

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting # 960**

April 14, 2015

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

Report of Meeting No. 960 held on April 14, 2015, starting at 1:06 p.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)
Lois Scott, Trustee (Chief Financial Officer, City of Chicago)
Carol Hamburger, Trustee (Deputy Budget Director, City of Chicago)
Joseph Rinella, Trustee (City of Chicago)
James Capasso, Jr., Trustee (Retired)

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

Staff & Consultants:

Graham Grady – Taft Stettinius & Hollister LLP, Fund's Attorney
Cary Donham – Taft Stettinius & Hollister LLP, Fund's Attorney
Rick Aderman – Taft Stettinius & Hollister LLP, Fund's Attorney
Alex Rivera – Gabriel Roeder & Smith, Fund's Actuary
Ryan Gunderson – Gabriel Roeder & Smith, Fund's Actuary
Paul Wood – Gabriel Roeder & Smith, Fund's Actuary
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
Michael Walsh – Executive Director and Chief Investment Officer
Peggy Grabowski – Comptroller
Kathy Schanding – Fund Actuary
Joan Newman – Benefits Manager
Margie Grazevich – Benefits Payroll Manager
Tina Rhoten – Benefits Payroll Analyst
John Carroll – Compliance Administrator
Sheila Jones – Administrative Coordinator

Observers: Heather Arison of JP Morgan Chase, Angela Myers of Loop Capital, Lucian Carter, Chief of Staff to the City's Chief Financial Officer.

President Roa determined that a quorum was present. It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the regular minutes of Meeting No. 959 be approved as submitted.

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

It was moved by Trustee Scott, seconded by Trustee LoVerde, that the minutes of the executive sessions 1, 2, 3 and 4 of meeting No. 959 be approved as submitted.

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

It was moved by Trustee Rinella, seconded by Trustee Capasso, that the minutes of the executive session 5 of meeting No. 959 be approved as submitted.

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



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

I am transmitting herewith the minutes for the meeting of the Retirement Board which was held on **April 14, 2015**. 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
- Schedule B: Payment of Administrative Expenses
- Schedule C: Applications for Annuities
 1. Employee Annuity Applications
 2. Spouse and Child Annuity Applications
- Schedule D: Adjustment Refunds to New Annuitants
- Schedule E: Applications for Duty Disability Benefits
- Schedule F: Applications for Ordinary Disability Benefits
- Schedule G: Applications for Extension of Duty Disability Benefits
- Schedule H: Applications for Extension of Ordinary Disability Benefits
- Schedule I: Payment of Uncashed Checks of Deceased Members
- 2014 Actuarial Report
- Investments Report
- Executive Session No. 1
- Investments Report Continued
- Administrative Report
- Executive Session No. 2
- Executive Session No. 3
- Executive Session No. 4
- Legal Report
- 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'
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PUBLIC PARTICIPATION

None.

SCHEDULE A – APPLICATIONS FOR REFUNDS

1. Refund of Contributions Due to Separation from Service

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

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

SCHEDULE B – 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, Scott, Hamburger, Rinella and Capasso.
Against-- None.

SCHEDULE C – 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, Scott, Hamburger, Rinella and Capasso.
Against-- None.

2. Spouse and Child Annuities

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

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

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SCHEDULE D – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

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

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

SCHEDULE E – DUTY DISABILITY BENEFITS

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

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

SCHEDULE F – 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, Scott, Hamburger, Rinella and Capasso.
Against-- None.

SCHEDULE G – EXTENSION OF DUTY DISABILITY BENEFITS

It was moved by Trustee Scott, seconded by Trust LoVerde, that applications for Extension of Duty Disability Benefits be approved and ordered paid.

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

SCHEDULE H – EXTENSION OF ORDINARY DISABILITY BENEFITS

It was moved by Trustee Scott, seconded by Trustee Rinella, that the applications for the Extension of Ordinary Disability Benefits, except for Employee #69435, be approved and ordered paid.

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

Trustee Scott made a motion, seconded by Trustee Hamburger, that the Board approve the application for Extension of Ordinary Disability benefit for Employee #69435.

Roll-call: For-- Trustees Keane, Scott, Hamburger and Rinella.
Against--Trustees Roa, LoVerde and Capasso.

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SCHEDULE I – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS

It was moved by Trustee Capasso, seconded by Trustee LoVerde, that the Payment of Uncashed Checks of Deceased Members be approved and ordered paid.

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

2014 Actuarial Report

The LABF client team from Gabriel Roeder Smith and Company, the Fund's actuary, presented the 2014 Actuarial Report to the trustees.

