

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting No. 1022**

June 23, 2020

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

June 23, 2020

Report of Meeting No. 1022 held on June 23, 2020, starting at 12:08 p.m. As permitted by P.A. 101-0640, the meeting was held via 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
Jennie Bennett	– Trustee
Stephen Skardon	– Trustee

Staff & Consultants:

Joseph Burns	– Jacobs, Burns, Orlove & Hernandez, Outside Counsel
Taylor Muzzy	– Jacobs, Burns, Orlove & Hernandez, Outside Counsel
James Wesner*	– Marquette Associates, Investment Consultant
Kweku Obed*	– Marquette Associates, Investment Consultant
Neil Capps*	– Marquette Associates, Investment Consultant
Peggy Grabowski	– Interim Executive Director/Comptroller
John Carroll	– Compliance Administrator
Sheila Jones*	– Administrative Coordinator
Nadia Oumata	– Director of Investments
Tina Rhoten	– Benefits Manager

Absent: None.

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Guest(s):

Craig Slack	– Office of the Treasurer, City of Chicago
Mauricio Banuelos	– Office of the Treasurer, City of Chicago
Jason Parks	– Loop Capital
Lindsay Saienni	– Fin News

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

President Roa read a statement regarding P.A 101-0640 which created new guidelines for the Open Meetings Act as it pertains to remote meetings during this or any other disaster/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 and verified that each person could hear clearly and informed all participants that, pursuant to the new law, 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.

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Board Members:

I am transmitting herewith the minutes for the meeting of the Retirement Board which was held on June 23, 2020. 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
- Investments Report
- Administrative Report
- Legal Report
- Executive Session No. 1
- Administrative Report Continued
- 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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Verbal Roll-calls for all votes throughout the open portion of the meeting were taken by John Carroll.

PUBLIC PARTICIPATION

None.

APPROVAL OF MINUTES OF PREVIOUS MEETINGS

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the regular minutes of Meeting No. 1021 held on May 19, 2020 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the executive session minutes of Meeting No. 1021 held on May 19, 2020 be approved as submitted.

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

INVESTMENTS REPORT

Market Tracker

Mr. Obed reviewed the Market Tracker Report.

May 31, 2020 Preliminary Performance Report / Portfolio Evaluation Process

Mr. Wesner reviewed the May 31, 2020 Preliminary Performance Report. The Trustees followed with questions.

Mr. Wesner provided a brief commentary regarding the rebalancing of the investment portfolio to help move LABF's overall asset allocation closer to the approved target asset allocation through the use of the liquidation of assets to meet the Fund's monthly expenditures. Mr. Wesner reported that the Fund will need

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to liquidate \$13 million to pay for the month of July expenditures and noted that \$8 million will be liquidated from Fiera Capital small-mid cap growth account and \$5 million from William Blair emerging market small cap growth account. The Trustees inquired about the liquidations.

ADMINISTRATIVE REPORT

Annual Funding Notice

Ms. Grabowski presented a draft of the Funding Resolution for the tax year 2021 and reported that the LABF is requesting \$84 million for year 2021 tax levy for which payments will be received by LABF in 2022.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to approve the 2021 Funding Resolution. See attached document.

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

2020 Annuitant Member Election

Ms. Grabowski presented pricing options for three possible methods of conducting the 2020 Annuitant Member Election-- Mail-in, Walk-in, and Drive-through. Due to the COVID-19 pandemic, the Board expressed that a Drive-through method (located in the parking lot of LIUNA Local 1092) was a good option if the integrity of the voting process would be maintained. The Board expressed its desire to increase voter participation and directed staff to research additional methods of conducting this election in addition to the Drive-in option.

President Roa, Vice-President Joiner, and Trustee Skardon volunteered to act as the Election Committee for the election which is planned for Thursday, October 15, 2020.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to approve conducting the 2020 Annuitant Member Election as a drive-through election to be held in the parking lot at Local 1092 headquarters, pending further review of additional options for voting.

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

Trustee Education

Mr. Carroll reminded Trustees that on June 12, 2020 they received an email from the interim executive director containing a list of recommended pod cast and webinars that Trustees could participate in to fulfill their annual education requirements.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to approve the list of recommended education options as being eligible for 2020 educational hours.

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

Miscellaneous

Return to Office Plan – Ms. Grabowski reported that the LABF is planning a return-to-office schedule that calls for 50% of the office staff to return on July 6, 2020 while 50% continue to work remotely. The two teams would alternate being in the LABF offices on a weekly basis. The plan continues restrictions on member visitation to the office with benefit applications and other member communications being conducted via phone and video conference.

Northern Trust Fee Credit – Ms. Grabowski reported that the LABF (and the other City of Chicago Pension Funds) received a \$7,500 free credit from the Fund's master custodian, Northern Trust, and noted that the credit was extended following a communication initiated by Ms. Oumata asking Northern Trust to consider

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ways to assist the Fund during these difficult times. The Trustees thanked Ms. Oumata for her work for the Fund on this matter.

Legislation - Ms. Grabowski noted some of the changes to the Open Meetings Act as a result of the passage of P.A. 101-0640 and let the Board know that she will be circulating a summary email from our legislative liaison outlining some of the legislation's major elements.

