

**Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago  
Minutes of Regular Board Meeting No. 1015**

**November 19, 2019**

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

**November 19, 2019**

Report of Meeting No. 1015 held on November 19, 2019, starting at 1:01 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 Conyyears-Ervin*	– Trustee ( <i>arrived at 1:10pm</i> )
Reshma Soni*	– Trustee ( <i>arrived at 1:47pm</i> )
Stephen Skardon	– Trustee

Staff & Consultants:

Joseph Burns	– Jacobs, Burns, Orlove & Hernandez, Outside Counsel
Taylor Muzzy	– Jacobs, Burns, Orlove & Hernandez, Outside Counsel
Kweku Obed*	– Marquette Associates, Investment Consultant
Neil Capps*	– Marquette Associates, Investment Consultant
Derek Schmidt*	– Marquette Associates, Investment Consultant
Michael Walsh	– Executive Director and Chief Investment Officer
Peggy Grabowski	– Comptroller
John Carroll	– Compliance Administrator
Sheila Jones	– Administrative Coordinator
Nadia Oumata*	– Manager of Accounting and Investments
Tina Rhoten*	– Benefits Manager
Paul Rzeszutko*	– Assistant Benefits Manager

Absent:

Jennie Bennett	– Trustee
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Observer(s):

Martin Johnson*	– Office of the Chief Financial Officer, City of Chicago
Hector Dox*	– Office of the City Treasurer, City of Chicago
Ashley Evans*	– Office of the City Treasurer, City of Chicago
Jason Parks*	– Loop Capital Markets, LLC

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

\* *Denotes partial attendance.*



**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 19, 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
- Investment Report
- Executive Session No. 1
- Administrative Report
- Legal Report
- Executive Session No. 2
- Executive Session No. 3
- 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 solid black rectangular box used to redact the signature of the Retirement Board Secretary.

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 Capasso, that the regular minutes of Meeting No. 1014 held on October 22, 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 Joiner, that the executive session minutes of Meeting No. 1014 held on October 22, 2019 be approved as submitted.

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

**SAMPLE PROPOSAL REVIEW**

The Trustees reviewed and discussed a proposed new format for the Proposal document which provides an itemized list of benefits and expenses that are to be considered for approval by the Trustees at each of the LABF's monthly Board meetings. The Board suggested some changes to the proposed format and directed staff to begin using the new format at the December Board meeting.

**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 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

It was moved by Trustee Capasso, seconded by Trustee LoVerde, 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 Joiner, seconded by Trustee LoVerde, 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 Capasso, 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.

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

It was moved by Trustee Joiner, 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 – APPLICATIONS FOR ORDINARY DISABILITY BENEFITS**

It was moved by Trustee Joiner, seconded by Trustee Capasso, 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 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, Joiner, LoVerde, Capasso, and Skardon.  
Against -- None.

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

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

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

*Dr. Sullivan left the meeting. Trustee Conyears-Ervin arrived.*

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

Market Tracker Report

Mr. Obed provided a summary market update.

October 31, 2019 Preliminary Performance Report

Mr. Obed reviewed the Fund's October 31, 2019 Preliminary Performance Report.

3<sup>rd</sup> Quarter 2019 Performance Report

Mr. Obed reviewed the Fund's 3<sup>rd</sup> quarter performance report

Watch List

Mr. Obed provided an update on the two managers who are currently on watch status. Regarding Progress Investment Management (Progress), which is on alert due to organizational changes, Mr. Obed informed the Board that the manager will be losing \$600 million of assets due to CalPERS's decision to eliminate its global manager-of-managers allocation. Mr. Obed recommended that Progress remain on watch status and that LABF have them present before the Board at a future date. Regarding JPMorgan Strategic Property Fund investment, which is on the watch list due to professional turnover, Mr. Obed recommended that the account remain on watch status and informed the Board that Marquette Associates will continue to monitor this manager.

