
MINUTES OF THE PROCEEDINGS
REGULAR MEETING
OF THE
RETIREMENT BOARD OF THE POLICEMEN'S
ANNUITY & BENEFIT FUND
HELD
THURSDAY - APRIL 27, 2017

The regular meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund was held April 27, 2017, at 9:00 A.M. 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: Trustees Brown, Hamburger, Lappe, Summers, Wright 5.

ABSENT: Avila, Hauser, Maloney 3.

PRESIDING: Vice President and Trustee Wright

Trustee Wright called the meeting to order.

Trustee Wright requested adoption of Board orders as submitted by the Board's legal counsel.

In the matter of **David W. Holliday**, "The Board after a review and pursuant to 40 ILCS 5/5-214 and for all of the reasons stated herein, the request of David W. Holliday for police pension credit prior to his employment as a CPD officer for all or part of the time period requested is hereby denied".

It was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board approve the order on David W. Holliday as submitted.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

In the matter of **Sean Rogan**, "The Board finds that pursuant to the above-referenced statute the application for the benefits you seek had to be made no later than February 17th, 2010, and your submissions made on August 26th, 2016, was not timely brought. Accordingly, the Board finds your application for police pension credit prior to your appointment as a CPD officer for all or part of the time period requested is hereby denied."

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board adopt the order on Sean Rogan as submitted.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

The next order of business was review and approval of the Minutes of the last regular meeting of the Retirement Board held March 28, 2017.

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board approve the minutes from the regular meeting held March 28, 2017.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

Next was the approval of the minutes of the Investment Committee meeting held April 24, 2017.

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

ROLL CALL

For: Hamburger, Lappe, Summers, Wright 4.

Abstain: Brown 1.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

MINUTES CONTINUED

April 27, 2017

Page 2.

The Vice President conducted the agenda as follows:

PAGE NO. REFERENCE

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

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

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

7 - 12 Refunds of Contributions; Withdrawal of Service, Widow's Annuity Accumulations,
Revised Widow's Annuity Accumulations and Exempt Rank

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board approve the Refunds as detailed on pages 7 and 8.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

It was moved by Trustee Brown, seconded by Trustee Lappe that the Board approve the Refunds as detailed on pages 9 and 10.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

It was moved by Trustee Summers, seconded by Trustee Hamburger that the Board approve the Refunds as detailed on pages 11 and 12.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

13 - 14 Payment to Heirs of Deceased Annuitants

It was moved by Trustee Summers, seconded by Trustee Hamburger that the Board approve the Payment to Heirs of Deceased Annuitants as detailed on pages 13 and 14.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

15 - 18 Annuities [Summary pg. 19]

It was moved by Trustee Lappe, seconded by Trustee Summers that the Board approve the Annuities as detailed on pages 15 through 18.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

MINUTES CONTINUED

April 27, 2017

Page 3.

PAGE NO. REFERENCE
20 Annuities – Revised
See motion below.

21 - 22 Annuities to Widows [Summary pg. 23]

The Executive Director called to the Board's attention that in the calculation of the widow's annuity associated with deceased officer Charles Loving, it was learned that the date of birth reported by the officer on his information form and retirement application was one year prior to the year of birth now observed on his death certificate and birth certificate supplied by his widow. As a result of this incorrect year of birth, his cost-of-living increase was paid a year in advance. The accumulation of this early increase, along with all successor years in which the officer received one additional cost-of-living increase above what he was entitled to, is \$18,000.

After lengthy discussion, the Board directed the Executive Director to contact Mrs. Loving to discuss the overpayment and a repayment plan and report back to the Board.

It was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board approve the Revised Annuity as detailed on page 20 and the Annuities to Widows as detailed on pages 21 and 22.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.
Absent: Avila, Hauser, Maloney 3.
Against: 0.

24 Annuities to Children

After discussion and review, *it was moved by Trustee Brown, seconded by Trustee Hamburger that the Board approve the annuities to children as detailed on page 24.*

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.
Absent: Avila, Hauser, Maloney 3.
Against: 0.

25 Ordinary Disability Applications

a) **Griffith, Robert C.**

Based on the medical reports, it was moved by Trustee Lappe, seconded by Trustee Brown that the Board grant Officer Griffith an ordinary disability benefit.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.
Absent: Avila, Hauser, Maloney 3.
Against: 0.

26 - 27 Payment of Death Benefits [Summary pg. 28]

It was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board approve the Death Benefits as detailed on pages 26 and 27.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.
Absent: Avila, Hauser, Maloney 3.
Against: 0.

MINUTES CONTINUED

April 27, 2017

Page 4.

