

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting No. 999**

July 24, 2018

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

July 24, 2018

Report of Meeting No. 999 held on July 24, 2018, starting at 1:08 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) |
| | James Capasso, Jr. | – Trustee (Annuitant 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 |
| | James Wesner | – Marquette Associates, Fund's Investment Consultant |
| | Kweku Obed | – Marquette Associates, Fund's Investment Consultant |
| | Neil Capps | – Marquette Associates, Fund's Investment Consultant |
| | Michael Walsh | – Executive Director and Chief Investment Officer |
| | 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 |
| | Tracey Oates | – Payment Services Assistant |
| | Kim Dougherty | – Benefits Counselor |

| | | |
|---------|-------------------|--|
| Absent: | Kurt Summers, Jr. | – Trustee (City Treasurer, City of Chicago) |
| | Carole Brown | – Trustee (Chief Financial Officer, City of Chicago) |
| | James Joiner | – Trustee (Active Employee Elected Member) |

| | |
|------------|--|
| Observers: | Ariya Humphries, Chicago Summer Business Institute Summer Intern |
| | Jabari Porter, City of Chicago Treasurer's Office |
| | Angela Meyers, Loop Capital |
| | Tylon Jones, Loop Capital |
| | Dahlia Ronen, Esq., Kahn Swick & Foti, LLC |

President Roa determined that a quorum was present after Secretary 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 24, 2018**. 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
- Investments Report
- Executive Session No. 1
- Administrative Report
- Legal Report
- Executive Session No. 2
- Executive Session No. 3
- Executive Session No. 4
- 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' & RETIREMENT BOARD EMPLOYEES'
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PUBLIC PARTICIPATION

None.

APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that the regular minutes of Meeting No. 998 held on June 19, 2018 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the minutes of Executive Sessions 1, 2, 3 and 4 of Meeting No. 998 held on June 19, 2018 be approved as submitted.

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

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, Keane, LoVerde, Hamburger and Capasso.
Against -- None.

2. Miscellaneous Refunds

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

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

SCHEDULE B – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

It was moved by Trustee Hamburger, seconded by Trustee Capasso, that the applications for Employee Annuities be approved and ordered paid.

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

SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

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

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

SCHEDULE D – APPLICATIONS FOR DUTY DISABILITY BENEFITS

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

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

SCHEDULE E – APPLICATIONS FOR ORDINARY DISABILITY BENEFITS

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

Roll-call: For -- Trustees Roa (with respect to numbers 2 and 3) Keane, LoVerde, Hamburger and Capasso.
Against -- None.
Abstain -- Trustee Roa (with respect to number 1).

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, Hamburger and Capasso.
Against -- None.

SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS

It was moved by Trustee LoVerde, 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, Hamburger, Capasso.
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 Uncashed Checks of Deceased Members be approved and ordered paid.

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

SCHEDULE I – PAYMENT OF EXPENSES

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

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

INVESTMENTS REPORT

Mr. Wesner invited the Board to attend Marquette's upcoming investment symposium scheduled for Friday, September 28, 2018.

Market Tracker

Mr. Obed reviewed the June 2018 market performance.

June 30, 2018 Preliminary Performance Report

Mr. Wesner reviewed the Fund's June 30, 2018 Preliminary Performance Report.

Open-Ended Core Real Estate Fund RFP

This topic was discussed in executive session.

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EXECUTIVE SESSION NO. 1

At 1:30 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, Hamburger and Capasso.
Against -- None.

At 3:13 p.m., Trustee Hamburger 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, Hamburger and Capasso.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to award the Core Real Estate allocation to J.P. Morgan Asset Management's JPMCB Strategic Property Fund contingent on contract negotiations.

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

ADMINISTRATIVE REPORT

Election Rules

Mr. Walsh reviewed a draft of the 2018 Active Employee Trustee Election Rules and noted the tentative date for the election was Wednesday, October 17, 2018 from 6:00 a.m. to 6:00 p.m. The Trustees agreed to have Trustees Roa, Hamburger and LoVerde serve as the members of the Election Committee for the upcoming election.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to adopt the 2018 Trustee Election Rules as amended in the meeting. See attached document.

