

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting No. 1003**

November 20, 2018

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

November 20, 2018

Report of Meeting No. 1003 held on November 20, 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)
	James Joiner	– Trustee (Active Employee 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
	Peggy Grabowski	– Comptroller
	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
	Irene Velazquez	– Payment Services Assistant
Absent:	Kurt Summers, Jr.	– Trustee (City Treasurer, City of Chicago)
	Carole Brown	– Trustee (Chief Financial Officer, City of Chicago)
Observer:	Jabari Porter,	City of Chicago Treasurer's Office

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 **November 20, 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
- Investments Report Continued
- Executive Session No. 2
- Investments Report Continued
- Executive Session No. 3
- Administrative Report
- Legal Report
- Executive Session No. 4
- Executive Session No. 5
- Administrative Report Continued
- Executive Session No. 6
- Executive Session No. 7
- 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

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PUBLIC PARTICIPATION

None.

APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the regular minutes of the Special Meeting held on October 4, 2018 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 Joiner, that the minutes of Executive Sessions 1 and 2 of the Special Meeting held on October 4, 2018 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 Joiner, that the regular minutes of Meeting No. 1002 held on October 23, 2018 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 Capasso, that the minutes of Executive Sessions 1, 2, 3, 4, 5, 6 and 7 of Meeting No. 1002 held on October 23, 2018 be approved as submitted.

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

2. Miscellaneous Refunds

It was moved by Trustee Joiner, seconded by Trustee LoVerde, that the applications presented for Miscellaneous Refunds of Contributions 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 Capasso, seconded by Trustee LoVerde, that the applications 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

It was moved by Trustee Joiner, 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, Capasso and Joiner.
Against -- None

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SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

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

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

SCHEDULE D – APPLICATIONS FOR DUTY DISABILITY BENEFITS

It was moved by Trustee LoVerde, seconded by Trustee Joiner, 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 Joiner, 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 Joiner, 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, Capasso and Joiner.
Against -- None

SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS

It was moved by Trustee LoVerde, 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

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

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

SCHEDULE I – PAYMENT OF EXPENSES

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

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

INVESTMENTS REPORT

Market Tracker

Mr. Obed reviewed the October 2018 market performance.

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3rd Quarter Performance Report

Mr. Wesner reviewed the 3rd Quarter Performance Report.

October 31, 2018 Preliminary Performance Report

Mr. Wesner reviewed the Fund's October 31, 2018 Preliminary Performance Report.

Watch List

Mr. Obed reviewed the three managers currently on the Watch List and noted that they will discuss one of the managers later in the meeting. Marquette Associates recommended making no changes to the Watch List.

Asset Allocation Follow-up/Implementation Discussion

This item was discussed in executive session.

EXECUTIVE SESSION NO. 1

At 1:43 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase securities, investments or investment contracts of the Fund. Trustee Capasso seconded the motion.

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

At 1:50 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.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, to terminate LABF's Investment in Hexavest World Equity Fund.

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

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to terminate the LABF's investment in Fiera Capital Global Fund.

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

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to terminate the LABF's investment in Wellington Opportunistic Investment Allocation Portfolio.

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

INVESTMENTS REPORT CONTINUED

Infrastructure Fund RFP

This item was discussed in executive session.

EXECUTIVE SESSION NO. 2

At 1:51 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase securities, investments or investment contracts of the Fund. Trustee Joiner seconded the motion.

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

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At 1:56 p.m., Trustee Capasso 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, Capasso and Joiner.
Against -- None.

It was moved by Trustee Hamburger, seconded by Trustee LoVerde, to approve the launch of the Open-End Infrastructure Fund RFP.

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

INVESTMENTS REPORT CONTINUED

City Council Ordinance Regarding Companies Owning and Operating Immigration Detention Centers
This item was discussed in executive session.

EXECUTIVE SESSION NO. 3

At 1:59 p.m., Trustee Capasso requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase securities, investments or investment contracts of the Fund. Trustee Keane seconded the motion.

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

At 2:20 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.

ADMINISTRATIVE REPORT

2019 Meeting Dates

The Trustees discussed the proposed Board meeting dates for 2019. The matter was deferred to the December 18, 2018 Board meeting so that some alternative meeting dates could be reviewed. The Trustees also reviewed the 2019 LABF Holiday Schedule.

