sullivan and Ms. Rhoten left the meeting.

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INVESTMENTS REPORT

Market Tracker Report

Mr. Wesner reviewed the Market Tracker Report.

December 31, 2019 Preliminary Performance Report

Mr. Wesner reviewed the Fund's December 31, 2019 Preliminary Performance Report.

Hedge Fund RFP

Mr. Wesner reviewed the pending Hedge Fund Search that was launched in March 2018 and resulted in the selection of three (3) firms at the October 23, 2018 Board meeting. Mr. Wesner reminded the Board that the Fund was not able to reach an agreement with one of the selected firms and recommended closing the search. Mr. Wesner suggested the Board consider launching a new search for a hedge fund manager at a future date to allocate the remaining \$30 million per LABF's target asset allocation.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to close the Hedge Fund RFP.

Roll-call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Soni, and Skardon.
Against -- None.

Private Equity RFP

This item was discussed in executive session.

EXECUTIVE SESSION NO. 1

At 12:28 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee Joiner seconded the motion.

Roll-call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Soni, and Skardon.
Against -- None.

At 12:33 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, Joiner, LoVerde, Capasso, Soni, and Skardon.
Against -- None.

The Trustees took no action.

Watch List

Mr. Wesner gave an update on the Fund's Manager of Emerging Manager (MoEM) program and indicated that the search for a new MoEM was issued on January 9, 2020. Mr. Wesner also reviewed the timeline for the RFP.

Mr. Walsh informed the Board that Fund staff had and will continue to have discussions with LABF's current MoEM, Progress Investment Management Company (Progress), regarding the decision to wind down its operations. Mr. Walsh noted that Progress assured LABF that it continues to have the resources necessary to prudently monitor the underlying managers in the program. Mr. Wesner mentioned that Marquette Associates is closely monitoring the MoEM portfolio as well and that Marquette will provide updates to the Board.

Mr. Walsh also updated the Board on the status of contract negotiations with Brightwood Capital Advisors and noted that a further update regarding the matter will be provided at the February Board meeting.

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Mr. Wesner and Mr. Capps left the meeting.

ADMINISTRATIVE REPORT

Ethics Training

Mr. Carroll reviewed the Trustee ethics training requirements that Trustees must meet each year and reported that all Trustees who were required to meet the requirements in 2019 had done so. He added that, per Fund Counsel, Trustees who joined the Board during 2019 are exempt from having to meet the full annual ethics training obligation for 2019, but that the Fund would submit certification for all Trustees who met the full annual requirement regardless.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to certify that the following Trustees completed their required ethics training for 2019: Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, Bennett, and Soni.

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

Legislative Update

Mr. Walsh updated the Board with respect to his discussions with Bukola Bello, who is assisting the Fund's legislative liaison. Mr. Walsh reviewed a possible legislative amendment addressing the absence of language in Article 11 of the Illinois Pension Code regarding ex-officio trustee vacancies. The Board reaffirmed the direction given to LABF staff previously to make the legislative leadership in Springfield aware of certain ambiguities in the Illinois Pension Code.

Miscellaneous

Statement of Economic Interest – Mr. Carroll reminded the Trustees that he will be submitting Trustee contact information to the Cook County Clerk's Ethics Filing Division in preparation for the Statement of Economic Interest process that Trustees must complete on-line by May 1, 2020. He added that the Cook County Ethics Filing Division will contact Trustees by email shortly after the information has been submitted.

Personnel Matter

This topic was discussed in executive session.

EXECUTIVE SESSION NO. 2

At 1:10 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(1) to discuss Board appointments. Trustee Joiner seconded the motion.

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

At 2:05 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, Joiner, LoVerde, Capasso, Conyears-Ervin, Soni, Bennett and Skardon.
Against -- None.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to appoint Peggy Grabowski as the Co-Executive Director of LABF until February 18, 2020, then as the Interim Executive Director until such time as an Executive Director is hired.

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

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Trustees Conyears-Ervin left the meeting.

LEGAL REPORT

Intercept Litigation

Mr. Muzzy reported a letter was sent to the City of Chicago requesting that the City remit to the LABF the delinquent contributions which were not sent to the LABF for years 2018 and 2019. The Trustees also discussed the deadline dates for intercept requests to the State Comptroller.

Treadwell Litigation

Mr. Muzzy gave an update on the Treadwell matter and noted some of the recent actions that have taken place in this case.

Underwood Litigation

Mr. Walsh reviewed the health care subsidy communications that were previously sent to eligible members and mentioned that another mailing is planned for the end of January 2020.

ADJOURNMENT

With no further business, at 2:10 p.m., Trustee LoVerde made a motion to adjourn the meeting. Trustee Joiner seconded the motion.

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