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

Tier 3 Normal Cost Calculations

Mr. Walsh reported that Aon Consulting had completed its calculations of the Tier 3 Normal Cost used in establishing the employee contribution rate as required under Public Act 100-0023 for affected employees. Aon's calculations concluded the combined Normal Cost as a percentage of pensionable payroll for Tier 3 members, and Tier 2 members who have elected the Tier 3 benefit and contribution structure, is 16.78%. Mr. Walsh noted that since this percentage of pensionable salary is greater than 11.5%, the contribution rate for Tier 3 members should be 11.5% in 2019. See attached exhibit.

Legislative Matters

This item was taken out of order. Mr. Walsh informed the Board that House Bill 4811, which includes provisions affecting LABF, had been sent to the governor on June 22, 2018 and that the governor has 60 days to act upon the bill otherwise it will automatically become law.

Tier 3 Receivables

Mr. Walsh updated the Board on the Tier 3 receivable matter which came about as a result of the implementation of Public Act 100-0023. Mr. Walsh noted that, to date, just over half of the affected members had paid the retroactive receivable. After discussing the matter, the Board decided against charging interest to the members who had not yet paid the receivable and gave direction for Fund staff to offset at future dates the receivables for members who had not yet paid.

Collection of Overpayments

Mr. Carroll updated the Board regarding the utilization of Markoff Law, hired on a contingency basis to assist LABF in the collection of certain overpayments. Mr. Carroll reported on the outcomes of the first batch of cases which were sent to Markoff.

Mr. Walsh requested that the Board give LABF staff permission to proceed in this manner with additional cases and to grant staff the authority to collect overpayments in this manner as part of LABF's normal collection process.

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The Board gave direction to proceed with this process and requested Fund staff provide periodic reports on collection status. The Board also requested that LABF staff continue to notify the Board of any suspicion of fraud involving overpayments.

Miscellaneous

Member Transfer Matter - Mr. Walsh discussed a letter from an LABF member who requested to transfer some of his pension service credits from LABF to the General Assembly Retirement System pursuant to Section 11-125.1 of the Illinois Pension Code. The Board reviewed the applicable sections of the law and discussed the matter with staff and with Fund Counsel. Following the discussion, the Trustees directed Fund Counsel to prepare a formal write-up on the matter and report back to the Board at a future meeting. The Board directed staff to reply to the member stating that the LABF is further reviewing the matter.

LEGAL REPORT

Johnson Litigation

Mr. Donham reported that Fund Counsel had filed a brief on behalf of the Fund regarding Mr. Krislov's request to the court to receive attorney fees in the Johnson Litigation. Mr. Donham said that Mr. Krislov was asking for a portion of the annuitant's 3% automatic annual increase to cover his fees. Mr. Donham noted that Plaintiffs in the Johnson case are opposed to Mr. Krislov's request for fees in this matter.

Carmichael Litigation

Mr. Donham reported that oral arguments were set to be heard by the Illinois Supreme Court in the Fall of 2018.

Underwood Litigation

This topic was discussed in executive session.

EXECUTIVE SESSION NO. 2

At 4:08 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss current or potential litigation involving the Fund. Trustee Hamburger seconded the motion.

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

At 4:13 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, Hamburger and Capasso.
Against -- None.

The Trustees took no action.

Fraud Matter

This topic was discussed in executive session.

EXECUTIVE SESSION NO. 3

At 4:13 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss current or potential litigation involving the Fund. Trustee Hamburger seconded the motion.

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

At 4:33 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, Hamburger and Capasso.
Against -- None.

The Trustees took no action.

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Appeal of Denied Benefits

This topic was discussed in executive session.

EXECUTIVE SESSION NO. 4

At 4:33 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss current or potential litigation involving the Fund. Trustee Hamburger seconded the motion.

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

At 4:34 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 and Capasso.
Against -- None.

The Trustees took no action.

ADJOURNMENT

With no further business, at 4:34 p.m., Trustee Capasso made a motion to adjourn the meeting. Trustee LoVerde seconded the motion.

