

**Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago  
Minutes of Regular Board Meeting # 962**

**June 11, 2015**

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

**June 11, 2015**

Report of Meeting No. 962 held on June 11, 2015, starting at 11:20 a.m. in the office of the 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) arrived at 12:00 p.m.  
Kurt Summers, Jr., Trustee (City Treasurer, City of Chicago)  
Carol Hamburger, Trustee (Deputy Budget Director, City of Chicago)  
Joseph Rinella, Trustee (City of Chicago) arrived at 12:45 p.m.  
James Capasso, Jr., Trustee (Retired)  
Carole Brown, Trustee (Chief Financial Officer, City of Chicago)

Staff & Consultants:

Graham Grady – Taft Stettinius & Hollister LLP, Fund's Attorney  
Cary Donham – Taft Stettinius & Hollister LLP, Fund's Attorney  
John Kennedy – Taft Stettinius & Hollister LLP, Fund's Attorney  
Dr. Terence Sullivan – Fund's Physician  
Michael Cairns – NEPC, LLC, Fund's Investment Consultant  
Kristin Finney-Cooke – NEPC, LLC, Fund's Investment Consultant  
Kristen Jackson – NEPC, LLC, Fund's Investment Consultant  
Jeff Roberts – NEPC, LLC, Fund's Investment Consultant  
Craig Goesel – Mesirow Financial Insurance Services  
Timothy Bowen – Mesirow Financial Insurance Services  
Robert Molaro – Robert S. Molaro, LLC, Legislative Liaison  
Michael Walsh – Executive Director and Chief Investment Officer  
Peggy Grabowski – Comptroller  
Kathy Schanding – Fund Actuary  
Rosemary Ihejirika – Assistant Benefits Manager  
Irene Velazquez – Benefits Payroll Assistant  
John Carroll – Compliance Administrator  
Sheila Jones – Administrative Coordinator  
  
Observer – Lucien Carter – Chief of Staff, Chief Financial Officer's Office

President Roa determined that a quorum was present.

**EXECUTIVE SESSION NO. 1**

At 11:21 a.m., Trustee Capasso requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee Keane seconded the motion.

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

At 1:33 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, Summers, Hamburger, Rinella and Capasso.  
Against -- None.

Trustee Brown left the meeting at 12:15 p.m.

The trustees took no action.

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It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the regular minutes of the Special Meeting of May 11, 2015 meeting 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 session of the Special Meeting of May 11, 2015 be approved as submitted.

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

It was moved by Trustee Hamburger, seconded by Trustee LoVerde, that the regular minutes of Meeting No. 961 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 Rinella, that the minutes of the executive sessions 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 of meeting No. 961 be approved as submitted.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Rinella and Capasso.  
Against -- 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 **June 11, 2015**. The minutes are comprised of the following:

- Executive Session No. 1
- Approval of minutes from prior meetings
- 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
- Mesirov Insurance Presentation
- Executive Session No. 2
- Legislative Report
- Investments Report
- Executive Session No. 3
- Administrative Report
- Executive Session No. 4
- Executive Session No. 5
- Legal Report
- Executive Session No. 6 (This item was taken out of order)
- Executive Session No. 7 (This item was taken out of order)
- Executive Session No. 8
- 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**

**June 11, 2015**

**PUBLIC PARTICIPATION**

None.

**SCHEDULE A – APPLICATIONS FOR REFUNDS**

1. Refund of Contributions Due to Separation from Service

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

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that 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 Hamburger, 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**

It was moved by Trustee LoVerde, seconded by Trustee Rinella, that Adjustment Refunds be approved and ordered paid.

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

**SCHEDULE D – APPLICATIONS FOR DUTY DISABILITY BENEFITS**

It was moved by Trustee LoVerde, seconded by Trustee Keane, 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.

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**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, 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 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 Hamburger, seconded by Trustee Summers, that applications for Extension of Ordinary Disability Benefits for the Seasonal cases be approved and ordered paid.

Roll-call: For-- Hamburger, Keane, Summers and Rinella.  
Against – Roa, LoVerde and Capasso.

It was moved by Trustee Hamburger, seconded by Trustee LoVerde, that the remaining 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**

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

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

**SCHEDULE I – PAYMENT OF ADMINISTRATIVE EXPENSES**

Administrative Invoices and Investment Invoices

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

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

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**MESIROW INSURANCE PRESENTATION**

Fiduciary Liability Insurance Renewal

Craig Goesel and Timothy Bowen of Mesirow Financial Insurance Services made a presentation to the Trustees regarding the LABF's renewal of fiduciary liability insurance and reviewed employment practices liability insurance coverage.

