

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting No. 1021**

May 19, 2020

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

May 19, 2020

Report of Meeting No. 1021 held on May 19, 2020, starting at 12:07 p.m. As permitted by Executive Order 2020-07, the meeting was held via teleconference. The following notes attendance:

Board Members:

Victor Roa	– President
James Joiner	– Vice-President
Michael LoVerde	– Secretary
James Capasso, Jr.	– Trustee
Melissa Conyears-Ervin	– Trustee
Reshma Soni*	– Trustee (<i>arrived at 12:10 pm</i>)
Jennie Bennett*	– Trustee (<i>arrived at 12:10 pm</i>)
Stephen Skardon	– Trustee

Staff & Consultants:

Joseph Burns	– Jacobs, Burns, Orlove & Hernandez, Outside Counsel
Taylor Muzzy	– Jacobs, Burns, Orlove & Hernandez, Outside Counsel
Dr. Terence Sullivan*	– Fund's Physician
James Wesner*	– Marquette Associates, Investment Consultant
Kweku Obed*	– Marquette Associates, Investment Consultant
Neil Capps*	– Marquette Associates, Investment Consultant
Alex Rivera*	– Gabriel Roeder Smith & Company, Fund Actuary
Jeffrey Tebeau*	– Gabriel Roeder Smith & Company, Fund Actuary
Peggy Grabowski	– Interim Executive Director/Comptroller
John Carroll	– Compliance Administrator
Sheila Jones	– Administrative Coordinator
Nadia Oumata	– Director of Investments
Tina Rhoten	– Benefits Manager
Chris Lucas*	- Staff Actuary
Eric Engebretson	- IT Manager

Absent: None.

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Guest(s):

Mauricio Banuelos	– Office of the Treasurer, City of Chicago
Craig Slack	– Office of the Treasurer, 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.*



**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 May 19, 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, 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
- Administrative Report
- Legal Report
- Executive Session No. 1
- 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,


Michael R. LoVerde
Retirement Board Secretary

**LABORERS' AND RETIREMENT BOARD EMPLOYEES'
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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. 1020 held on April 21, 2020 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the executive session minutes of Meeting No. 1020 held on April 21, 2020 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the regular minutes of the Special Meeting held on April 26, 2020 be approved as submitted.

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

2. Miscellaneous Refunds

None.

SCHEDULE B – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

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

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

2. Spouse, Child, and Reversionary Annuities

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

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

SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that Adjustment Refunds to New Annuitants be approved and ordered paid.

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

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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, Conyears-Ervin, Soni, Bennett, 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, Conyears-Ervin, Soni, Bennett, and Skardon.
Against -- None.

SCHEDULE F – APPLICATIONS FOR ORDINARY DISABILITY BENEFITS

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

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

SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS

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

Roll-call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, Soni, Bennett, 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 LoVerde, seconded by Trustee Joiner, that Administrative Expenses be approved and ordered paid.

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

Dr. Sullivan exited the call at this time.

PRESENTATION BY GABRIEL, ROEDER, SMITH & COMPANY

Alex Rivera and Jeffrey Tebeau, of Gabriel, Roeder, Smith & Company, presented a summary of the 2019 actuarial valuation and GASB 67/68 reports. Mr. Rivera also noted that the Fund will need an experience study to be conducted prior to the 2020 valuation. See attached documents.

Alex Rivera, Jeffrey Tebeau and Chris Lucas exited the call following the presentation.

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INVESTMENTS REPORT

Market Tracker

Mr. Wesner reviewed the Market Tracker Report and discussed the market fluctuations over the last few months due to the COVID-19 pandemic.. The Trustees followed with questions.

April 30, 2020 Preliminary Performance Report

Mr. Obed reviewed the April 30, 2020 Preliminary Performance Report with the Trustees. . The Trustees asked Mr. Obed to review the Fund's current target allocations and entire asset allocation in light of the COVID-19 pandemic. The Trustees asked questions about the performance of some of the Fund's investment managers as well as the performance of certain asset classes within the Fund's portfolio. Mr. Obed noted that Marquette was satisfied with the current positioning of the Fund's target allocations.

1st Quarter 2020 Performance Report

Mr. Obed reviewed the 1st Quarter 2020 Performance Report.

Liquidity Review

This item was taken out of order. Mr. Wesner noted that the Fund will need to liquidate \$13 million to pay June 1, 2020 benefit payments and he reviewed the particular portfolio that will be partially liquidated. The Trustees asked questions about the liquidation.

Watch List

Mr. Wesner reviewed managers currently on the Watch List and said that Marquette will prepare a memo for the June 23, 2020 meeting further addressing the Watch List.

Investment Policy Review

Ms. Oumata reviewed the current LABF Investment Policy and reported that the current restrictions regarding investment in assault weapons manufacturers are due to expire on May 31, 2020 unless the Board votes to extend the expiration date of the restriction.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to extend the policy restriction on manufacturers of assault weapons for one additional year.

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

ADMINISTRATIVE REPORT

2020 Annuitant Member Election

Ms. Grabowski reported that the staff had begun preparation for the 2020 Trustee Election. She noted that due to the COVID-19 pandemic, the Board should consider other methods of conducting an election rather than the traditional walk-in voting. The Board requested cost estimates of a mail-in election and historical turnout for the walk-in elections. The Board also suggested utilizing the parking lot of Local 1092 for a socially distant in-person election. Ms. Grabowski will provide cost estimates for the various options. She also noted that a vote would be needed at the June Board meeting to choose the type of election and to name three Trustees to act as the Election Committee. The election is planned for Thursday, October 15, 2020.

Miscellaneous

Annual Audit – Ms. Grabowski informed the Board that the audit by Calibre CPA Group is close to completion and that no problems have occurred with the audit being conducted remotely.

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Personnel Matter

This item was moved to the executive session at the end of the meeting.

LEGAL REPORT

Ms. Grabowski reported that a video hearing was scheduled for June 11, 2020 in the Underwood case and that Cary Donham would be attending.

EXECUTIVE SESSION NO. 1

At 2:01 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(1) to discuss Personnel Matters. Trustee Joiner seconded the motion.

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

At 2:36 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.

The Trustees took no action.

ADJOURNMENT

With no further business, at 2:36 p.m., Trustee LoVerde made a motion to adjourn the meeting. Trustee Joiner seconded the motion.

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