

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting No. 984**

April 18, 2017

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

April 18, 2017

Report of Meeting No. 984 held on April 18, 2017, starting at 1:03 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 (Union Appointed Member)
 Erin Keane – Vice President (City Comptroller, City of Chicago)
 Michael LoVerde – Secretary (Active Employee Elected Member)
 Carol Hamburger – Trustee (Managing Deputy Comptroller, City of Chicago)
 Kurt Summers, Jr. – Trustee (City Treasurer, City of Chicago) *entered at 1:12pm*
 James Capasso, Jr. – Trustee (Annuitant Elected Member)
 Carole Brown – Trustee (Chief Financial Officer, City of Chicago) *entered at 1:05pm*

Staff & Consultants: Graham Grady – Taft Stettinius & Hollister LLP, Fund's Counsel
 Cary Donham – Taft Stettinius & Hollister LLP, Fund's Counsel
 Dr. Terence Sullivan – Fund's Physician
 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
 Margie Grazevich – Payment Services Manager
 Nicole Evangelista – Payment Services Coordinator
 Irene Velazquez – Payment Services Assistant
 Tina Rhoten – Benefits Manager
 Paul Rzeszutko – Assistant Benefits Manager

Absent: James Joiner – Trustee (Active Employee Elected Member)

Observers: Theron K. Picketts of NASP (National Association of Securities Professionals)

President Roa determined that a quorum was present after Trustee LoVerde took 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 **April 18, 2017**. The minutes are comprised of the following:

- Public Participation
- Reading of Resolution
- Approval of Minutes From Prior Meetings
- Schedule A: Applications for Refunds
 1. Refund of Contributions Due to Separation from Service
- 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
- Investments Report
- Executive Session No. 1
- Investments Report Continued
- Administrative Report
- Legal Report
- Executive Session No. 2
- 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

Theron Picketts of the National Association of Securities Professional ("NASP") extended an invitation to Trustees to attend the NASP 2017 Conference scheduled for June 26th-28th in Los Angeles, California.

READING OF RESOLUTION

On behalf of the Trustees, President Roa read and presented a resolution to Margie Grazevich honoring her service to the LABF. A copy of the resolution is attached.

APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that the regular minutes of the Special Meeting held on March 2, 2017 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the minutes of the executive session of the Special Meeting held on March 2, 2017 be approved as submitted.

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

It was moved by Trustee Hamburger, seconded by Trustee Brown, that the regular minutes of Meeting No. 983 held on March 21, 2017 be approved as submitted.

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

It was moved by Trustee Hamburger, seconded by Trustee Capasso, that the minutes of the executive sessions 1, 2, and 3 of Meeting No. 983 held on March 21, 2017 be approved as submitted.

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

SCHEDULE A – APPLICATIONS FOR REFUNDS

1. Refund of Contributions Due to Separation from Service

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that Refunds of Contributions Due to Separation from Service be approved and ordered paid.

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

SCHEDULE B – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

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

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

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2. Spouse and Child Annuities

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

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

SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

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

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

SCHEDULE D – APPLICATIONS FOR DUTY DISABILITY BENEFITS

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

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

SCHEDULE E – APPLICATIONS FOR ORDINARY DISABILITY BENEFITS

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

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

SCHEDULE F – EXTENSION OF DUTY DISABILITY BENEFITS

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

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

SCHEDULE H – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS

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

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

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SCHEDULE I – PAYMENT OF EXPENSES

It was moved by Trustee LoVerde, seconded by Trustee Brown, that Administrative and Investment Invoices be approved and ordered paid.

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

PETITIONS FOR THE WAIVER OF GUARDIANSHIP

Wilton Sumerlin

Mr. Carroll reviewed the details of the Petition for the Waiver of Guardianship for Wilton Sumerlin, an annuitant of the Fund, which was submitted by Ms. Crystal Sumerlin, Mr. Sumerlin's daughter. Mr. Carroll and Mr. Donham reviewed the reasoning for recommending that payments be made to the nursing facility which is helping to care for Mr. Sumerlin.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, to waive guardianship proceedings pursuant to 40 ILCS 5/11-223(c) for Mr. Sumerlin and to make future monthly annuity payments, as well as applicable back payments, to Symphony at Midway, a nursing facility, as payee for the benefit of Wilton Sumerlin. See attached decision of the Board.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

Angeline Shervino

Mr. Carroll reviewed the details of the Petition for the Waiver of Guardianship for Angeline Shervino, who is receiving a Widow's Annuity from the Fund, which was initiated by Mr. Thomas F. Shervino, Ms. Shervino's son. Mr. Carroll and Mr. Donham reviewed the reasoning for recommending that payments be made to the nursing facility which is helping to care for Ms. Shervino.

