

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting # 970**

February 23, 2016

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

February 23, 2016

Report of Meeting No. 970 held on February 23, 2016, starting at 1:06 p.m. in the office of the Laborers' Pension Fund.

The following were present:

Board Members:

Erin Keane, Vice President (First Deputy Comptroller, City of Chicago) *(arrived at 2:18 p.m.)*
Michael LoVerde, Secretary (Active Employee Elected Member)
Kurt Summers, Jr., Trustee (City Treasurer, City of Chicago) *(arrived at 2:19 p.m.)*
Carol Hamburger, Trustee (Managing Deputy Comptroller, City of Chicago)
James Capasso, Jr., Trustee (Retired Elected Member)
Carole Brown, Trustee (Chief Financial Officer, City of Chicago)
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
Dr. Terence Sullivan – Fund's Physician
Mike Cairns – NEPC, LLC, Fund's Investment Consultant
Kristin Finney-Cooke – NEPC, LLC, Fund's Investment Consultant
DeAnna Ingram – NEPC, LLC, Fund's Investment Consultant
Michael Walsh – Executive Director and Chief Investment Officer
Joan Newman – Benefits Manager
Kathy Schanding – Fund Actuary
Margie Grazevich – Benefits Payment Manager
Irene Velazquez – Benefits Payment Assistant
John Carroll – Compliance Administrator
Sheila Jones – Administrative Coordinator
Nadia Oumata – Manager of Accounting and Investments

Absent: Victor Roa, President (Local 1001)

Observers: Jason Parks – Loop Capital

Secretary LoVerde determined that a quorum was present.

It was moved by Trustee Hamburger, seconded by Trustee Joiner, that the regular minutes of Meeting No. 969 be approved as submitted.

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

The following item was taken out of order. It was moved by Trustee Hamburger, seconded by Trustee Joiner, that the minutes of the executive sessions 1, 2, 3, 4 and 5 of meeting No. 969 be approved as submitted.

Roll-call: For-- Trustees Keane, LoVerde, Summers, Hamburger, Capasso, Brown 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 Retirement Board which was held on **February 23, 2016**. The minutes are comprised of the following:

- Approval of minutes from prior meetings
- Public Participation
- Schedule A: 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
- Investments Report
- Executive Session No. 1
- Investments Report Continued
- Executive Session No. 2
- Executive Session No. 3
- Administrative Report
- Legal Report
- Executive Session No. 4
- Executive Session No. 5
- Executive Session No. 6
- 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

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PUBLIC PARTICIPATION

None.

SCHEDULE A – APPLICATIONS FOR MISCELLANEOUS REFUNDS

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

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

SCHEDULE B – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

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

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

2. Spouse and Child Annuities

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

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

SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

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

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

SCHEDULE D – APPLICATIONS FOR DUTY DISABILITY BENEFITS

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

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

SCHEDULE E – APPLICATIONS FOR ORDINARY DISABILITY BENEFITS

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

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

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SCHEDULE F – EXTENSION OF DUTY DISABILITY BENEFITS

It was moved by Trustee Hamburger, seconded by Trustee Brown, that the applications for Extension of Duty Disability Benefits be approved and ordered paid.

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

SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS

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

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

SCHEDULE H – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS

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

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

SCHEDULE I – PAYMENT OF ADMINISTRATIVE EXPENSES

Administrative Invoices and Investment Invoices

It was moved by Trustee Hamburger, seconded by Trustee Joiner, that Invoices be approved and ordered paid. Mr. Walsh noted that the schedule included a training course for the office IT staff.

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

INVESTMENTS REPORT

Executive Summary/Market Report – December 31, 2015

Mr. Cairns reviewed with trustees NEPC's executive summary and market report as of December 31, 2015. Ms. Finney-Cooke updated trustees on NEPC's manager diversity conference that was held recently by NEPC. Mr. Cairns also discussed due diligence items with trustees and noted some organizational changes taking place with Entrust.

It was moved by Trustee Hamburger, seconded by Trustee Joiner, to place Entrust on the Watch List for organizational changes.

