
MINUTES OF THE PROCEEDINGS
REGULAR MEETING
OF THE
RETIREMENT BOARD OF THE POLICEMEN'S
ANNUITY & BENEFIT FUND
HELD
THURSDAY – JANUARY 26, 2017

The regular meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund was held January 26, 2017, at the office of the Fund, 221 N. LaSalle Street, Room 1626, Chicago, Illinois for the consideration of applications and bills, and for other such matters that came before the Board. The contents of this meeting were transcribed by Esquire Communications, Ltd. Court Reporters and are made a part of the record.

PRESENT: Hamburger, Hauser, Lappe, Maloney, Wright 5.

ABSENT: Trustees Avila, Brown, Summers 3.

PRESIDING: President and Trustee Kenneth Hauser

With Trustees Hamburger, Hauser, Lappe and Maloney present; the Disability Committee reviewed the scheduled hearings.

It was moved by Trustee Hamburger, seconded by Trustee Maloney that the Disability Committee enter into executive session.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney 4.

Absent: Avila, Brown, Summers, Wright 4.

Against: 0.

It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Disability Committee exit the executive session.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney 4.

Absent: Avila, Brown, Summers, Wright 4.

Against: 0.

The Disability Committee proceeded with hearing the cases on the schedule.

DUTY DISABILITY CLAIM

Contreras, Renee P.

Renee Contreras appeared before the Board, with counsel, on her claim for a duty disability benefit.

Board counsel informed Officer Contreras and her counsel that the Board does not have a quorum present. The Board's attorney proposed to hear the case of the officer, take the matter under advisement to the extent that it will all be typed up, and at the next Board meeting the Board will vote on the matter. Officer Contreras and her attorney agreed to proceed before the Disability Committee with vote entered at a later time.

After hearing testimony from claimant and reviewing the documents submitted, this matter was taken under advisement.

(Hearing continued for a vote)

WHEREUPON; Trustee Wright entered the proceedings.

With a quorum present, Trustee Hauser called the meeting to order.

The first order of business was review and approval of the minutes of the investment committee meeting held January 20, 2017.

It was moved by Trustee Hamburger, seconded by Trustee Maloney that the Board approve the minutes as presented.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

MINUTES CONTINUED

January 26, 2017

Page 2.

The Fund's Chief Investment Officer requested approval on some expenses. One, the Public Fund CIO Conference of NEPC, which was attended, reimbursement of airfare; PIMCO-sponsored conference in February, which will include some on-site manager visits, travel expenses requested; attendance in April at two conferences.

After discussion, it was moved by Trustee Wright, seconded by Trustee Maloney that the Board approve \$1500, for travel expenses incurred in the next three months for the Fund's CIO.

ROLL CALL

For: Hauser, Lappe, Maloney, Wright 4.

Absent: Avila, Brown, Summers 3.

Against: Hamburger 1.

The next order of business was review and approval of the minutes of the regular Board meeting held November 21, 2016.

It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board approve the minutes as presented.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

The next order of business was review and approval of the minutes of the regular Board meeting held December 20, 2016.

It was moved by Trustee Maloney, seconded by Trustee Hamburger that the Board approve the minutes as presented.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

Trustee Hauser requested adoption of the Board order as submitted by the Board's attorney in the matter of **Frank Balestri**. The Board found that Officer Balestri's petition to purchase pension credit for service prior to his CPD appointment is denied in accordance with 5/5-214.

It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board adopt the order on Frank Balestri as submitted.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

The President turned the meeting over to the recording secretary, Trustee Maloney.

The Board Recording Secretary conducted the agenda as follows:

PAGE NO. REFERENCE

1 - 6 Incurred Expenses for the Month of January 2017.

It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board approve the Obligations as detailed on pages 1 through 6.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

MINUTES CONTINUED

January 26, 2017

Page 3.

PAGE NO. REFERENCE

7 - 11 Refunds of Contributions; Withdrawal of Service, Widow's Annuity Accumulations,
Revised Widow's Annuity Accumulations and Exempt Rank.

