

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting No. 987**

July 18, 2017

***Suite 1300 • 321 N Clark Street • Chicago Illinois 60654-4739
(312) 236-2065 • Fax (312) 236-0574***

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

July 18, 2017

Report of Meeting No. 987 held on July 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) *entered at 1:07 pm.*
Michael LoVerde – Secretary (Active Employee Elected Member)
Kurt Summers, Jr. – Trustee (City Treasurer, City of Chicago) *entered at 1:06 pm.*
Carol Hamburger – Trustee (Managing Deputy Comptroller, City of Chicago)
James Capasso, Jr. – Trustee (Annuitant Elected Member)
Carole Brown – Trustee (Chief Financial Officer, City of Chicago) *entered at 1:05 pm.*
James Joiner – Trustee (Active Employee Elected Member)

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
Kweku Obed – Marquette Associates, Investment Consultant
Neil Capps – Marquette Associates, Client Analyst
Gregory Leonberger – Marquette Associates, Investment Consultant
Robert Molaro – Robert S. Molaro and Associates, Legislative Liaison
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
Nicole Evangelista – Payment Services Coordinator
Irene Velazquez – Payment Services Assistant
Estela Cohen – Chief Benefits Analyst

Absents: None

Observers: Kevon Williams – Chicago Summer Business Institute ("CSBI"), LABF Intern

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

- Public Participation
- Approval of Minutes From 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 Liaison Report
- Investments Report
- Executive Session No. 1
- Administrative Report
- Legal Report
- Executive Session No. 2
- Executive Session No. 3
- Legal Report (continued)
- 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

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

July 18, 2017

PUBLIC PARTICIPATION

None.

APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the regular minutes of Meeting No. 986 held on June 20, 2017 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that the minutes of executive sessions 1, 2 and 3 of Meeting No. 986 held on June 20, 2017 be approved as submitted.

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

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 Refunds of Contributions Due to Separation from Service be approved and ordered paid.

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

2. Miscellaneous Refunds

It was moved by Trustee Joiner, seconded by Trustee Hamburger, that applications presented for Miscellaneous Refunds be approved and ordered paid.

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

2. Spouse and Child Annuities

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

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

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

July 18, 2017

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, Keane, LoVerde, Summers, Hamburger Capasso, Brown and Joiner.
Against -- None.

SCHEDULE D – APPLICATIONS FOR DUTY DISABILITY BENEFITS

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

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

SCHEDULE E – 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, Keane, LoVerde, Summers, Hamburger Capasso, Brown and Joiner.
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, Keane, LoVerde, Summers, Hamburger Capasso, Brown and Joiner.
Against -- None.

SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS

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

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

SCHEDULE I – PAYMENT OF EXPENSES

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

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

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

July 18, 2017

Legislative Liaison Report

Mr. Molaro reviewed his memo to the Board and updated them on the end-of-session legislative matters from Springfield.

See attached document.

INVESTMENTS REPORT

June 30, 2017 Preliminary Performance Report

Mr. Obed invited the Board and LABF staff to attend Marquette's upcoming investment symposium scheduled for Friday, September 29, 2017 and then reviewed the June 30, 2017 Performance Report.

Marquette Associates Transition Update/Peer Group Analysis

Mr. Obed reported the current status of the transition and also reviewed a Peer Group Analysis report.

Cash Needs

Mr. Obed provided the recommendation for assets to be liquidated to cover the Fund's August, 2017 expenditures.

EXECUTIVE SESSION NO. 1

At 2:05 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, Keane, LoVerde, Summers, Hamburger Capasso, Brown and Joiner.
Against -- None.

At 2:08 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, Brown and Joiner.
Against -- None.

The Trustees took no action.

ADMINISTRATIVE REPORT

Updated 2018 Funding Resolution

Mr. Walsh reported that he, at the request of the Board, contacted Alexandra Holt, the City of Chicago's now former Budget Director, and Samantha Fields, the City's now current Budget Director, to discuss the rationale behind the LABF's funding resolution adopted at the June 20, 2017 Board meeting prior to transmitting the associated funding request to the City. Mr. Walsh reminded the Board that based on the conversations he had with Mses. Holt and Fields, and due to the introduction of the ordinance seeking to amend the Municipal Code of the City of Chicago to authorize the City to make additional employer contributions, he informed the Board via email following the June Board meeting that he would temporarily refrain from sending the funding request and suggested the Board further discuss the matter at its July 18, 2017 meeting. Additionally, on July 6, 2017, Public Act 100-0023 became law and altered the City of Chicago's statutory funding requirement, which required that the LABF's funding resolution be revised.

