

**Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago  
Minutes of Regular Board Meeting # 963**

**July 14, 2015**

***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 14, 2015**

Report of Meeting No. 963 held on July 14, 2015, starting at 1:05 p.m. in the office of the Laborers' Pension Fund.

The following were present:

Board Members:

Victor Roa, President (Local 1001)  
Erin Keane, Vice President (First Deputy Comptroller, City of Chicago)  
Michael LoVerde, Secretary (City of Chicago)  
Kurt Summers, Jr., Trustee (City Treasurer, City of Chicago)  
Carol Hamburger, Trustee (Managing Deputy Comptroller, City of Chicago)  
Joseph Rinella, Trustee (City of Chicago)  
James Capasso, Jr., Trustee (Retired)

Staff & Consultants:

Graham Grady – Taft Stettinius & Hollister LLP, Fund's Attorney  
Cary Donham – Taft Stettinius & Hollister LLP, Fund's Attorney  
Dr. Terence Sullivan – Fund's Physician  
Kristin Finney-Cooke – NEPC, LLC, Fund's Investment Consultant  
Kristen Jackson – NEPC, LLC, Fund's Investment Consultant  
Michael Walsh – Executive Director and Chief Investment Officer  
Peggy Grabowski – Comptroller  
Kathy Schanding – Fund Actuary  
Joan Newman – Benefits Manager  
Irene Velazquez – Benefits Payroll Assistant  
John Carroll – Compliance Administrator  
Sheila Jones – Administrative Coordinator

Absent: Carole Brown, Trustee (Chief Financial Officer, City of Chicago)

President Roa determined that a quorum was present.

It was moved by Trustee LoVerde, seconded by Trustee Summers, that the regular minutes of Meeting No. 962 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the minutes of the executive sessions 1, 2, 3, 4 and 5 of meeting No. 962 be approved as submitted.

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

**PUBLIC PARTICIPATION**

None.



***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 14, 2015**. The minutes are comprised of the following:

- Approval of minutes from prior meeting
- Public Participation
- Schedule A: Applications for Refunds
  - 1. Refund of Contributions Due to Separation from Service
- Schedule B: Applications for Annuities
  - 1. Employee Annuity Applications
  - 2. Spouse and Child Annuity Applications
- 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
- Executive Session No. 2
- Administrative Report
- Executive Session No. 3
- Legal Report
- Executive Session No. 4
- Executive Session No. 5
- 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 14, 2015**

**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 be approved and ordered paid.

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

**SCHEDULE B – APPLICATIONS FOR ANNUITIES**

1. Employee Annuities

The trustees separately discussed the starred case in the Application for Annuity section for Richard Coveliers. Fund counsel presented a memo and other documents to trustees as part of their review of this application and referred to ILCS 5/11-230 (Felony Convictions) which states, "...None of the benefits provided in this Article shall be paid to any person who is convicted of any felony relating to or arising out of or in connection with his service as employee..."

President Roa asked if there was a motion to approve the Application for Employee Annuity for Richard Coveliers . No motion to approve was made.

It was moved by Trustee Hamburger, seconded by Trustee LoVerde, that the application presented for Employee Annuity for Richard Coveliers be denied.

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

See attached documents.

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

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

2. Spouse and Child Annuities

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

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

**SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS**

The trustees discussed the starred case in the Adjustment Refunds to New Annuitants section for Employee Richard Coveliers. Trustee LoVerde noted that since Richard Coveliers' application for Employee Annuity was denied, he is not a "new annuitant" therefore is not eligible for an Adjustment Refund to New Annuitants. The trustees unanimously agreed that Richard Coveliers is not eligible for an Adjustment Refund to New Annuitants.

It was moved by Trustee LoVerde, seconded by Trustee Rinella, that only the Adjustment Refund for Employee # 39547 be approved and ordered paid.

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

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

**July 14, 2015**

**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, Rinella and Capasso.  
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, Rinella and Capasso.  
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, Rinella and Capasso.  
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, Keane, LoVerde, Summers, Hamburger, Rinella and Capasso.  
Against -- None.

**SCHEDULE H – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS**

None.

**SCHEDULE I – PAYMENT OF ADMINISTRATIVE EXPENSES**

Administrative Invoices and Investment Invoices

It was moved by Trustee Rinella, seconded by Trustee Hamburger, that Invoices be approved and ordered paid.

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

**INVESTMENT REPORT**

June 30, 2015 Market Report and Preliminary Flash Report

Ms. Finney-Cooke reviewed the Market Report and the Preliminary Flash Report for June 30, 2015.

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

**July 14, 2015**

Due Diligence

- Keeley Asset Management

Ms. Finney-Cook reviewed a memo with Trustees outlining the succession planning at Keeley Asset Management.