It was moved by Trustee Hauser, seconded by Trustee Wright that the Board approve the Refunds as detailed on pages 7 through 11.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

12 - 13 Payment to Heirs of Deceased Annuitants

It was moved by Trustee Hauser, seconded by Trustee Wright that the Board approve the Payment to Heirs of Deceased Annuitants as detailed on pages 12 and 13.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

14 Refund of Annual Increase Contributions (*less than 20 years of service*)

It was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board approve the Refund as detailed on page 14.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

15 - 16 Annuities [Summary pg. 17]

It was moved by Trustee Wright, seconded by Trustee Lappe that the Board approve receipt of payment for military service from Michael E. Snow (SF-47289), which provides an additional 2.5% in his pension calculation.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board approve the Annuities as detailed on pages 15 and 16.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

18 Annuities -Revised

It was moved by Trustee Hauser, seconded by Trustee Wright that the Board approve the Revised Annuities as detailed on page 18.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

MINUTES CONTINUED

January 26, 2017

Page 4.

PAGE NO. REFERENCE

19 Annuities to Widows [Summary pg. 20]

It was moved by Trustee Hauser, seconded by Trustee Wright that the Board approve the Annuities to Widows as detailed on page 19.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

21 Ordinary Disability Benefit Claims

a) **Padro, Maria**

Based on the medical reports, it was moved by Trustee Lappe, seconded by Trustee Wright that the Board move to grant Officer Padro an ordinary disability benefit.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

22 - 23 Payments of Death Benefits [Summary pg. 24]

It was moved by Trustee Hauser, seconded by Trustee Wright that the Board approve the Death Benefits as detailed on pages 22 and 23.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

MISCELLANEOUS

25 GUARDIANSHIP APPOINTMENT

Sirotek, Rudolph H.

It was moved by Trustee Hamburger, seconded by Trustee Hauser that the Board acknowledge the guardianship appointment as detailed on page 25.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

26 REQUEST FOR PENSION CREDIT FOR PRIOR COOK COUNTY
SERVICE UNDER 5-214 (C)

Documentation verified, it was moved by Trustee Hamburger, seconded by Trustee Wright that the Board approve the prior Cook County service request as detailed on page 26.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

MINUTES CONTINUED

January 26, 2017

Page 5.

PAGE NO. REFERENCE

27 REQUESTS FOR PENSION CREDIT FOR PRIOR SERVICE UNDER 5-214.2

Documentation reviewed, it was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board deny the prior service requests as detailed on page 27, per statutory provisions.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

28 REQUESTS FOR PENSION CREDIT FOR PRIOR MILITARY
SERVICE UNDER 5-214.3

Documentation verified, it was moved by Trustee Wright, seconded by Trustee Hamburger that the Board approve the prior military service requests as detailed on page 28.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

29 REQUEST FOR PENSION CREDIT FOR LEAVE OF ABSENCE MILITARY
SERVICE UNDER USERRA

Documentation verified, it was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board approve the leave of absence military service request as detailed on page 29.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

General Agenda completed.

It was moved by Trustee Hauser, seconded by Trustee Wright that the Board enter into executive session pursuant to 2 (c)(11).

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

It was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board exit executive session.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

WHEREUPON, Dean Angelo, President of the Fraternal Order of Police entered the proceedings.

Discussion was held concerning Public Act 99-0905, which contains changes to the cost-of-living provision for retired Police members. The Executive Director reported that Fund's staff was able to adjust and implement a 3% increase, for members born after 1955 that have at least one year of retirement, reflected in their January 31, 2017, annuity disbursements.

MINUTES CONTINUED

January 26, 2017

Page 6.

The other element of Public Act 95-0905, concerns a catch-up provision. The calculation concerning the 'catch-up' amounts will begin in February with payments thereafter to those retired members affected. To perform these calculations on approximately 1400 retired members, the process will take several months.

The Executive Director informed that there is another group, which is a population that has received initial 1.5% increases in 2015 and 2016. Those are officers that were born in '55 and '56 that reached the age of sixty in 2015 or 2016 and had a year of retirement behind them on their sixtieth birthday. Board's legal counsel has advised that the Public Act references the catch-up calculations applicable to the group that 'has not received the initial increase' under this subsection before January 1, 2017. As such, based upon the enacted legislation, those officers born in 1955 and 1956, who have already received an initial cost-of-living increase in either 2015 or 2016, would not be receiving a catch-up. They will be receiving 3 percent in 2017 and for every year thereafter that they are living, but the catch-up provision based on PA99-0905, does not provide for a catch-up contribution to them.