Legislative Matters

Mr. Walsh presented a memo from the Fund's Legislative Liaison. See attached. Mr. Walsh then reported that instead of accepting or overriding the Governor's amendatory veto of House Bill 4811, the House has instead introduced and passed a new bill, HB 166, to replace HB 4811. Mr. Walsh noted that HB 116 is identical to HB 4811 except that the new bill excludes the one sentence in HB 4811 that the Governor vetoed. Mr. Walsh stated that the veto session resumes November 27, 2018 at which time the Bill may be voted on by the Senate.

2019 Financing Request (Tax Levy)

Mr. Walsh reported that he had received a response to the letter the Fund sent to the City of Chicago's ("City") Office of Budget Management (OBM) requesting clarification regarding how the various components of LABF's financing request were being addressed in the City's Budget Recommendation for 2019. The Trustees asked Mr. Walsh to quantify what the "loss" associated with the tax levy collection has been over the last 10 years and report back to the Board at the next regular meeting. This topic was deferred to the December 18th Board meeting.

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Miscellaneous

Insurance Letter - Mr. Walsh reported that the letter informing retirees about retiree health insurance options being offered by Blue Cross Blue Shield and Aetna was mailed earlier in the month.

2019 Administrative Budget - Mr. Walsh reported that the 2019 Administrative Budget would be presented at the December 18, 2018 Board meeting and that he would be scheduling preliminary meetings with the Trustees prior to the December meeting to discuss the budget.

Election of Officers – Mr. Walsh reminded the Trustees that the Election of Board Officers will take place at the December 18, 2018 Board meeting.

Appointment of Trustees – Mr. Walsh stated that Trustee Hamburger's and Trustee Brown's appointments end on December 1, 2018 and that staff would follow-up with the Department of Personnel to discuss the two upcoming Trustee appointments to the LABF.

Trustee Education Hours – Mr. Walsh noted that the Trustees were given a summary sheet listing their year-to-date training hours for 2018.

December Board Meeting – Mr. Walsh reminded the Board that the December Board meeting will begin at 9:00 a.m. on December 18, 2018.

Personnel Matter

This item was taken out of order and discussed later in the meeting in an executive session.

LEGAL REPORT

Underwood Litigation

This topic was discussed in executive session.

EXECUTIVE SESSION NO. 4

At 2:49 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 Joiner seconded the motion.

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

At 2:54 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.

EXECUTIVE SESSION NO. 5

At 2:54 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, Capasso and Joiner.
Against -- None.

At 3:00 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.

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EXECUTIVE SESSION NO. 6

At 3:00 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(1) to discuss personnel matters. Trustee Hamburger seconded the motion.

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

At 3:21 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.

EXECUTIVE SESSION NO. 7

At 3:22 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(1) to discuss Board Appointments. Trustee Hamburger seconded the motion.

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

At 3:44 p.m., Trustee Joiner 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, Capasso and Joiner.
Against -- None.

The Trustees took no action.

ADJOURNMENT

With no further business, at 3:45 p.m., Trustee LoVerde made a motion to adjourn the meeting. Trustee Joiner seconded the motion.

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

RSM

ROBERT S. MOLARO & ASSOCIATES

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TO: The Honorable Members of the Board of Trustees,
Laborers' Annuity and Benefit Fund of Chicago

FROM: Robert S. Molaro & Associates

RE: Springfield Update

DATE: Wednesday, November 14, 2018

The following is a recap of the November 6 election results regarding State Government:

Illinois Governor: J.B. Pritzker

Illinois Lieutenant Governor: State Representative Juliana Stratton

Illinois Attorney General: State Senator Kwame Raoul

Illinois Comptroller: Comptroller Susana Mendoza

Illinois Secretary of State: Secretary Jesse White

Illinois Treasurer: Treasurer Michael Frerichs

It is projected that the House will have a total of 74 Democratic members and 44 Republican members. The Senate is projected to have a Democratic Majority of 40 members and the remaining 19 members will hold the Republican Minority seats.

- HB 166, a Speaker Madigan "shell" bill, has been given to Representative Michael Zalewski. This bill has been amended to mirror HB 4811 without the language retold by Governor Rauner regarding annual exams for members on disability. HB 166 does contain the necessary provisions to administer the funding law passed last year.

Representative Zalewski is expected to move the bill forward this week.

The second week of Veto Session is set for November 27, 28, and 29. Three days in mid-January are being strongly considered for an "extended" Veto Session.