

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting # 973**

May 24, 2016

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

May 24, 2016

Report of Meeting No. 973 held on May 24, 2016, starting at 1:03 p.m. in the office of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("Fund").

The following were present:

Board Members:

Victor Roa, President (Local 1001)
Erin Keane, Vice President (Acting City Comptroller, City of Chicago)
Michael LoVerde, Secretary (Active Employee Elected Member)
Carol Hamburger, Trustee (Managing Deputy Comptroller, City of Chicago)
Carole Brown, Trustee (Chief Financial Officer, City of Chicago)(*arrived at 1:14pm, left at 3:21pm*)
James Capasso, Jr., Trustee (Retired Elected Member)
James Joiner, Trustee (Active Employee Elected Member)

Fund's Staff & Consultants:

Graham Grady – Taft Stettinius & Hollister LLP, Fund's Attorney
Cary Donham – Taft Stettinius & Hollister LLP, Fund's Attorney
Mike Cairns – NEPC, LLC, Fund's Investment Consultant
Kristin Finney-Cooke – NEPC, LLC, Fund's Investment Consultant
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 – Assistant Benefits Manager
Irene Velasquez – Payment Services Assistant
Nicole Evangelista – Payment Services Coordinator
Colin Hannigan – Benefits Data Analyst

Absent: Kurt Summers, Jr., Trustee (City Treasurer, City of Chicago)

Observers: Miriam Martinez – Office of the City Treasurer, City of Chicago
Jason Parks – Loop Capital
Kristen Brundirks – GRS
Alex Rivera – GRS

President Roa determined that a quorum was present.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the minutes of Special Meeting of April 12, 2016 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the minutes of the executive sessions 1, 2, 3 and 4 of the Special Meeting of April 12, 2016 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the regular minutes of Meeting No. 972 be approved as submitted.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
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. 972 be approved as submitted.

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



***Laborers' and Retirement Board Employees'
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Board Members:

I am transmitting herewith the minutes for the meeting of the Board which was held on **May 24, 2016**. The minutes are comprised of the following:

- Approval of minutes from prior meetings
- Public Participation
- Schedule A: Applications for Refunds
 1. Refund of Contributions Due to Separation From Service
 2. Miscellaneous Refunds
- 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
- GRS Presentation
- Investments Report
- Executive Session No. 1
- Investments Report Continued
- Executive Session No. 2
- Investments Report Continued
- Administrative Report
- Executive Session No. 3
- Legal Report
- Executive Session No. 4
- Adjournment

All the foregoing matters were checked upon receipt into the Office of the Board and were found to be hereinafter set forth.

Sincerely,

Michael R. LoVerde
Board Secretary

**LABORERS' AND RETIREMENT BOARD EMPLOYEES'
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PUBLIC PARTICIPATION

None.

SCHEDULE A – APPLICATIONS FOR REFUNDS

1. Contribution Due to Separation From Service

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

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

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

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

SCHEDULE B – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

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

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

2. Spouse and Child Annuities

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that applications presented for Spouse and Child Annuities, with the exception of Grieshaber, be approved and ordered paid.

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

It was moved by Trustee Hamburger, seconded by Trustee LoVerde, to deny the application presented for Spouse and Child Annuity for Grieshaber.

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

SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

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

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

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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.

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

SCHEDULE E – APPLICATIONS FOR ORDINARY DISABILITY BENEFITS

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

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

SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS

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

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Capasso and Joiner.
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 LoVerde, seconded by Trustee Keane, that Invoices be approved and ordered paid.

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

GABRIEL ROEDER SMITH & COMPANY (“GRS”) PRESENTATION

Alex Rivera and Kristen Brundirks, of GRS, presented a summary of the 2015 Actuarial Report.

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INVESTMENT REPORT

Mr. Donham recommended that Trustees go into executive session under exemption 5 ILCS 120/2(c)(7).

EXECUTIVE SESSION NO. 1

At 1:29 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 Capasso seconded the motion.

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

At 3:48 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, Hamburger, Capasso and Joiner.
Against -- None.

The Trustees took no action.

INVESTMENT REPORT CONTINUED

March 31, 2016 Market Report and Investment Performance Analysis

Mr. Cairns reviewed the Market Report and Investment Performance Analysis for March 31, 2016.

April 30, 2016 Preliminary Flash Report

Mr. Cairns reviewed the Preliminary Flash Report for April 30, 2016.

December 31, 2015 Private Equity and Real Estate Reports

Ms. Finney-Cooke reviewed the Private Equity and Real Estate Reports for December 31, 2015.

Manager Review

This item was taken out of order. Ms. Finney-Cooke reviewed a memo by NEPC describing an organizational change taking place at BMO Global Asset Management. No action was taken by the Trustees.

EXECUTIVE SESSION NO. 2

At 4:10 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 Keane seconded the motion.

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

The Trustees took no action.

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INVESTMENT REPORT CONTINUED

2016 Asset Allocation

Mr. Cairns briefly reviewed the Asset Allocation Report that was presented at the April 28, 2016 Board meeting.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to adjust the current asset allocation of the Fund to be in line with the Best Ideas allocation recommended by the Fund's investment consultant.

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

Private Equity Secondaries RFP Update

Mr. Walsh updated Trustees regarding the status of contract negotiations with Permal.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, to execute the \$10 million contract with Permal.

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

ADMINISTRATIVE REPORT

Mesirow Real Estate Value Fund II

Mesirow Real Estate Value Fund II requested a capital call on April 1, 2016 in the amount of \$621,536.00.

Midwest Mezzanine Fund IV

Midwest Mezzanine Fund IV made a distribution on April 19, 2016 in the amount of \$252,025.00

Entrust Special Opps Fund II

Entrust Special Opps Fund II made a distribution on April 28, 2016 in the amount of \$135,892.00.

Participant Service Credit

Mr. Donham reviewed a memo concerning the case of Michael Marzullo and the way his service credit is calculated. Following the recommendation of Fund counsel and staff, the Board gave direction to staff to use the service credit for the May 1987 to December 1989 period subject to Mr. Marzullo paying the remaining amount of his employee contributions for that period of time.

Staff Retiree Health Care Plan

Mr. Walsh reviewed a summary of the LABF costs associated with medical plan covering LABF staff retirees. The Board requested additional information regarding healthcare coverage for LABF staff retirees. This issue will be revisited at the June 2016 board meeting.

Legislative Update

There was no report on this matter.

2016 Ecomic Impact Statement

Mr. Walsh reported to Trustees that the LABF is planning on sharing summary level member demographic information with other public pension funds in Illinois to show the economic impact annuity payments have on local economics. The Board approved of the LABF's participation in this project.

2016 Signature Verification Form

Mr. Walsh updated the Trustees on the status of this project and noted that pension payments will be held starting with the July 1, 2016 payment for non-compliant members.

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EXECUTIVE SESSION NO. 3

At 5:02 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(1) to discuss Personnel Matters. Trustee Joiner seconded the motion.

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

At 5:16 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, Hamburger, Capasso and Joiner.
Against -- None.

The Trustees took no action.

LEGAL REPORT

Underwood Litigation

There was no report on this matter.

EXECUTIVE SESSION NO. 4

At 5:17 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 Hamburger seconded the motion.

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

At 5:20 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, Hamburger, Capasso and Joiner.
Against -- None.

The Trustees took no action.

ADJOURNMENT

With no further business, at 5:20 p.m., Trustee LoVerde made a motion to adjourn. Trustee Capasso seconded the motion.

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