

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting No. 1030**

February 16, 2021

***Suite 1300 • 321 N Clark Street • Chicago Illinois 60654-4739
(312) 236-2065 • Fax (312) 236-0574***

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

February 16, 2021

Report of Meeting No. 1030 held on February 16, 2021, starting at 12:09 p.m. As permitted by P.A. 101-0640, the meeting was held via videoconference/teleconference. The following notes attendance:

Board Members:

Victor Roa	– President
James Joiner	– Vice-President
Michael LoVerde	– Secretary
James Capasso, Jr.	– Trustee
Melissa Conyears-Ervin	– Trustee
Reshma Soni*	– Trustee
Stephen Skardon	– Trustee

Staff & Consultants:

Joseph Burns	– Jacobs, Burns, Orlove & Hernandez LLP, Outside Counsel
Taylor Muzzy	– Jacobs, Burns, Orlove & Hernandez LLP, Outside Counsel
James Wesner*	– Marquette Associates, Investment Consultant
Kweku Obed*	– Marquette Associates, Investment Consultant
Neil Capps*	– Marquette Associates, Investment Consultant
Dr. Terence Sullivan*	– Fund's Physician
Alex Rivera	– Gabriel, Roeder, Smith, Fund Actuary
Jeff Tebeau	– Gabriel, Roeder, Smith, Fund Actuary
Tina Consola	– Executive Director
Peggy Grabowski	– Comptroller
John Carroll	– Compliance Administrator
Sheila Jones	– Administrative Coordinator
Nadia Oumata	– Director of Investments
Paul Rzeszutko	– Assistant Benefits Manager
Chris Lucas	– Senior Developer & Staff Actuary

Absent:

Jennie Bennett	– Trustee
----------------	-----------

Guest(s):

Mauricio Banuelos	– Office of the Treasurer, City of Chicago
Craig Slack	– Office of the Treasurer, City of Chicago

President Roa determined that a quorum was present after Secretary LoVerde took attendance.

President Roa read a statement regarding P.A. 101-0640 which establishes guidelines for the Open Meetings Act as it pertains to remote meetings during this or any other disaster or emergency, and determined that an in-person meeting was not practical or prudent because of the COVID-19 pandemic. President Roa then confirmed the attendance of all Board members, Fund staff, consultants, and general public, verified that each person could hear clearly, and informed all participants that the meeting was being recorded. President Roa further informed the Board that all votes would be taken by roll call with each Board member identifying themselves before voting.

** Denotes partial attendance during the open portion of the meeting.*



**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 February 16, 2021. The minutes are comprised of the following:

- Public Participation
- Approval of Minutes of 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, Child, and Reversionary Annuities
- Schedule C: Adjustment Refunds to New Annuitants
- Schedule D: Applications for Duty Disability Benefits
- Schedule E: Applications for Extension of Duty Disability Benefits
- Schedule F: Applications for Ordinary 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
- Gabriel, Roeder, Smith Experience Study Presentation
- Investments Report
- Executive Session
- Administrative Report
- Legal Report
- Adjournment

All the foregoing matters were checked and were found to be hereinafter set forth.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael R. LoVerde'.

Michael R. LoVerde
Retirement Board Secretary

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

February 16, 2021

PUBLIC PARTICIPATION

None.

APPROVAL OF MINUTES OF PREVIOUS MEETING

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the regular minutes of Meeting No. 1029 held on January 19, 2021 be approved as submitted.

Roll call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, Soni, and Skardon.
Against -- None.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the executive session minutes of Meeting No. 1029 held on January 19, 2021 be approved as submitted.

Roll call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, Soni, and Skardon.
Against -- None.

APPROVAL OF NEW BUSINESS APPLICATIONS AND PAYMENTS SCHEDULES A - I

President Roa and the Trustees reviewed the New Business Schedules A – I of the Proposal.

- 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, Child, and Reversionary Annuities
- Schedule C: Adjustment Refunds to New Annuitants
- Schedule D: Applications for Duty Disability Benefits
- Schedule E: Applications for Extension of Duty Disability Benefits
- Schedule F: Applications for Ordinary 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

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that Schedules A – I be approved and ordered paid as listed in the Proposal.

Roll call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, Soni, and Skardon.
Against -- None.

GABRIEL, ROEDER, SMITH PRESENTATION

2020 Actuarial Experience Study

Alex Rivera and Jeff Tebeau of Gabriel Roeder Smith & Company (“GRS”) presented the 2020 Actuarial Experience Study covering the period from January 1, 2017 through December 31, 2019. GRS presented the study results outlining their recommended demographic and economic assumptions for the LABF. The Trustees discussed the study and asked questions regarding the recommendations. The Board discussed maintaining LABF’s current 7.25% investment return assumption and GRS stated that the current assumption was within the acceptable range for certifying the study. The Board discussed the possibility

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

February 16, 2021

of reviewing the investment return assumption on an annual basis and GRS confirmed that it is an acceptable approach, although it does not recommend changing the investment return assumption every year.

