

**Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago  
Minutes of Regular Board Meeting No. 1014**

**October 22, 2019**

***Suite 1300 • 321 N Clark Street • Chicago Illinois 60654-4739  
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**LABORERS' AND RETIREMENT BOARD EMPLOYEES'  
ANNUITY AND BENEFIT FUND OF CHICAGO**

**October 22, 2019**

Report of Meeting No. 1014 held on October 22, 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 Conyears-Ervin* | – Trustee ( <i>arrived at 1:07pm</i> ) |
| Stephen Skardon         | – Trustee                              |

**Staff & Consultants:**

|                       |  |
|-----------------------|--|
| Joseph Burns          | – 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        |
| 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                                   |

**Absent:**

|                |   |
|----------------|---|
| Jennie Bennett | – Trustee (City of Chicago-Appointed Trustee) |
| Reshma Soni    | – Trustee (Ex-Officio Trustee)                |

**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          |
| Robert Molaro*  | – Robert S. Molaro & Associates                          |
| Bukola Bello*   | – VISION M.A.I. Consulting                               |

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

\* *Denotes partial attendance.*



**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 October 22, 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
- Legislative Update
- Investment Report
- Administrative Report
- Legal Report
- Executive Session No. 1
- Executive Session No. 2
- 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'  
ANNUITY AND BENEFIT FUND OF CHICAGO**

**October 22, 2019**

**PUBLIC PARTICIPATION**

None.

**APPROVAL OF MINUTES OF PREVIOUS MEETINGS**

It was moved by Trustee Joiner, seconded by Trustee LoVerde, that the regular minutes of Special Meeting held on September 12, 2019, be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the regular minutes of Meeting No. 1013 held on September 17, 2019, be approved as submitted.

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

It was moved by Trustee Capasso, seconded by Trustee LoVerde, that the minutes of Executive Sessions 1 and 2 of Meeting No. 1013, held on September 17, 2019, be approved as submitted.

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

**SCHEDULE A – APPLICATIONS FOR REFUNDS**

1. Refund of Contributions Due to Separation from Service

It was moved by Trustee Joiner, seconded by Trustee LoVerde, 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 LoVerde, seconded by Trustee Capasso, 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 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, 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 LoVerde, seconded by Trustee Joiner, 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 Capasso, 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 F – EXTENSION OF DUTY DISABILITY BENEFITS**

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

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

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

**SCHEDULE I – PAYMENT OF ADMINISTRATIVE EXPENSES**

It was moved by Trustee Joiner, seconded by Trustee LoVerde, that Administrative Expenses 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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*Dr. Sullivan left the meeting. Trustee Conyears-Ervin arrived.*

**LEGISLATIVE UPDATE- ROBERT S. MOLARO & ASSOCIATES**

Mr. Molaro introduced Bukola Bello to the Board and mentioned she will be assisting him with legislative matters for LABF. Mr. Molaro then referred to his memo dated October 18, 2019 (see attached document) which explained legislative matters in Springfield and he briefly discussed some of the legislative agenda items the Municipal Employees' Annuity and Benefits Fund is considering. Mr. Molaro also offered to arrange for a meeting between LABF and members of the General Assembly, or their staffs, to discuss various legislative issues.

*Mr. Molaro and Ms. Bukolo left the meeting.*

**INVESTMENTS REPORT**

Market Tracker Report

Mr. Obed provided a summary market update.

September 30, 2019 Preliminary Performance Report

Mr. Obed reviewed the Fund's September 30, 2019 Preliminary Performance Report.

Asset Allocation Review

Mr. Wesner reviewed a summary document outlining some of the investment-related actions taken since the hiring of Marquette Associates in May 2017 and the adoption of the new target asset allocation in October 2017.

*Mr. Wesner, Mr. Obed, and Mr. Capps left the meeting. Ms. Rhoten also left the meeting.*

**ADMINISTRATIVE REPORT**

Proposal Redesign and Omnibus Motion

Mr. Walsh discussed possible design changes to the LABF's Board Meeting Proposal document and mentioned that staff will present the suggested changes for the Board's consideration at the November 19, 2019 meeting.

Mr. Burns suggested to the Trustees for their consideration the idea of utilizing an omnibus motion to approve items on the Board Meeting Proposal document.