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

RULES GOVERNING THE ELECTION FOR ONE (1) ANNUITANT MEMBER TRUSTEE
OF THE LABORERS' AND RETIREMENT BOARD EMPLOYEES'
ANNUITY AND BENEFIT FUND OF CHICAGO
THE ELECTION IS SCHEDULED TO BE HELD ON OCTOBER 18, 2018
FOR A TERM OF DECEMBER 2, 2018 THROUGH DECEMBER 1, 2021

ELECTION OFFICIALS

1. **Election Committee.** Trustees Victor Roa, Carol Hamburger and Michael LoVerde of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (the "LABF"), shall constitute the Election Committee for the 2018 Active Employee 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 and/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 5, 2018 and once during the week of August 12, 2018.

Online. A notice of the election shall be posted on the LABF's website, www.LABFChicago.org, no later than Monday, August 6, 2018.

City Departments. A notice of election poster shall be delivered via mail, e-mail or in person to all City Departments which employ active employee members who are eligible to run and/or vote in this election no later than Monday, August 6, 2018.

CANDIDACY

6. **Eligibility.** Per 40 ILCS 5/11-182, any active employee member of the LABF "who holds a position by certification and appointment as a result of a competitive civil service examination as distinguished from temporary appointment, or so holds a position which is not exempt from the classified service or the personnel ordinance of a city that has adopted a career service ordinance, for a period of not less than five (5) years prior to the date of election" is eligible to become a candidate for this trustee position.

In general, an active employee member is an employee whose pension contributions are being made to the LABF. However, in the following situations, members will be allowed to become candidates despite the LABF not receiving pension deductions on the most recent payroll:

- a. The member is not working due to a seasonal termination but is eligible to be recalled
 - b. The member is on an approved leave of absence from active service (e.g. disability leave, FMLA leave, etc.)
 - c. Member's deductions erroneously went to another City of Chicago pension fund
 - d. Member's deductions appear on a later eligible payroll than the one available to LABF
7. **Request for Petition.** Eligible employee members who desire to become candidates in this election must request a Nominating Petition by submitting a Request for Petition form to the LABF by 3 p.m. on Friday, August 24, 2018. Potential candidates may submit the Request for Petition form by: (1) hand-delivering it to the LABF office at 321 North Clark Street, Suite 1300; Chicago, Illinois 60654 during regular office hours (Monday-Friday 8:30 a.m. and 4:30 p.m.), (2) faxing it to (312) 236-0574, or (3) emailing it to Election@LABFChicago.org.

ELECTION RULES *continued*

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 (Monday-Friday 8:30 a.m. and 4:30 p.m.), (2) downloading it from the LABF website at LABFChicago.org, or (3) phoning the LABF at (312) 236-2065 to request that it be mailed or emailed to them. The Request for Petition form will be available from 8:30 a.m. on Monday, August 6, 2018 to 3:00 p.m. on Friday, August 24, 2018. 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.** Eligible members who 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 (Monday-Friday 8:30 a.m. and 4:30 p.m.), but no later than 3 p.m. on Monday, August 27, 2018. Those seeking candidacy must display a valid driver's license, state ID, Chicago municipal ID (CityKey) or passport which bears the active employee member's photo when filing Nominating Petitions. The Nominating Petition must contain a signed statement by the active employee member that he/she desires to be a candidate for trustee in the election to be held on Wednesday, October 17, 2018. The Nominating Petition in support of candidacy must also contain the signatures of at least ten (10) other active employee members of the LABF, 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, October 16, 2018.
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 or cyber.

No electioneering shall be allowed on the premises or within 300 feet of the 321 North Clark Street 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 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 7, 2018. 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 7, 2018.

VOTING

14. **Eligibility.** Only LABF members who are active employee participants in the LABF at the time this election is held are eligible to vote. In general, an active employee participant is an employee whose pension deductions are going to the LABF. However, in the following situations, members will be allowed to vote despite the LABF not receiving pension deductions on the most recent payroll:
 - a. Member is not working due to a seasonal termination but is eligible to be recalled
 - b. Member is on an approved leave of absence (e.g. disability leave, FMLA leave, etc.)
 - c. Member's deductions erroneously went to another City of Chicago pension fund
 - d. Member's deductions appear on a later eligible payroll than the one available to LABF

Note: Members who are retired or in "Withdraw and Wait" status may not vote.