It was moved by Trustee Hamburger, seconded by Trustee Capasso, to waive guardianship proceedings pursuant to 40 ILCS 5/11-223(c) for Ms. Shervino and make monthly annuity payments, as well as applicable back payments, to Bridgeview Health Care, a nursing facility, as payee for the benefit of Angeline Shervino subject to a new completed Petition for the Waiver of Guardianship form being submitted to the Fund. See attached decision of the Board.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

INVESTMENTS REPORT

Investment Consultant Search

Mr. Walsh requested that this topic be discussed in executive session.

EXECUTIVE SESSION NO. 1

At 1:36 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 Hamburger seconded the motion.

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

At 1:48 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, Keane, LoVerde, Summers, Hamburger, Capasso and Brown.
Against -- None.

It was moved by Trustee LoVerde, seconded by Trustee Summers, to hire Marquette Associates for investment consulting services, subject to final contract negotiations.

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Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

This item was taken out of order. It was moved by Trustee LoVerde, seconded by Trustee Brown, to terminate the Agreement for Investment Consulting Services the Fund has with NEPC, LLC upon completion of the new investment consultant contract with Marquette Associates.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

INVESTMENTS REPORT CONTINUED

March 31, 2017 Preliminary Performance Report

Mr. Walsh reviewed the March 31, 2017 Preliminary Performance Report prepared by NEPC. Mr. Walsh updated the Board on a fee concession the LABF received for the Ariel microcap product.

Annual Review of MWDBE Policies

The Board reviewed and approved the LABF's current MWDBE Policies. The Trustees also requested some additional reports to further review the Fund's spending in 2016 with MWDBE service providers and vendors. The Trustees also requested a more detailed report regarding the diversity of the Fund's employees.

ADMINISTRATIVE REPORT

Cash Needs

Mr. Walsh reviewed the year-to-date cash needs for the Fund as well as some upcoming estimated cash needs.

Disability Service Rule

Mr. Walsh gave a brief update on the status of this matter.

Legislative Matters

Mr. Walsh updated the board on the status of Senate Bill 14 and noted that the Bill could be called for a vote in the Illinois House in May. The Trustees requested that Mr. Walsh prepare a draft letter to be sent to State of Illinois leadership in support of the additional funding that is contained in Senate Bill 14.

Miscellaneous

Plan Funding Statistics - Mr. Walsh updated the Trustees on some preliminary statistics related to the funding status of the Laborers' Fund and also noted that the Fund's actuary, Gabriel Roeder Smith & Company, will be making their annual presentation at the May Board meeting.

FOIA Update – Mr. Walsh and Mr. Donham updated the Trustees on a current FOIA request that Fund staff was working to complete.

Statements of Economic Interest – Mr. Carroll reminded the Board that their Statement of Economic Interest filing was due to be filed with the County Clerk's Office by May 1, 2017.

LEGAL REPORT

DV Urban Litigation

Mr. Donham updated the Board on the DV Urban litigation and reminded Trustees that the remaining matters in this case only applied to the General Partner.

Coveliers Litigation

Mr. Donham gave the Trustees a brief update on the Coveliers litigation and noted an upcoming filing that he was preparing.

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Carmichael Litigation

Mr. Donham requested that this topic be discussed in executive session.

EXECUTIVE SESSION NO. 2

At 2:41 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss the current or potential litigation of the Fund. Trustee Summers seconded the motion.

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

At 2:47 p.m., Trustee LoVerde made a motion, seconded by Trustee Brown, that the executive session be adjourned and that the Board return to open session.

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

The Trustees took no action.

ADJOURNMENT

With no further business, at 2:48 p.m., Trustee LoVerde made a motion to adjourn the meeting. Trustee Hamburger seconded the motion.

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