PAGE NO. REFERENCE

MISCELLANEOUS

29 REQUESTS FOR PENSION CREDIT FOR LEAVE OF ABSENCE MILITARY SERVICE
Documentation verified, it was moved by Trustee Summers, seconded by Trustee Hamburger that the Board approve the purchase of military leave of absences as detailed on page 29.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

30 REQUEST FOR PENSION CREDIT FOR PRIOR COOK COUNTY
SERVICE UNDER 5-214 (c)

Documentation verified, it was moved by Trustee Hamburger, seconded by Trustee Brown that the Board approve the request to purchase prior Cook County service as detailed on page 30.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

31 REQUEST 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 portability service petition as detailed on page 31, per statutory time requirements*

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

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

Documentation verified, it was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board approve the requests to purchase prior military service as detailed on page 32.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

33 GUARDIANSHIP DISCHARGE

Documentation verified, it was moved by Trustee Summers, seconded by Trustee Lappe that the Board acknowledge the court order discharging guardianship as detailed on page 33.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

General Agenda completed.

MINUTES CONTINUED

April 27, 2017

Page 5.

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

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

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

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

HEARINGS

PAGE NO. REFERENCE

34 REQUEST FOR PENSION CREDIT FOR PRIOR SERVICE

Dovin, George M.

Officer Dovin appeared, with counsel, on his petition to purchase pension credit for prior service. After hearing testimony from Officer Dovin, his witness, Letriana Packer, a supervisor with the Illinois Department of Children and Family Services and reviewing the documents submitted *it was moved by Trustee Brown, seconded by Trustee Summers that the Board enter into executive session.*

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

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

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

It was moved by Trustee Brown, seconded by Trustee Hamburger that the Board deny the request to purchase prior service filed by George Dovin.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

35 REQUEST FOR PENSION CREDIT FOR PRIOR SERVICE

Villarreal, Jason A.

Officer Villarreal appeared before the Board without counsel. Board counsel reviewed with Officer Villarreal the procedures of an administrative hearing, along with his right to have an attorney present. Officer Villarreal agreed to proceed without counsel. After hearing testimony from Officer Villarreal and reviewing the documents submitted, *it was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board deny the request to purchase prior service filed by Officer Villarreal.*

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

MINUTES CONTINUED

April 27, 2017

Page 6.

PAGE NO. REFERENCE

DISABILITY HEARINGS

DUTY DISABILITY STATUS REVIEWS

36

Flynn, Terese J.

Sergeant Flynn appeared before the Board with counsel on her disability status review. After hearing testimony from Sgt. Flynn and the Board's consulting physician, *It was moved by Trustee Hamburger, seconded by Trustee Summers that this matter be continued for two months, with an evaluation completed within that time, and updates provided to the Board regarding a pending surgery.*

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

37

Williams, Rickey B.

Officer Williams appeared before the Board without counsel. Board counsel reviewed with Officer Williams the procedures of an administrative hearing, along with his right to have an attorney present. Officer Williams requested a continuance.

It was moved by Trustee Summers, seconded by Trustee Hamburger that Officer Williams receive a continuance on his disability status review.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

38

DUTY DISABILITY CLAIMS

Danilov, Vadim

Vadim Danilov appeared before the Board, with counsel, on his claim for a duty disability benefit. After hearing testimony from Officer Danilov, the Board's consulting physician and reviewing the medical reports and documents submitted *it was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board award Officer Danilov a duty disability benefit.*

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

It was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board grant the duty disability award at 75% of salary as defined in the Statute.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

MINUTES CONTINUED

April 27, 2017

Page 7.

PAGE NO. REFERENCE

38 DUTY DISABILITY CLAIMS, Continued

Dovin, George M.

George M. Dovin appeared before the Board, with counsel, on his claim for a duty disability benefit. After hearing testimony from Officer Dovin, the Board's consulting physician and reviewing the medical reports and documents submitted *it was moved by Trustee Lappe, seconded by Trustee Summers that the Board enter into executive session.*

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

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

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

George Dovin, with agreement of his counsel, entered into an agreement.

The agreement is that Officer Dovin will accept an ordinary disability at 50 percent retroactive to the day his disability was terminated. In exchange for that, he would waive any right to file a petition for administrative review or appeals or any other items that the Board would request.

It was moved by Trustee Brown, seconded by Trustee Lappe that the Board award George Dovin an ordinary disability benefit subject to the settlement agreement.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

Enderle, Diana M.

Counsel for Diana Enderle appeared before the Board on this disability claim and requested a continuance to June, as the member awaits further medical information.

It was moved by Trustee Summers, seconded by Trustee Brown that the Board grant a continuance to the June Board of Trustee meeting.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

MINUTES CONTINUED

April 27, 2017

Page 8.

PAGE NO. REFERENCE
38 DUTY DISABILITY CLAIMS, Continued

Fencl, Matthew R.

Matthew R. Fencl appeared before the Board, with counsel, on his claim for a duty disability benefit. After hearing testimony from Officer Fencl, the Board's consulting physician and reviewing the medical reports and documents submitted *it was moved by Trustee Hamburger, seconded by Trustee Summers, that the Board enter into executive session per 2(c)(11).*

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

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

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board deny Officer Fencl's request for duty disability benefits.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board award Matthew Fencl an ordinary disability benefit.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

38 OCCUPATIONAL DISEASE DISABILITY CLAIM

Vaccaro, Victor C.