Mr. Walsh reviewed two separate revised drafts of the 2018 Funding Resolution. The Board discussed what should be included in the funding request. The Board then requested additional time to look into the matter further.

It was moved by Trustee Capasso, seconded by Trustee Joiner, to retract the motion to approve the 2018 Funding Resolution that was approved at the June 20, 2017 Board meeting.

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

2017 Annuitant Member Election

Mr. Walsh reviewed a tentative election timeline and a draft of the 2017 Annuitant Member Election Rules. The Trustees chose Trustees Roa, Hamburger and Joiner to serve as the members of the Election Committee for the upcoming election.

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

July 18, 2017

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, to accept the 2017 Annuitant Member Election Rules as presented in the meeting. See attached document.

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

Definition of Employer

Mr. Walsh and Mr. Donham discussed a memo prepared by Taft Stettinius & Hollister LLP ("Taft") reviewing the definition of "Employer" under Article 11 of the Pension Code. Mr. Donham reviewed the entities that Taft believes are "Employers" under Article 11.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, to accept Fund Counsel's recommendation of the definition of "Employer" as outlined in the memo reviewed in the meeting.

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

Legislative Matters

Mr. Walsh discussed the administrative challenges that the Fund faces as a result of Public Act 100-0023 becoming law, of which he highlighted the following:

- An irrevocable election regarding new benefits will need to be made by certain members, however, LABF will need to first address some inconsistencies in the law and more carefully determine the affected member population. The Trustees acknowledged that the communication of the changes in law to the affected members will require a high level of coordination between LABF and the City of Chicago. The Trustees gave staff direction to create some administrative rules for review at the next meeting related to how the Fund will implement the various changes required under the law.
- LABF may receive inquiries from members regarding the irrevocable election. The Trustees requested that staff take a cautious approach so as to not give investment advice or legal advice as part of any communications to or with members affected by the new law.
- Employee contributions will need to be changed as part of the new legislation for certain affected members. Mr. Walsh mentioned that LABF would begin working with the City of Chicago to implement the required changes.
- The Fund will engage its outside software developer to begin making the necessary modification to the pension administration system in order to administer PA 100-0023.
- There are several problems with PA 100-0023 with respect to treatment of reciprocal fund service. The Trustees agreed that the staff should work with the Speaker's Office on the trailer bill to address some of the ambiguities in the new law.

Mr. Walsh and the Trustees agreed that this item should be more fully addressed in the August 22, 2017 Board meeting.

Disability Service Rule

This item was deferred to the August 22, 2017 Board meeting.

Fraud Matter

Mr. Walsh reviewed the status of the previously discussed fraud matter and the Trustees gave Mr. Walsh the authority to move forward with criminal prosecution of the perpetrator(s) on the Fund's behalf if the investigation leads in that direction.

LEGAL REPORT

The first portion of the legal topics were conducted in executive session.

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

July 18, 2017

EXECUTIVE SESSION NO. 2

At 3:17 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss current or potential litigation of the Fund. Trustee Joiner seconded the motion.

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

At 3:32 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, Keane, LoVerde, Summers, Hamburger Capasso, Brown and Joiner.
Against -- None.

The Trustees took no action.

EXECUTIVE SESSION NO. 3

At 3:32 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss current or potential litigation of the Fund. Trustee Hamburger seconded the motion.

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

At 3:38 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, Keane, LoVerde, Summers, Hamburger Capasso, Brown and Joiner.
Against -- None.

The Trustees took no action.

LEGAL REPORT (continued)

Coveliers Litigation

Mr. Donham reported the status of the Coveliers litigation case.

ADJOURNMENT

With no further business, at 3:38 p.m., Trustee LoVerde made a motion to adjourn the meeting. Trustee Capasso seconded the motion.

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



ROBERT S. MOLARO & ASSOCIATES

6808 West Archer Avenue • Chicago, Illinois 60638 • Tel (773) 229-0400 • Fax (773) 229-0118 • molarolaw@yahoo.com

MEMORANDUM

July 17, 2017

TO: The Honorable Members of the Board of Trustees

Laborers' Annuity and Benefit Fund of Chicago

FR: Robert S. Molaro & Associates

Springfield Update

After 2 ½ years of political impasse, and two weeks of brinksmanship during a Special Legislative Session, June 21 to July 6, the State of Illinois finally has a budget.