LABF Staff and Retiree Health Insurance Renewal

Mr. Walsh presented a report containing a recommendation regarding health, dental and vision insurance coverage for LABF's staff and retirees in 2020.

It was moved by Trustee Capasso, seconded by Trustee LoVerde, to approve the recommendation.

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

Proposed 2020 Meeting Dates and Office Holliday Schedule

**LABORERS' AND RETIREMENT BOARD EMPLOYEES'  
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Mr. Walsh presented the proposed Board meeting dates and office holiday schedule for 2020. The Board gave direction to implement the proposed office holiday schedule for 2020, but deferred approval of the proposed 2020 Board Meeting dates.

Retiree Healthcare Mailing

Mr. Walsh conveyed a request from Blue Cross Blue Shield of Illinois (BCBSIL) and Aetna that LABF assist in facilitating an insurance mailing to City of Chicago employee annuitants. Mr. Walsh explained that the insurance information would be mailed in an LABF envelope and include a cover letter from LABF explaining that LABF, as a matter of law, cannot and does not endorse insurance plans. The Board gave direction to proceed with the mailing so long as BCBSIL and Aetna cover the cost of the mailing.

Miscellaneous

Senate Special Committee Meeting – Mr. Walsh reported that the Senate Special Committee on State and Pension Investments will hold hearings on October 23-24, 2019 and that the LABF was scheduled to testify on October 24<sup>th</sup> at 9:30a.m.

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

Public Act 100-0023 Employer Contribution Mechanics

This item was not discussed at the meeting.

**LEGAL REPORT**

Intercept Litigation

This item was discussed in executive session.

**EXECUTIVE SESSION NO. 1**

At 2:34 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, Conyears-Ervin, and Skardon.  
Against -- None.

At 2:45 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, and Skardon.  
Against -- None.

Fraud Matter

This item was discussed in executive session.

**EXECUTIVE SESSION NO. 2**

At 2:46 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, Joiner, LoVerde, Capasso, Conyears-Ervin, and Skardon.  
Against -- None.

At 2:50 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.

**LABORERS' AND RETIREMENT BOARD EMPLOYEES'  
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Roll-call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, and Skardon.  
Against -- None.

Carmichael Litigation

The Board discussed the plaintiffs' motion to lift the escrow order which would allow the contributions associated with those affected by this matter to be made to the LABF instead of to the escrow account. Mr. Walsh noted the ambiguities with respect to the appropriate contribution amount were discussed in court.

Underwood Litigation

Mr. Walsh updated the Board with respect to the two appeals pending in this case. Additionally, Mr. Walsh reported that there was a hearing scheduled in the Circuit Court on Tuesday, October 22, 2019 to consider the plaintiffs' motion to order the defendants to pay interest on health insurance subsidies and to consider plaintiffs' motion to enter a "final judgment". The LABF and other defendants have filed briefs opposing each of these motions. Mr. Carroll reported that Mr. Krislov has requested that the judge presiding in this case be recused.

**ADJOURNMENT**

With no further business, at 2:59 p.m., Trustee LoVerde made a motion to adjourn the meeting. Trustee Conyears-Ervin seconded the motion.

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





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**ROBERT S. MOLARO & ASSOCIATES**

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**MEMORANDUM**

**October 18, 2019**

**To: The Honorable Members of the Board of Trustees**

**Laborers' Annuity and Benefit Fund of Chicago**

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

**RE: Up Coming Veto Session 2019 Report 101<sup>st</sup> General Assembly**

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- The 2019 Fall Veto session of the Illinois General Assembly will convene for six days, October 28, 29 and 30, November 12, 13 and 14. There will be a perfunctory day on October 17, 2019 in order to allow Legislators to file new bills or amendments.
- There are no Pension Committee hearings schedule at this time for either chamber.
- High ranking officials for the City of Chicago are meeting with their Springfield lobbying team to set their agenda for the upcoming fall Veto Session of the Illinois General Assembly. No Pension Reform or Funding items or request seem to be part of the City's Agenda
- Governor Pritzker is expected to have legislation introduced for possible consideration during the Veto Session to reform and consolidate downstate Public Safety Pension Funds.

- There will also be adjustments to the Capitol program that was passed and signed 3 months ago.
- A follow-up of any action taken in Springfield during the Veto Session will be sent to you and your Board in late November.