ELECTION RULES *continued*

In the event that active employee participant status cannot be verified by an Election Judge, the employee may elect to cast a vote via a provisional ballot. The Election Committee will make a final determination regarding the eligibility of any voter required to vote via a provisional ballot as specified in paragraph 18.

15. **Voting.** All voting shall take place in the designated area of the building located at 321 North Clark Street, Chicago, Illinois 60654 on Wednesday, October 17, 2018 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.
16. **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, Chicago municipal ID (CityKey), a valid passport or employee ID which bears the active employee member's photo. 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 by marking the ballot as instructed, (2) insert the completed ballot into the locked ballot box.

Only votes cast on an official 2018 LABF Ballot will be counted.

17. **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.
18. **Provisional Ballots.** At times, questions may arise regarding who is or is not eligible to vote in an Active Employee Trustee Election at the LABF. When voter eligibility is unclear, 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, Chicago municipal ID (CityKey), passport or employee ID which bears the active employee participant's photo 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. Election Judges will make a reasonable effort to determine voter eligibility prior to the counting of votes.
 - e. 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.
 - f. 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.
 - g. 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.
 - h. The Election Committee will verify that all Provisional Ballots are classified correctly.
 - i. Provisional Ballots deemed "Denied" will be set aside. They will not be opened.
 - j. In the event that the number of votes separating the leading and second place candidates is greater than the number of remaining Provisional Ballots ("Approved" and "Undetermined") cast, no remaining Provisional Ballots will be opened, and the candidate receiving the most votes will be declared the winner.

ELECTION RULES *continued*

- k. 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") cast, 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.
- l. 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.
- m. 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.
- n. 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.
- o. 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. At such time, the Election Committee will establish a date to resume counting if necessary.
- p. In the event of a tie, refer to paragraph 20 of the Election Rules.

VOTE COUNTING PROCEDURE

- 19. **Counting the Votes.** The Election Judges shall count the votes on Wednesday, October 17, 2018 starting shortly after 6:00 p.m. at the LABF office.
- 20. **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.

OBSERVERS

- 21. **Election Watchers.** Each candidate may appoint up to two (2) people to observe the election process ("Election Watcher") on the day of the election. The name(s) of the Election Watcher(s) must be submitted to the Executive Director of the LABF no later than Thursday, October 11, 2018. Election Watchers are required to conduct themselves in a professional manner.
- 22. **Candidate Observation.** On the day of the election, each candidate and/or his/her designated Election Watcher(s) may be present in designated areas of the LABF office beginning at 6:00 a.m. to observe the voting and ballot counting processes.
- 23. **Outside Observers.** LABF members are permitted to observe the ballot counting process from special areas designated by the Election Committee. All observers are required to conduct themselves in a professional manner.

ACTIVE EMPLOYEE TRUSTEE POSITION

- 24. **Term of Office:** This election for an Active Employee Trustee shall cover a three-year term of office from December 2, 2018 to December 1, 2021.
- 25. **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. A Trustee-Elect may not assume the duties of a Trustee until such oath of office has been sworn.
- 26. **No Compensation for Service:** Per 40 ILCS 5/11-224, 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.

LABF 12/31/2017 "Tier 3" (and Electing Tier 2) Normal Cost % of Payroll Calculations

| Member Group | Member Count | 2018 Pensionable Payroll | 2018 Normal Cost, Adjusted to Mid-Year | Assumed 2018 Administrative Expenses | Total 2018 Normal Cost | Normal Cost as a % of Pensionable Payroll |
|--------------|--------------|--------------------------|--|--------------------------------------|------------------------|---|
| | | | | | | |

The financial information shown above is based on the participant data provided by the Fund's actuary, Gabriel Roeder & Smith, as well as the actuarial assumptions and methods summarized in the December 31, 2017 LABF actuarial valuation report. Note that the total assumed administrative expenses are allocated based on the member payrolls of each Tier.