Between Saturday, July 2, and Thursday, July 6, the three-bill fiscal package was in quick succession approved by both the House of Representatives and the Senate, vetoed by Gov. Rauner and then, in turn, his vetoes were overridden by both Chambers, culminating in a final vote in the House.

The legislation enacted includes:

- **Senate Bill 9, House Floor Amendment 3/Public Act 100-0022** - A \$5 billion income tax increase, which raises the rate from 3.75 to 4.95 percent on personal income and from 5.25 to 7 percent on corporations. However, a proposed expansion of the state sales tax to several services was dropped from the final legislation;
- **Senate Bill 6, House Floor Amendments 2, 3 and 4/Public Act 100-0021** - A \$36.1 billion FY 2018 budget.
- **Senate Bill 42, House Floor Amendment 1/Public Act 100-0023** - A Budget Implementation Bill, or BIMP bill;



The FY 2018 spending plan detailed in SB 6 is approximately \$3 billion less than the \$39 billion state spent in FY 2017 through a mixture of court ordered spending, such as the mandate to pay state salaries, and targeted appropriations, such as for education and transportation projects. The new budget includes a 5 percent across the board cut for state agencies, and a 10 percent slash for higher education.

SB 42 includes provisions to deal with state's \$15 billion bill backlog, including issuing \$3 billion in bonds and borrowing and/or sweeping another \$3 billion from various dedicated state funds. In addition, paying down the state's Medicaid budget backlog would generate another \$2 billion in matching funds from the Federal government. It is anticipated \$8 billion of the \$15 billion arrearage could be eliminated through this plan. SB42 also included the new funding language for the Chicago Municipal and Laborers' Pension Funds (which was previously contained in SB14). SB 42 is now in effect.

Fifteen House Republicans joined 57 Democrats in support of the SB 9, the tax increase bill, in the initial vote. In the subsequent override, 10 Republicans and 61 Democrats provided the votes to push the total to 71, or 60 percent of members, the minimum number required to enact the bill into law. Many of the GOP legislators represent districts with public universities and other state facilities that have been negatively impacted by the ongoing budget impasse. In the Senate, the vote was less bipartisan, with only one Republican joining 35 Democrats in passing/overriding the veto of the revenue bill.

SB 9 passed by a slightly larger bipartisan margin in the override vote, 74-37 in the House, and 39-15 in the Senate, while SB 42 was overridden with the minimum of 71 votes in the House and 36 in the Senate.

SB1811, which contained the 911 surcharge that the City of Chicago indicated would help to finance the Laborers' Pension Fund, was passed by the Senate and the House. The Governor vetoed SB1811 on July 1, however, both Chambers voted favorably to override the Governor's veto the same day. SB 1811 is now Public Act 100-0020.

Please be aware that SB1, which contains the new funding formula for public schools, K thru 12, has passed both Houses. This bill needs to be signed into law for the schools to receive state funding for FY 2018.

2017 ANNUITANT MEMBER ELECTION RULES

ELECTION OFFICIALS

1. **Election Committee.** Victor Roa, Carol Hamburger and James Joiner, Trustees of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("LABF"), shall constitute the Election Committee for the 2017 Employee Annuitant Trustee Election. All actions taken by the Election Committee require a majority vote of its members.
2. **Election Judges.** At least three (3) staff members of the LABF shall be selected by the Election Committee to be Election Judges in order to assist with the administration of the election.
3. **Power to Adopt Procedures and Set Rules.** The Election Committee is hereby empowered to adopt procedures or make and enforce such further rule or rules as the said committee may deem advisable for the proper and orderly administration of said election.
4. **Dispute Resolution.** All disputes shall be referred to the Election Committee and the findings of such committee shall be final and conclusive.

NOTICE OF ELECTION

5. **Newspaper Publication.** Notice of this election shall be published in the legal notice section of the Chicago Sun-Times and/or such other newspaper(s) of general publication published in Chicago, once during the week of August 6, 2017 and once during the week of August 13, 2017.

Online. A notice of the election shall be posted on the LABF's website, www.LABFChicago.org, no later than August 7, 2017.

U.S. Mail. A notice of election postcard shall be mailed to all annuitants who are eligible to vote in this election no later than August 7, 2017. Postcards will be mailed to the correspondence address on file with LABF and every reasonable measure will be taken to reroute returned mail to a proper address in a timely manner.