Additionally, Mr. Obed and Mr. Schmidt briefly discussed organizational changes occurring at Palladium Capital Partners (Palladium Equity Partners V, LP investment) and noted that three portfolio managers are leaving the firm at the end of the year. A further update will be provided to the Board regarding the matter at a future Board meeting.

Investment Policy Update

Ms. Oumata presented a proposed amendment to LABF's Investment Policy Statement incorporating the requirements of the recently enacted Sustainable Investing Act. The Trustees discussed the amendment.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to approve the suggested amendment to LABF's Investment Policy Statement.

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

Private Equity RFP

This topic was discussed in executive session.

**EXECUTIVE SESSION NO. 1**

At 2:15 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, Conyears-Ervin, Soni, and Skardon.  
Against -- None.

At 2:37 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, and Skardon.  
Against -- None.

**LABORERS' AND RETIREMENT BOARD EMPLOYEES'  
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*Mr. Obed, Mr. Capps, Mr. Schmidt, Trustee Conyears-Ervin and Ms. Oumata left the meeting.*

**ADMINISTRATIVE REPORT**

2020 Proposed Meeting Dates

Mr. Walsh presented a draft of proposed Board meeting dates for 2020. After discussion, the Board agreed to amend the start times for the meetings that were proposed to begin at 1:00 p.m. to instead begin at 12:00 p.m.

It was moved by Trustee Capasso, seconded by Trustee Joiner, to approve the proposed schedule as amended.

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

Amended Employee Handbook

Mr. Walsh reviewed a proposed amendment to LABF's Employee Handbook necessitated by various changes in law.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to approve the proposed amendment to LABF's Employee Handbook.

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

Legislative Update

Mr. Walsh informed the Board that the fall veto session which ended on Thursday, November 14, 2019 resulted in no legislation that directly impacts LABF. The Board provided Mr. Walsh with guidance on how to respond in the future to requests regarding LABF's position with respect to proposed legislation and other matters that require a response before the next scheduled Board meeting.

Miscellaneous

Update regarding the hearings held by the Senate Special Committee on State and Pension Fund Investments – Mr. Walsh reported that the Senate Special Committee held hearings on October 23-24, 2019 and that he attended with President Roa, Ms. Oumata, and Mr. Obed. Mr. Walsh informed the Board of some of the questions and issues that were raised at the hearing.

2020 Budget – Mr. Walsh reported that he planned to present LABF's 2020 Administrative Budget at the December Board meeting.

Election of officers – Mr. Walsh stated that the election of Trustee officers would take place at the December Board meeting which begins at 9:00 a.m.

Trustee year-to-date education hours – Mr. Carroll reminded the Board that Trustees are required to complete 8 hours of educational training annually and informed the Trustees of the number of hours each had completed year-to-date. Mr. Carroll also asked that the Trustees report to him any additional eligible training that they completed which may be included in their 2019 totals with LABF.

**LEGAL REPORT**

Chappell v Board of the Trustee of the Illinois Municipal Retirement Fund (IMRF)

Mr. Muzzy summarized the case of Chappell v Board of the IMRF and presented a letter from counsel for River Forest Township requesting that the LABF consider filing an amicus brief in support of an appeal by IMRF in this matter. The Board decided to take no action in this matter.

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Intercept Litigation

This item was discussed in executive session.

**EXECUTIVE SESSION NO. 2**

At 3:22 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 Joiner seconded the motion.

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

At 3:25 p.m., Trustee Joiner made a motion, seconded by Trustee Skardon, 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.

Treadwell Litigation

This item was discussed in executive session.

**EXECUTIVE SESSION NO. 3**

At 3:25 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 Soni seconded the motion.

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

At 3:28 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, Soni, and Skardon.  
Against -- None.

Underwood Litigation

Mr. Walsh updated the Board with respect to a number of appeals and unresolved matters pending in this case.

**ADJOURNMENT**

With no further business, at 3:32 p.m., Trustee LoVerde made a motion to adjourn the meeting. Trustee Capasso seconded the motion.

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