Insurance Mailing - President Roa and Ms. Grabowski updated the Board on a proposed insurance mailing spearheaded by the Labor Benefits Association (LBA) regarding health insurance offerings that are available to LABF annuitants. President Roa informed the Board that the LBA is seeking assistance for a mailing in the Fall of 2020. President Roa also noted that this was the third year that this mailing was being made and he gave some additional background on how this mailing gives retirees additional options for their health insurance needs and can potentially save retirees money on their health insurance costs. The Board agreed that giving retirees additional options for their health insurance needs was a good idea and gave direction for LABF to assist in this mailing as it has been done in the past.

Hearing Request Update – Ms. Grabowski reported that the LABF would like to tentatively plan to hold a hearing for one of its members at the August meeting. She noted that this hearing was approved at the March meeting, however, due to the COVID-19 Pandemic it has been on hold for several months. The Trustees agreed that staff should move forward with the hearing.

LEGAL REPORT

Carmichael Litigation

Ms. Grabowski updated the Board on drafts of Motions and Orders that were provided by Cary Donham related to an upcoming hearing that is set to take place in late July. Ms. Grabowski noted that Mr. Donham wanted the Board to approve the Motions and Orders in principal, but to allow him to finalize any last minute changes that may be needed.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to approve the Motions and Orders presented at the meeting pending Fund Counsel's review.

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

Underwood Litigation

Ms. Grabowski provided an update on the Underwood Case's June 11, 2020 hearing and noted that we are waiting for the court's decision in this matter.

Personnel Matter

This item was taken out of order. The Trustee discussed this item in executive session.

EXECUTIVE SESSION NO. 1

At 1:20 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, Joiner, LoVerde, Capasso, Conyears-Ervin, Soni, Bennett and Skardon.
Against -- None.

At 1:46 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.

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

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to approve the hiring of Tina Consola as LABF's new executive director with an annual salary of \$165,000, subject to negotiation of terms by the Board President.

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

As part of the Roll-call and follow-up, Trustee Conyears-Ervin stated the candidate's level of investment experience was the factor that led to her nay vote. In lieu of LABF having a Chief Investment Officer on staff, she preferred the Executive Director have investment experience. Trustee Skardon followed by stating he did not believe the level of investment experience would prevent the candidate from performing the role of Executive Director as the Fund's investment consultant can provide the necessary assistance.

Contract Matter

This item was taken out of order. Trustee LoVerde mentioned that it was a sad day due to the fact that LABF's legislative liaison, Robert Molaro, had recently passed away. The Trustees noted that LABF's membership had benefited greatly from Mr. Molaro's service to the Fund. President Roa noted that he and Fund Counsel had discussed the plans going forward, however, out of respect, they decided to address this topic at the next Board meeting. The Trustees requested that the Fund send a flower arrangement to Mr. Molaro's service. The Board held a moment of silence in honor of Bob Molaro.

ADJOURNMENT

With no further business, at 1:49 p.m., Trustee LoVerde made a motion to adjourn the meeting. Trustee Skardon seconded the motion.

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

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FUNDING RESOLUTION FOR THE YEAR 2021

WHEREAS, in accordance with the Illinois Pension Code, and specifically 40 ILCS 5/11-169(b), as amended, the Retirement Board (the "Board") of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (the "Fund") is required to certify the amount of City of Chicago (the "City") contributions required under Article 11 for which the City shall levy a property tax in the following year; and

WHEREAS, 65 ILCS 5/8-2-3, as amended, provides that the City's budget shall include appropriations for "the taxes levied for the purposes of the reserves provided for in the Illinois Pension Code" and that the budget shall include "an amount estimated to be sufficient to cover the loss and cost of collecting taxes to be levied for that fiscal year"; and

WHEREAS, 65 ILCS 5/8-3-1, as amended, provides that in ascertaining the property tax rate for the City, the county clerk shall add to the amount of the tax levied for the Fund an amount to cover the loss and cost of collecting the tax; and

WHEREAS, the Board estimates that the total amount of funding required for the purposes of Article 11 for the year 2021, based on an actuarial valuation of the Fund as of December 31, 2019, and based on the provisions of the statute as in effect on that date, is \$160,008,526, which represents the actuarially determined contribution amount; and

WHEREAS, 40 ILCS 5/11-169, as amended, provides that the City's annual required contribution to the Fund shall be \$84,000,000 in payment year 2022, which corresponds to tax year 2021;

NOW, THEREFORE, BE IT RESOLVED that pursuant to the provisions of an Act of the General Assembly of Illinois, approved March 18, 1963, in force July 1, 1963, entitled "The Illinois Pension Code," as amended, the Retirement Board of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago hereby certifies that the sum required to be contributed by the City for the purposes of this Fund in payment year 2022, which corresponds to tax year 2021, in accordance with the provision of providing revenue for the Annuity and Benefit Fund is \$84,000,000, which shall not be reduced due to loss or cost of collections associated with the property tax.

AND BE IT FURTHER RESOLVED that the Secretary be instructed to submit a copy of this Resolution to the said City Council.

I HEREBY CERTIFY that this is a true copy of a Resolution duly adopted by the Retirement Board of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago, at a teleconference meeting held on June 23, 2020, at which meeting a quorum of the said Board was present and voting.



Secretary
The Retirement Board