Board's counsel and Mr. Angelo entered into discussion concerning this newly enacted provision, and interpretation of same.

It was moved by Trustee Wright, seconded by Trustee Hauser that the Board enter into executive session.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

It was moved by Trustee Lappe, seconded by Trustee Wright that the Board exit the executive session.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

A partial resolution concerning PA99-0905 was agreed upon by Board members. The executive director recapped; retired members, who were eligible, received a 3% increase in their January 31, 2017, annuity disbursement. Calculation of any 'catch-up' amounts will begin in February and take until approximately June to complete. Members in the other group discussed, who had already received a 1.5% increase in 2015 and/or 2016, the Board is requesting legislative interpretation of the language in PA99-0905, or further communication from the legislative sponsor, and the Fund will proceed on those members thereafter.

WHEREUPON, Dean Angelo, President of the Fraternal Order of Police left the proceedings.

In the matter of **Joseph Smith**, attorney, Kara Amouyal of Blake Horwitz Law Firm, appeared before the Board on behalf of Mr. Smith. Board counsel indicated that there were tentative discussions with Mr. Horwitz. Ms. Amouyal indicated that the offer in such discussions was rejected. With this rejection, Board counsel indicated that it has all of the documents that it needs and will make a ruling, after which Mr. Smith, via his attorney, may file an administrative review or do whatever he thinks is best.

MINUTES CONTINUED

January 26, 2017

Page 7.

HEARINGS
DISABILITY HEARINGS

DUTY DISABILITY STATUS REVIEW

30 **Arcillas, Patrick**

Patrick Arcillas appeared before the Board, without counsel, on his disability status review. Board counsel reviewed with Officer Arcillas the procedures of an administrative hearing, along with his right to have an attorney present. Officer Arcillas agreed to proceed without counsel. After reviewing the documents and hearing testimony from Patrick Arcillas and Sgt. Kemper of the Medical Section of the Chicago Police Department *it was moved by Trustee Lappe, seconded by Trustee Wright that the Board terminate Patrick Arcillas' duty disability benefits effective February 28, 2017.*

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

DUTY DISABILITY STATUS REVIEW

31 **McClendon, Jennifer**

Jennifer McClendon appeared, with counsel, before the Board on her disability status review. After reviewing the documents and hearing testimony from Jennifer McClendon *it was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board continue the status review on her duty disability benefits to the February 24, 2017, Board meeting.*

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

32 DUTY DISABILITY CLAIMS

Contreras, Renee P.

With a quorum now present the Board reviewed the duty disability claim of Renee P. Contreras, which was presented to the Disability Committee earlier this day. After hearing testimony from claimant and reviewing the documents submitted this matter was previously taken under advisement.

It was moved by Trustee Maloney, seconded by Trustee Lappe, that the Board grant a duty disability benefit to Renee P. Contreras for the period August 27, 2016, through November 15, 2016. (Member returned to active duty November 16, 2016).

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

It was moved by Trustee Maloney, seconded by Trustee Lappe that the duty award be granted at 75% of salary as defined in the Pension Act.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

Osborn, Kevin

Kevin Osborn appeared, with counsel, before the Board on his request for a continuance on his duty disability claim. After much discussion *it was moved by Trustee Wright, seconded by Trustee Maloney that the Board continue this matter to February for a hearing.*

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

MINUTES CONTINUED

January 26, 2017

Page 8.

32 DUTY DISABILITY CLAIMS, continued

Rainey, Tamica

Tamica Rainey appeared, with counsel, before the Board on her claim for a duty disability benefit. After hearing testimony from the claimant and reviewing the records submitted *it was moved by Trustee Wright, seconded Trustee Maloney that the Board award Tamica Rainey a duty disability benefit.*

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

It was then moved by Trustee Wright, seconded Trustee Maloney that the Board grant the duty disability benefit at 75% of salary as defined in the Pension Act.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

Silva, Antonio.