**EXECUTIVE SESSION NO. 2**

At 2:09 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee LoVerde seconded the motion.

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

At 2:13 p.m., Trustee LoVerde made a motion, seconded by Trustee Keane, 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 Capasso, to accept recommended Renewal Option 1 for the fiduciary liability insurance policy effective July 17, 2015 to July 17, 2016 with additional Employment Practices Liability coverage.

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

**LEGISLATIVE UPDATE**

Robert Molaro, the Fund's Legislative Liaison, updated the Trustees regarding recently proposed Bills put forth in the Illinois General Assembly that may affect the Fund.

**INVESTMENT REPORT**

Private Equity Presentation

This item was taken out of order. Mr. Jeff Roberts gave an overview to the trustees of the private equity markets and made several recommendations regarding private equity investments. It was moved by Trustee LoVerde, seconded by Trustee Summers, to accept the recommendations of the Investment Consultant and invest \$10 million into a secondary fund and \$10 million into a private direct lending fund.

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

May 31, 2015 Preliminary Flash Report and Watch List

Mr. Cairns and Ms. Finney-Cooke reviewed the Preliminary Flash Report and the Watch List.

Due Diligence

Ms. Jackson reviewed two memos prepared by NEPC, LLC regarding personnel changes at two of the Fund's investment managers.

**LABORERS' & RETIREMENT BOARD EMPLOYEES'  
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**EXECUTIVE SESSION NO. 3**

At 3:20 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 Summers seconded the motion.

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

At 3:36 p.m., Trustee LoVerde made a motion, seconded by Trustee Summers, 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.

**ADMINISTRATIVE REPORT**

Mesirow Real Estate Value Fund II

Mesirow Real Estate Value Fund II requested a capital call on June 5, 2015 in the amount of \$1,918,831.26.

Mesirow Real Estate Value Fund

Mesirow Real Estate Value Fund made a distribution on May 20, 2015 in the amount of \$451,832.51.

Mesirow Real Estate Value Fund

Mesirow Real Estate Value Fund made a distribution on May 22, 2015 in the amount of \$173,334.21.

Mesirow X

Mesirow X made a distribution on May 29, 2015 in the amount of \$1,050,000.00.

Mesirow Fund IV

Mesirow Fund IV made a distribution on May 29, 2015 in the amount of \$200,000.00.

LABF Retiree Healthcare

This topic was deferred to the next board meeting.

Miscellaneous

Mr. Walsh followed up on a previous request of the trustees and reported that the City of Chicago's Corporation Counsel affirmed their previous position concerning graduating investment managers within a manager of managers program.

Mr. Walsh also reported that the City of Chicago's Corporation Counsel affirmed the advice of Fund Counsel to proceed with the application to obtain an IRS Determination Letter. The trustees requested that Fund Counsel move forward to obtain an IRS Determination Letter for the Fund.

**EXECUTIVE SESSION NO. 4**

At 3:43 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(1) to discuss personnel matters. Trustee LoVerde seconded the motion.

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

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At 4:03 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.

The trustees took no action.

**EXECUTIVE SESSION NO. 5**

At 4:05 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(1) to discuss legal counsel. Trustee Hamburger seconded the motion. Legal counsel was asked to leave prior to the beginning of the executive session.

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

At 5:00 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, Summers, Hamburger, Rinella and Capasso.  
Against -- None.

The trustees took no action.

**LEGAL REPORT**

Carmichael Update

This item was postponed to a future meeting.

Seasonal Disability Update

This item was postponed to a future meeting.

**EXECUTIVE SESSION NO. 6**

This item was taken out of order. At 5:01 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(1) to discuss potential or current litigation of the Fund. Trustee LoVerde seconded the motion.

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

At 5:04 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.

The trustees took no action.

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**EXECUTIVE SESSION NO. 7**

This item was taken out of order.

At 5:04 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 5:24 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, 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.

Trustee Summers left the meeting at 5:26 p.m.

Trustee Keane left the meeting at 5:27p.m.

**EXECUTIVE SESSION NO. 8**

At 5:27 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, LoVerde, Hamburger, Rinella and Capasso.  
Against -- None.

At 5:41 p.m., Trustee Rinella made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

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

The trustees took no action.

**ADJOURNMENT**

With no further business, at 5:41, Trustee Rinella made a motion to adjourn. Trustee LoVerde seconded the motion.

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