- UBS Emerging Markets Debt Portfolio

Ms. Finney-Cook informed the Trustees of organizational changes that have occurred within the UBS portfolio team. NEPC will be completing a due diligence review on the manager.

Private Equity – Secondary Funds RFP Draft Review

Ms. Finney-Cook reviewed the Private Equity – Secondary Funds RFP with trustees. The trustees requested that LABF staff and NEPC, LLC strive to increase the amount of responses from female- and minority-owned firms.

Ms. Finney-Cook also discussed scheduling a Risk Parity Education session for the trustees. NEPC will coordinate with Fund staff to determine an appropriate date.

**EXECUTIVE SESSION NO. 1**

At 2:11 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(7) discuss the sale or purchase of securities, investments or investment contracts. Trustee Keane seconded the motion.

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

At 2:32 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, Rinella and Capasso.  
Against -- None.

The trustees took no action.

**INVESTMENT REPORT**

Real Estate Contract

Mr. Walsh gave a status update on the partnership with MEABF with regard to the Funds' investment in the Mesirow Financial Real Estate Value Fund II, L.P.

**EXECUTIVE SESSION NO. 2**

At 2:38 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, Rinella and Capasso.  
Against -- None.

At 2:52 p.m., Trustee LoVerde made a motion, seconded by Trustee Rinella, that the executive session be adjourned and that the Board return to open session.

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

It was moved by Trustee LoVerde, seconded by Trustee Rinella, to extend the contract with NEPC through the end of August 2015.

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

**July 14, 2015**

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

**ADMINISTRATIVE REPORT**

Mesirow Fund IV

Mesirow Fund IV requested a capital call on June 30, 2015 in the amount of \$100,000.00.

Midwest Mezzanine Fund IV

Midwest Mezzanine Fund IV made a distribution on June 11, 2015 in the amount of \$374,644.86.

Mesirow IX

Mesirow IX made a distribution on June 29, 2015 in the amount of \$350,000.00.

Mesirow X

Mesirow X made a distribution on June 29, 2015 in the amount of \$75,000.00.

Mesirow Fund I

Mesirow Fund I made a distribution on June 29, 2015 in the amount of \$650,000.00.

Mesirow Fund II

Mesirow Fund II made a distribution on June 29, 2015 in the amount of \$218,750.00.

Mesirow Fund IV

Mesirow Fund IV made a distribution on June 30, 2015 in the amount of \$225,000.00.

Board Approval of 2016 Funding Resolution

Mr. Walsh reviewed the 2016 Funding Resolution with trustees.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to approve the 2016 Funding Resolution.

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

Active Employee Participant Election Rules

The Trustees reviewed and revised the Participant Election Rules for the 2015 Trustee Election.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to approve the Active Employee Participant Election Rules as amended.

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

Reciprocal Conference

Mr. Walsh discussed the 2015 Reciprocal Conference and submitted a request to have up to four (4) LABF staff members attend the conference.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to approve the attendance of four (4) LABF staff members at the 2015 Reciprocal Conference in Springfield, IL on August 24<sup>th</sup> and 25<sup>th</sup>.

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

Miscellaneous

Mr. Walsh gave a status report on the Annuitant Signature Verification Form project.

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

**July 14, 2015**

Mr. Walsh discussed the security deposit required by our office lease. The trustees unanimously agreed to replace a letter of credit with a cash security deposit.

Mr. Walsh also reported on the status of amending the LABF Duty Disability Benefit Form.

**PERSONNEL MATTERS**

This item was deferred to a later meeting.

**EXECUTIVE SESSION NO. 3**

At 3:38 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(1) to discuss legal counsel. Trustee Rinella seconded the motion.

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

At 4:12 p.m., Trustee Keane made a motion, seconded by Trustee LoVerde, that the executive session be adjourned and that the Board return to open session.

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

The trustees took no action.

**EXECUTIVE SESSION NO. 4**

At 4:12 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 Rinella seconded the motion.

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

At 4:35 p.m., Trustee Hamburger made a motion, seconded by Trustee LoVerde, that the executive session be adjourned and that the Board return to open session.

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

Trustee Summers left the meeting at 4:20 p.m.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that, in the event that PA 98-0641 is ruled unconstitutional in the Illinois Circuit Court, counsel is authorized to file a motion to stay the implementation of the Court's order pending an appeal to the Illinois Supreme Court.

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

**EXECUTIVE SESSION NO. 5**

At 4:37 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 Rinella seconded the motion.



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

**July 14, 2015**

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

At 4:39 p.m., Trustee Rinella made a motion, seconded by Trustee LoVerde, that the executive session be adjourned and that the Board return to open session.

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

The trustees took no action.

**ADJOURNMENT**

With no further business, at 4:39, Trustee LoVerde made a motion to adjourn. Trustee Rinella seconded the motion.

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