A motion was made by Trustee LoVerde, seconded by Trustee Joiner, to adopt the assumption changes recommended by GRS in the 2020 Actuarial Experience Study, with the exception of the investment return assumption and the wage inflation assumption, which will remain at 7.25% and 3.00%, respectively, subject to a review of those assumptions in the year 2022.

Roll call: For -- Trustees Roa, Joiner, LoVerde, Capasso, and Conyears-Ervin.
Against -- Trustee Skardon.

Alex Rivera and Jeff Tebeau of GRS left the meeting.

INVESTMENTS REPORT

Market Tracker

Mr. Wesner reviewed the Market Tracker Report for January 2021.

January 31, 2021 Preliminary Performance Report

Mr. Obed reviewed the Fund's January 31, 2021 Preliminary Performance Report.

4th Quarter 2020 Performance Report

Mr. Obed reviewed the Fund's 4th Quarter 2020 Preliminary Performance Report.

Watch List

Mr. Wesner recommended that JP Morgan, previously placed on the Watch List in August 2019 due to organizational changes, be removed from Watch status as there are no organizational concerns at this time and the portfolio management team has been stable.

Mr. Wesner also recommended adding Baird Advisors to the Watch List due to failure to meet LABF's minority brokerage utilization policy.

A motion was made by Trustee Skardon, seconded by Trustee LoVerde, to remove JP Morgan from the Watch List and add Baird Advisors to the Watch List due to Baird's failure to meet its minority brokerage utilization requirement.

Roll call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, and Skardon.
Against -- None.

Private Equity Allocation and Real Estate Allocation

These items were discussed in executive session.

EXECUTIVE SESSION NO. 1

At 2:24 p.m., Trustee Skardon 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, Joiner, LoVerde, Capasso, Conyears-Ervin, and Skardon.
Against -- None.

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

February 16, 2021

At 2:38 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, Joiner, LoVerde, Capasso, Conyears-Ervin, and Skardon.
Against -- None.

Jamie Wesner, Kweku Obed, and Neil Capps of Marquette Associates left the meeting after the executive session.

ADMINISTRATIVE REPORT

Disability Subcommittee

Ms. Consola reported that the Disability Subcommittee had conducted its first meeting and was in the process of evaluating the disability process. She noted that the committee will continue to meet to draft a policy for the full Board to review. The Trustees asked if they could be copied on any documents that were being considered by the committee. Ms. Consola agreed and additionally said she would meet with any Trustees who wanted updates on the discussions taking place at the committee meetings.

Miscellaneous

Contribution Accounting - Ms. Consola informed the Board that the City of Chicago is expected to remit the rest of the employer contributions for 2020 to the LABF by the end of February 2021.

Special Board Meeting – Ms. Consola reminded the Board of the Special Meeting scheduled for Thursday, March 11, 2021 at 9:00 a.m.

Statement of Economic Interests – Ms. Consola informed the Trustees that they should expect an email from the Cook County Ethics Department by the end of March 2021 regarding filing their annual statements. Ms Consola noted that the due date for the completed statements is May 1, 2021.

LEGAL REPORT

Ms. Consola reviewed the process that LABF staff and Fund Counsel use in determining which executive session minutes are recommended to be opened for public inspection. The Board reviewed the list of recommended executive session minutes to be made available for public inspection.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to approve the recommendations of LABF staff and Fund Counsel to make available for public inspection items 1-25 of the memo that was reviewed with the Trustees. A copy of the memo is on file in the Fund office.

Rollcall: For -- Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, and Skardon.
Against -- None.

Underwood Litigation

Ms. Consola gave a status update on the Underwood matter and noted that Judge Cohen had denied the Plaintiff's motion for class certification and for interest on the retroactive healthcare subsidies. She further noted that, in ruling on the Plaintiff's motions for summary judgment, the Judge found the LABF had an obligation to approve a healthcare plan for annuitants and that, through the BCBS and AETNA plans, the Fund was meeting its obligation. Ms. Consola also reported that Judge Cohen reiterated that the LABF

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

February 16, 2021

does not have any other financial obligation other than providing the \$25 per month subsidy to those who are eligible.

ADJOURNMENT

With no further business, at 2:47 p.m., Trustee Capasso made a motion to adjourn the meeting. Trustee LoVerde seconded the motion.

Roll call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, and Skardon.
Against -- None.