Antonio Silva appeared, with counsel, before the Board on his claim for a duty disability benefit. After hearing testimony from the claimant and reviewing the records submitted *it was moved by Trustee Lappe, seconded Trustee Wright that the Board enter into executive session.*

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board exit the executive session.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

The disability claim of Antonio Silva was resumed. Testimony in this matter was taken from Sgt. Kemper of the Medical Section of the Chicago Police Department.

It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board deny the disability claim of Antonio Silva.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

The Executive Director reviewed with the Board the following matters.

- A request from a trustee for approval of travel expenses to attend the NAPO (*National Association of Police Organizations*) conference in February 2017.

It was moved by Trustee Wright, seconded by Trustee Lappe that the Board approve registration and travel expenses for any interested trustee, to attend the NAPO 2017 conference in February.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

MINUTES CONTINUED

January 26, 2017

Page 9.

- Disability recipients recently examined by the Board physician were reviewed. It is the Board physician's recommendation to have a Functional Capacity Evaluation completed on **Ricky Williams**.

It was moved by Trustee Hamburger, seconded by Trustee Maloney that the Board approve a FCE for disability recipient Ricky Williams.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

- Discussion with the Board's physician was held concerning disability recipients and possible review of the narcotics prescribed and the related impact. The Board's physician recommended a panel of tests that test peripheral reaction time, central thinking time and processing along with an evaluation by a board certified neurologist and psychiatrist. Dr. Hirsch, in his office, can provide such assessment and then a report. Costs for such testing are approximately \$2900, and the Board's physician recommended such testing in a few cases.

It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board approve the panel testing by Dr. Hirsch on disability recipient Dimitrios Katsaros, as recommended by the Board's physician.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board certify the compliance for ethics training.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

- A draft letter from a current police officer member, **Joseph Lullo**, was distributed to the Board. This member is considering taking a position in the Mayor's office and he is inquiring about his eligibility for continuation of benefits or service accrual in this Fund. It was concluded by the Board that the Board's counsel forward a draft response to the Corporation Counsel for review, with a thirty day requested response, to obtain a current interpretation of 5/5-214 (b); which could then be forwarded to the member citing to the Pension Act.
- Communications with a retired police officer, **Alyce Dalto**, concerning the amount of her refund of widow's annuity accumulations was discussed. This member has police service credit for 30+ years, however she was in receipt of duty disability benefits for 20+ years during her career. Contributions refunded to her reflect contributions made during her active service and not during her period on duty disability. The Board agreed that the Pension Act does not provide for a refund of the widow's annuity accumulations to include City's contributions made on her behalf. The refundable amount is the amount paid in by member, with statutory interest. The Board agreed with the draft response to Ms. Dalto's request, and directed such letter be sent accordingly.

MINUTES CONTINUED

January 26, 2017

Page 10.

- A letter from the Office of Budget Management was distributed to the Board. In March 2015, this Fund received pension contributions for a bonus that was paid to upper rank exempts above the rank of Captain (approximately fifty members). The Fund received a letter from Ms. Holt indicating that the Fund should not have received this contribution, and it was not pensionable earnings. The amounts range between \$600 and \$800 per exempt. The Executive Director met with John Arvetas to discuss the refund of these contribution amounts. For those members that have retired (approximately twenty-five members), the Fund will refund such contributions directly back to the member in a taxable distribution. The refund check and a letter will be completed in the next few months. For the actives, the City of Chicago Comptroller's office has requested that they offset the amount with the February 15th pension contributions from their regular pensionable compensation.

It was moved by Trustee Wright, seconded by Trustee Maloney that the Board enter into executive session.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

It was moved by Trustee Wright, seconded by Trustee Maloney that the Board exit executive session.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board approve the revision to the 2017 Operating Budget for the Policemen's Annuity and Benefit Fund.

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.

EXECUTIVE DIRECTOR'S REPORT CONCLUDED

All business concluded for this date, January 26, 2017, *it was moved by Trustee Hamburger, seconded by Trustee Wright that this meeting be adjourned.*

ROLL CALL

For: Hamburger, Hauser, Lappe, Maloney, Wright 5.

Absent: Avila, Brown, Summers 3.

Against: 0.