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

3rd Quarter Private Equity and Real Estate Reports

Mr. Cairns reviewed with trustees the 3rd Quarter Private Equity and Real Estate Reports for 2015.

January 31, 2016 Preliminary Flash Report

Mr. Cairns reviewed with trustees the Preliminary Flash report for January 31, 2016.

Watch List

The trustees decided to enter executive session in order to review the Watch List.

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

At 1:45 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 Hamburger seconded the motion.

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

At 1:52 p.m., Trustee Hamburger 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 LoVerde, Hamburger, Capasso, Brown and Joiner.
Against -- None.

The trustees took no action.

INVESTMENTS REPORT CONTINUED

2016 Asset Class Assumptions and Actions for Clients

Ms. Finney-Cooke reviewed NEPC's 2016 Asset Class Assumptions Report with trustees.

Manager Updates

Ms. Finney-Cooke completed the discussion with trustees on the Permal/Entrust memo.

EXECUTIVE SESSION NO. 2

At 2:10 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 Hamburger seconded the motion.

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

At 2:23 p.m., Trustee Hamburger 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 Keane, LoVerde, Summers, Hamburger, Capasso, Brown and Joiner.
Against -- None.

The trustees took no action.

EXECUTIVE SESSION NO. 3

At 2:35 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 Capasso seconded the motion.

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

Trustee Brown left at 3:40 p.m.

At 4:10 p.m., Trustee Keane 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 Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

The trustees took no action.

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ADMINISTRATIVE REPORT

Midwest Mezzanine Fund IV

Midwest Mezzanine Fund IV made a distribution on January 20, 2016 in the amount of \$276,529.00.

Entrust Special Opps Fund II

Entrust Special Opps Fund II made a distribution on January 29, 2016 in the amount of \$404,439.00.

GRS Engagement Letter

The trustees directed Mr. Walsh to finalize and execute an engagement letter with the Fund's actuary, Gabriel Roeder Smith & Company.

IRS Determination Letter Filing

Mr. Walsh reported that the application for the IRS Determination Letter was filed in late January 2016.

Possible Meeting Date Adjustments

Mr. Walsh recommended to trustees possible alternative meeting dates for the April Board Meeting.

Funding Letter Update

Mr. Walsh reported the status of the Funding Letter mailing. The trustees unanimously approved posting the letter on the LABF website.

Fee Aggregation Initiative

Mr. Walsh reported to trustees that the staff of the City Treasurer's Office met with Fund staff to discuss the Fee Aggregation Initiative. Fund staff reported that it authorized Northern Trust to provide certain information directly to the Treasurer's Office on this matter.

Statement of Economic Interest

Mr. Carroll noted the steps that the trustees need to complete in order to file their Statement of Economic Interest with the Clerk of Cook County.

Real Estate Contract

Mr. Walsh updated trustees on the LLC agreement with MEABF for the Funds' investment in the Mesirow Financial Real Estate Value Fund II, L.P and noted that this is almost complete.

LEGAL REPORT

EXECUTIVE SESSION NO. 4

At 4:27 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Keane seconded the motion.

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

At 4:46 p.m., Trustee Hamburger made a motion, seconded by Trustee Keane, that the executive session be adjourned and that the Board return to open session.

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

The trustees took no action.

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Trustee Summers left at 4:47 p.m.

EXECUTIVE SESSION NO. 5

At 4:47p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(21) to discuss potential or current litigation of the Fund. Trustee Keane seconded the motion.

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

At 4:51 p.m., Trustee Hamburger 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 Keane, LoVerde, Summers, Hamburger, Capasso and Joiner.
Against -- None.

It was moved by Trustee Hamburger, seconded by Trustee Keane, to approve opening for public inspection previous executive session minutes detailed in the memo, as amended, reviewed by the board.

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

EXECUTIVE SESSION NO. 6

At 4:51 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Keane seconded the motion.

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

At 4:53 p.m., Trustee Hamburger 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 Keane, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.

The trustees took no action.

ADJOURNMENT

With no further business, at 4:55 p.m., Trustee Hamburger made a motion to adjourn. Trustee Joiner seconded the motion.

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