INVESTMENTS REPORT

March Performance Flash and Watch List

Mr. Cairns and Ms. Finney-Cooke reviewed with trustees the preliminary Performance Flash Report for March 2015 and the Watch List. NEPC recommended no changes to the Watch List.

Trustee Scott made a motion, seconded by Trustee Hamburger, to request NEPC to prepare a draft RFP for a SMID Growth Manager. The trustees will review the draft at a future Board meeting.

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

Hedge Fund Program Overview

Mr. Cairns and Ms. Finney-Cooke reviewed the Fund's Hedge Fund portfolio with the trustees.

Liquidity and Asset Liability Study

Mr. Cairns and Ms. Finney-Cooke reviewed with trustees the updated Liquidity and Asset Liability Study.

Trustee Scott made a motion, seconded by Trustee LoVerde, that the Fund adopt NEPC's suggested asset allocation mix including real assets which was discussed in the meeting.

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

Trustee Scott made a motion, seconded by Trustee Capasso, for the Fund to make a commitment of \$10,000,000 to Mesirow Financial Real Estate Value II, L.P.

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

Trustee Scott left the meeting at 2:49 p.m.

LABORERS' & RETIREMENT BOARD EMPLOYEES'
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EXECUTIVE SESSION NO. 1

At 2:50 p.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 Rinella seconded the motion.

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

At 3:30 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, Rinella and Capasso.
Against-- None.

The trustees took no action.

INVESTMENTS REPORT CONTINUED

Manager Updates and Due Diligence

The trustees reviewed two memos prepared by NEPC, LLC regarding Holland Capital Management and Lighthouse Partners.

Vontobel Asset Management

Mr. Walsh and the trustees discussed Vontobel's commingled product versus the separately managed portfolio. Mr. Walsh will provide follow-up information to the Board at its next monthly meeting.

ADMINISTRATIVE REPORT

Entrust Special Opportunities Fund III Capital Call

Entrust Special Opportunities Fund III requested a capital call on April 10, 2015 in the amount of \$99,994.00.

Mesirow Fund IV Distribution

Mesirow Fund IV made a distribution on March 20, 2015 in the amount of \$100,000.00.

Capri Capital Apartment Fund III Distribution

Capri Capital Apartment Fund III made a distribution on March 30, 2015 in the amount of \$3,658,365.00.

JBC Fund IV Distribution

JBC Fund IV made a distribution on March 31, 2015 in the amount of \$832,663.00.

Mesirow Fund II Distribution

Mesirow Fund II made a distribution on March 31, 2015 in the amount of \$402,500.00.

Capri Capital Select Income II Distribution

Capri Capital Select Income II made a distribution on March 31, 2015 in the amount of \$1,082,880.00.

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Annual Review of Public Act 96-0006 Policies

The trustees reviewed the LABF's current policies adopted pursuant to Public Act 96-0006. The trustees made no changes to the current policies.

Beneficiary Designation Review

The trustees reviewed and discussed a memo prepared by the Fund's Legal Counsel regarding a beneficiary designation matter. This matter will be included in the Proposal at next month's Board meeting.

Legislative Update

Mr. Walsh and the trustees discussed several legislative matters.

Miscellaneous

The trustees were notified of the need to complete their Statement of Economic Interests filing with the Cook County Clerk by May 1, 2015.

In an effort to create efficiencies, LABF will discontinue submitting a Comprehensive Annual Financial Report (CAFR) to the GFOA. The actuarial and audit reports will be available on LABF's website. Additional schedules included in past CAFR's will also be available on the website. Mr. Walsh will follow up on some questions posed by trustees at the next Board meeting.

Mr. Walsh briefed the trustees regarding SB 843. Separately, the Board, legal counsel and staff discussed language being proposed by the City of Chicago to address plan qualification under the IRS Code.

EXECUTIVE SESSION NO. 2

At 4:24 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee Rinella seconded the motion.

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

At 4:45 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, Hamburger, Rinella and Capasso.
Against-- None.

The trustees took no action.

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EXECUTIVE SESSION NO. 3

At 4:46 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(1) to discuss personnel matters. Trustee Rinella seconded the motion.

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

At 4:55 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, Hamburger, Rinella and Capasso.
Against-- None.

The trustees took no action.

EXECUTIVE SESSION NO. 4

At 4:55 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(2) for salary adjustments. Trustee Hamburger seconded the motion.

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

At 5:02 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.

The trustees took no action.

LEGAL REPORT

Litigation Update

Mr. Grady and Mr. Donham gave a status reports on several legal matters affecting the Fund.

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EXECUTIVE SESSION NO. 5

At 5:02 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, Hamburger, Rinella and Capasso.
Against-- None.

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

The trustees took no action.

ADJOURNMENT

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

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