CANDIDACY

6. **Eligibility.** Per 40 ILCS 11-182(b), any annuitant member who is a former employee receiving a retirement (age and service or prior service) annuity from the LABF is eligible to become a candidate for this trustee position.
7. **Request for Petition.** Annuitant members who desire to become candidates in this election must request a Nominating Petition by submitting a Request for Petition form to the LABF. Potential candidates may obtain the Request for Petition form by: (1) visiting the LABF office at 321 North Clark Street, Suite 1300; Chicago, Illinois 60654 during regular office hours, (2) downloading it from the LABF website at www.LABFChicago.org, or (3) phoning the LABF at (312) 236-2065 to request that it be mailed to them. The Request for Petition form will be available from 8:30 a.m. on August 7, 2017 to 3:00 p.m. on August 21, 2017. After a Request for Petition form has been submitted and eligibility for candidacy has been determined by the Election Committee/Election Judges, potential candidates will receive a "Nominating Petition" which must be completed and submitted to the LABF office.
8. **Nominating Petition Submission.** Annuitant members who are eligible for candidacy and desire to become candidates in this election must hand deliver completed Nominating Petitions to the LABF office at 321 North Clark Street, Suite 1300; Chicago, Illinois 60654 during regular office hours by 3 p.m. on Monday, August 28, 2017. Candidates must display a valid driver's license, state ID or passport which bears the annuitant member's photo when filing Nominating Petitions. The Nominating Petition must contain a signed statement by the annuitant that he/she desires to be a candidate for trustee in the election to be held on Thursday, October 12, 2017. The Nominating Petition in support of candidacy must also contain the signatures of at least ten (10) other annuitant members receiving retirement annuities, along with their addresses and dates of birth.

9. **Withdrawal of Candidacy.** Any candidate, who has filed a Nominating Petition, may withdraw their candidacy by filing written notice of withdrawal with the Executive Director of the LABF before 3:00 p.m. on Tuesday, September 5, 2017.
10. **Termination of Candidacy.** At any point during the election process, the Election Committee may prohibit the candidacy of any individual who does not meet the eligibility requirements. The Election Committee may also revoke the candidacy of any candidate who does not adhere to the rules, regulations and code of conduct established for this election.
11. **Code of Conduct.** Candidates and their campaigners must remain respectful of their opponents, the LABF, the Election Committee and everyone associated with this election. This includes but is not limited to, refraining from personal attacks and bullying, whether physical, written, verbal and/or cyber.

No electioneering shall be allowed on the premises or within 300 feet of the 321 North Clark building entrance on the day of the election. This includes the wearing of any badge or other insignia in support, or in opposition, of any candidate.
12. **Sole Candidate.** In the event that only one qualified candidate submits a valid Nominating Petition by the due date, he/she shall automatically be declared the winner and the election process shall end. Otherwise, the names of all qualified candidates who have filed valid Nominating Petitions shall be printed on the ballot.

THE BALLOT

13. **Determination of Candidate Order.** The names of the candidates shall be printed on the ballot in the order corresponding to the order in which the candidates filed valid Nominating Petitions in the office of the LABF. In the event that Nominating Petitions for two (2) or more qualified candidates are received by the LABF at the same time, the order of the candidates' names on the ballot shall be determined by lottery. The lottery shall take place as soon as conveniently possible after the simultaneous filing of said Nominating Petitions but no later than Friday, September 8, 2017. Those individuals who have filed said Nominating Petitions are entitled to observe the lottery in person at the LABF office. The final ballot order will be determined no later than Friday, September 8, 2017.
14. **Spoiled Ballot.** If a ballot is damaged by a voter, a replacement ballot may be requested from an Election Judge. The original ballot will be deemed spoiled and invalidated. It will not be counted.

VOTING

15. **Eligibility.** Per 40 ILCS 11-182(b), all persons who are receiving a retirement (age and service or prior service) annuity from the LABF at the time the election is held are eligible to vote.
16. **Voting.** All voting shall take place in the designated area of the building located at 321 North Clark Street, Chicago, Illinois 60654 on Thursday, October 12, 2017 between the hours of 6:00 a.m. and 6:00 p.m. The polls shall close for the receipt of such ballots promptly at 6:00 p.m., except for the receipt of ballots as may be cast by persons who shall be in the building at such hour for the purpose of casting such ballots.
17. **Procedure.** Participants requesting a ballot must identify themselves at the voter identification check-in station by means of a valid driver's license, a valid State ID, or a valid Passport. Any form of identification that is expired is not considered valid and shall not be accepted.

Upon verification of voter eligibility, each ballot shall be initialed by an Election Judge before such ballot is given to the voter and no ballot shall be counted which has not been so initialed.