Counsel for Victor C. Vaccaro appeared before the Board on this disability claim and requested a continuance to June, as the member awaits further medical information.

It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board grant a continuance to the June Board of Trustee meeting.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

MINUTES CONTINUED

April 27, 2017

Page 9.

In the matter of **Jennifer McClendon**, “The Board finds that McClendon’s medical condition is not now disabling as disability is defined in the Act. McClendon can now be returned to the Chicago Police Department for assignment. Allowing McClendon time to seek reinstatement with the Chicago Police Department, her duty disability benefits shall cease April 30, 2017.

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board adopt the order on Jennifer McClendon as submitted.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

The Executive Director reviewed with the Board the following matters.

- The timing of the sufficiency hearing for the trustee ballot for Trustee Lappe’s position was confirmed as July 13th at 11am. As there have been no further comments on the election timing from the last Board of Trustee meeting, the tentative election schedule is now final.
- Officer, **Kimberlee Powe**, who is in receipt of duty disability benefits, was examined by the Board’s consulting physician. Dr. Orris recommends a Functional Capacity Evaluation (FCE) be completed on this officer.

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board approve the FCE on Kimberlee Powe, recommended by the Board’s consulting physician.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

- At the last Board meeting a draft RFP for securities litigation services was distributed for review. There is a request from the Board President to have the start date for the RFP be May 16, 2017. If the Board approves the draft submitted, the RFP would go live on May 16, 2017, and would run for 30 days.

It was moved by Trustee Hamburger, seconded by Trustee Summers that the Board approve the RFP for securities litigation services as submitted.

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.

MINUTES CONTINUED

April 27, 2017

Page 10.

- An update on the Fund Office Space was provided. The construction previously discussed/approved will commence on the Monday following this meeting. Changes to the reception area, adding a small conference room and other miscellaneous will be paid via the tenant improvement allowance provided in the 15-year lease signed about a year ago. There are a few items that would be outside of the tenant allowance and were not in the Fund's operating budget for 2017. The items not covered in the tenant allowance would be painting the Fund offices, with an approximate cost of \$10,000, and carpeting, with an approximate cost of \$40,000. Both items have not been completed since 2005.

It was moved by Trustee Wright, seconded by Trustee Lappe that the Board approve a \$50,000 expenditure for painting and carpeting in the Fund office space.

ROLL CALL

For: Brown, Lappe, Summers, Wright 4.

Absent: Avila, Hauser, Maloney 3.

Against: Hamburger 1.

- A the last meeting, correspondence from the Corporation Counsel on retired **Sergeant Ray Ramirez** was distributed to the Board members and at that time the Board took no action. Subsequently, Board counsel researched and reviewed the matter. There were three counts of indictments against retired member Ray Ramirez; he entered into a plea agreement; and the offense was reclassified as a misdemeanor. There were no convictions of felonies. Therefore, no action by the Board is required.
- A widow, Cynthia Rickert has come forward. Her retired police officer husband, **Robert W. Rickert** passed away March 12, 2017. He retired in 1987, and at the time of his retirement, he was single and received a refund of his spousal contributions. He married Cynthia in 1989. Since the marriage, he has not paid back the spousal refund to the Fund. The widow has sent a letter to the Board requesting approval to pay the refund of the spousal contributions and thus receive a spousal annuity. Under the statutes, an officer that receives a spousal refund at retirement has one year from the date of marriage to repay the refund to the Fund and have the new spouse thus eligible for a spousal annuity. After much discussion, it was estimated that Mrs. Rickert would be required to repay approximately \$20,000 to the Fund and establish herself as a surviving spouse. The Board requested the Executive Director contact Mrs. Rickert and determine the ability to repay the refund.
- The audit and actuarial review are underway. There are actuarial schedules that have been provided by GRS, of which the City is requesting copies. Because the Fund is in the preliminary stages of the review, the Board requested to delay providing drafts to the City. As far as presenting the results of the audit and actuarial report, such results would not be available at the May meeting. The Executive Director proposed there be a separate Audit and Actuarial Committee meeting sometime in early June to discuss those results.
- There are some new accounting pronouncements that were issued and require adoption by the Fund. Staff has been working with Northern Trust (NT) to get the data to complete the necessary financial statement disclosures. There will be a custodial charge, not budgeted, to obtain the necessary information. Staff worked with NT and additional expenses will be charged in the next two quarters, as the Fund does need to comply with the new GASB standard.

EXECUTIVE DIRECTOR'S REPORT CONCLUDED

All business concluded for this date, April 27, 2017, *it was moved by Trustee Hamburger, seconded by Trustee Summers that this meeting be adjourned.*

ROLL CALL

For: Brown, Hamburger, Lappe, Summers, Wright 5.

Absent: Avila, Hauser, Maloney 3.

Against: 0.