Eligible voters may cast one vote in the following manner: (1) select only one candidate on the ballot, (2) insert the completed ballot into the locked ballot box.

Only votes cast on an official 2017 LABF Ballot will be counted.
18. **Provisional Ballots.** At times, questions may arise regarding who is or is not eligible to vote in an Annuitant Member Election at the LABF. When eligibility is unclear, these individuals may receive

a “Provisional Ballot.” The following are the rules and procedures established for individuals who will be casting votes via a Provisional Ballot:

- a. To cast a Provisional Ballot, a valid driver’s license, State ID, or Passport must be presented to an Election Judge.
- b. Provisional Ballots are sealed in an envelope bearing the voter’s name, address and the last 4 digits of the voter’s Social Security Number as provided by the voter.
- c. Provisional Ballot envelopes are deposited into the locked election box with all regular ballots.
- d. After voting has ended, only Regular Ballots will be removed from the ballot box and counted. The ballot box, still containing the Provisional Ballots, will be relocked.
- e. In the event that the number of votes separating the leading and second place candidates is greater than the number of total Provisional Ballots cast, no Provisional Ballots will be opened, and the candidate receiving the most votes will be declared the winner.
- f. In the event that the number of votes separating the leading and second place candidates is less than or equal to the number of total Provisional Ballots cast, all Provisional Ballot Envelopes will be removed from the ballot box and separated into the following three (3) categories by the Election Judges:
 - i. “Denied,” defined as ballots cast by individuals confirmed to be ineligible to vote.
 - ii. “Approved,” defined as ballots cast by individuals confirmed to be eligible to vote.
 - iii. “Undetermined,” defined as ballots cast by individuals for whom eligibility could not be determined before closing of the polls.
- g. The Election Committee will verify that all Provisional Ballots are classified correctly.
- h. Provisional Ballots deemed “Denied” will be set aside. They will not be opened.
- i. In the event that the number of votes separating the leading and second place candidates is less than or equal to the number of remaining Provisional Ballots (“Approved” and “Undetermined”), the “Approved” Provisional Ballots will be separated from their envelopes (as to protect the anonymity of the voting member) and re-deposited into the locked ballot box.
- j. Approved Provisional Ballots may only be opened by an Election Judge in the presence of at least one other Election Judge and at least one member of the Election Committee. Election Watchers may also be present.
- k. Once all Approved Provisional Ballots have been separated from their envelopes and returned to the ballot box, the ballot counting process will proceed in the same manner as with the regular ballots.
- l. In the event that the number of votes separating the leading and second place candidates is greater than the number of total “Undetermined” Provisional Ballots cast, no “Undetermined” Provisional Ballots will be opened, and the candidate receiving the most votes will be declared the winner.
- m. In the event that the number of votes separating the leading and second place candidates is less than or equal to the number of total “Undetermined” Provisional Ballots cast, counting of ballots will be suspended until eligibility is determined for the remaining voters in question.
- n. In the event of a tie, refer to paragraph 21 of the Election Rules.

VOTE COUNTING PROCEDURE

19. **Election Watchers.** Each candidate may appoint one (1) person to act as a Watcher during the election process (“Election Watcher”). In order for a candidate to have an Election Watcher, the Election Watcher’s name must be submitted to the Executive Director of the LABF no later than October 5, 2017. Election Watchers are required to conduct themselves in a professional manner.

On the day of the election, each candidate and/or their designated Election Watcher may be present in designated areas of the LABF office beginning at 6:00 a.m. to observe the voting and ballot counting processes.

20. **Counting the Votes.** The Election Judges shall count the votes on Thursday, October 12, 2017 starting shortly after 6:00 p.m. at the LABF office.
21. **Determination of the Winner.** The candidate receiving the most votes shall be declared the winner. In the event of a tie, a coin toss administered by the Election Committee will determine the winner.

ANNUITANT MEMBER TRUSTEE POSITION

22. **Term of Office:** This election for an Annuitant Member Trustee shall cover a three-year term of office from December 2, 2017 to December 1, 2020.
23. **Oath of Office:** Each person elected (Trustee-Elect") as a member of the Retirement Board of the LABF ("Board") shall take an oath of office to be administered by the City Clerk or any other authorized person designated by the City Clerk prior to the start of the December LABF board meeting. A Trustee-Elect may not assume the duties of a Trustee until such oath of office has been sworn.
24. **No Compensation for Service:** Per 40 ILCS 11-224, no member of the Board shall receive any moneys from the LABF as salary for service performed as a member or as an employee of the Board.