
MINUTES OF THE PROCEEDINGS
REGULAR MEETING
OF THE
RETIREMENT BOARD OF THE POLICEMEN'S
ANNUITY & BENEFIT FUND
HELD
TUESDAY - JANUARY 30, 2018

The regular meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund was held January 30, 2018, at 9:55 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. Portions of this meeting were transcribed by Esquire Communications, Ltd. Court Reporters; a portion of the proceedings were summarized and added to the transcribed document; and certain proceedings were audio recorded and were transcribed. All portions are made a part of the record.

PRESENT: Trustees Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

ABSENT: Caldero, Summers 2.

PRESIDING: President Hauser

President Hauser called the meeting to order.

First order of business is a review of the Minutes of the Investment Committee meeting held January 24, 2018.

One amendment was noted regarding Trustee Hamburger's vote on page 4.

It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the minutes of the Investment committee meeting as submitted with noted amendments.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

The next order of business is review of the Minutes of the Regular Board meeting held December 18, 2017.

It was moved by Trustee Brown, seconded by Trustee Wright that the Board approve the minutes of December 18, 2017, as submitted.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

The next order of business was review and adoption of Board orders as submitted by the Board's counsel.

In the matter of **Carolina Jacobo**, the Board finds "Pursuant to 40 ILCS 5/5-214.2, and for all the reasons stated herein, Jacobo has not established entitlement to the police pension service credit for the period at which time she was employed with Northwestern University Police Department as a Police Officer. As the statutory provision of the Act does not grant police pension credit for such service, Jacobo's request for police pension service credit for all or part of the time period requested is therefore denied."

It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board approve the order on Carolina Jacobo, as submitted.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

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In the matter of **Rufus James**, "The Board finds that James' medical condition is not now disabling as disability is defined in the Act. Payment of James' duty disability benefits will therefore cease on February 28, 2018, and James is directed to return to the CPD for assignment."

It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board approve the order on Rufus James, as submitted.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

In the matter of **Helena Ward**, "The Board finds that Ward's medical condition is not now disabling as disability is defined in the Act. Payment of Ward's ordinary disability benefits will therefore cease on January 31, 2018, and Ward is directed to return to the CPD for assignment."

It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board approve the order on Helena Ward, as submitted.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

The President turned the meeting over to the Recording Secretary. Review of the agenda was as follows:

PAGE NO. REFERENCE

1 - 6 Incurred Expenses for the Month of January 2018.

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

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

7 - 9 Refunds of Contributions; Withdrawal of Service, Widow's Annuity Accumulations, and Exempt Rank.

It was moved by Trustee Hauser, seconded by Trustee Brown that the Board approve the Refunds as detailed on pages 7 through 9.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

10 - 11 Payment to Heirs of Deceased Annuitants

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board approve payments to heirs of deceased annuitants as detailed on pages 10 and 11.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

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PAGE NO. REFERENCE

12 Payment to Heirs of Deceased Annuitants – *Public Act 099-0905*

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board approve retroactive payments to heirs of deceased annuitants as detailed on page 12.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

13 Annuities [Summary pg. 14]

It was moved by Trustee Hauser, seconded by Trustee Beyna that the Board approve the Annuities as detailed on page 13.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

15 Annuities to Widows [Summary pg. 16]

It was moved by Trustee Hauser, seconded by Trustee Beyna that the Board approve the Annuities to Widows as detailed on page 15.

ROLL CALL

For: Beyna, Brown, Hauser, Wodnicki, Wright 5.

Absent: Caldero, Summers 2.

Against: Hamburger 1. *On the matter of annuity for the widow of Chester Hornowski.*

17 Annuities to Children

It was moved by Trustee Wodnicki, seconded by Trustee Beyna that the Board defer the application for child's annuity of Debra Tyler for Christian Tyler to a hearing.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

18 Ordinary Disability Claim

a) Chlebek, Maria

Based on the medical reports, it was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board grant an ordinary disability benefit to Maria Chlebek.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

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19 Duty and Occupational Disease Disability Claims

a) Kindle, Sean

Based upon the medical reports, it was moved by Trustee Hauser, seconded by Trustee Brown that the Board grant an occupational disease disability benefit to Sean Kindle.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

b) Murillo, Veronica

REFER TO DUTY DISABILITY HEARING SECTION OF THESE MINUTES.

c) Tietz, Robert C.

Based upon the medical reports, it was moved by Trustee Hamburger, seconded by Trustee Wodnicki that the Board defer all benefits pending an additional report for another Independent Medical Exam.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

20 – 23 Payment of Death Benefits [Summary pg. 24]

***Board consideration on DeFelice, Richard J. and Hornowski, Chester.**

In the matter of DeFelice; this application appeared on the December 2017, agenda and was approved. During a final audit of the documents, prior to release of payment, it was discovered that Richard DeFelice terminated his employment prior to age 50; therefore the Death Benefit is not payable per 40 ILCS 5/5-153.

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board deny the Death Benefit for Richard J. DeFelice, detailed on page 23.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

In the matter of Hornowski; During an audit of the documents it was discovered that Chester Hornowski terminated his employment August 15, 2004, and applied for his pension on August 16, 2004, which qualifies for payment of the Death Benefit under 40 ILCS 5/5-153. However, as detailed on page 15 of this Agenda, his annuity was calculated effective May 1, 2004, and he was paid annuity for the period May 1, 2004 through August 15, 2004. That calculation resulted in a \$15,177.16 overpayment of annuity.

It was moved by Trustee Hamburger, seconded by Trustee Wodnicki that the Board approve payment of the \$6,000 death benefit and that staff make arrangements with Mr. Hornowski's widow to recapture the \$15,177.16 overpayment.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

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It was moved by Trustee Hauser, seconded by Trustee Beyna that the Board approve the remaining applications for death benefits as listed on pages 20 through 22.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

LEAVES

25 REQUESTS FOR PENSION CREDIT FOR LEAVE OF ABSENCE MILITARY SERVICE

Documentation verified, it was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the requests to purchase leave of absence military service as detailed on page 25.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

MISCELLANEOUS

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 Beyna that the Board approve the request to purchase prior Cook County service as detailed on page 26.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

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

Documentation verified, it was moved by Trustee Hamburger, seconded by Trustee Brown that the Board approve the request to purchase prior military service as detailed on page 28.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

Ms. Tuczak indicated that the Board of Trustees would next hear five presentations from securities litigation firms. The Fund had prepared and posted a Request for Proposals (RFP) for Securities Litigation Counsel in May of 2017. Based upon the responses, the Board elected to retain four respondent firms that currently represent the Fund, and selected five firms for finalist presentations to the Board. Each firm is allocated twenty minutes for its presentation with a guideline of discussion topics. An additional five minutes is allocated to each firm, to accommodate questions of the Trustees. The presentations were conducted in alphabetical order. The firms and representative individuals providing the presentations were as follows:

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Berman Tobacco; represented by Marjorie Decker, Patrick Egan and Leslie Stern

Grant & Eisenhofer; represented by Olav Haazen and Stephanie Saccaro

Kehoe Law Firm & Bleichar, Fonti & Auld; represented by Javier Bleichmar, Kevin Cauley, John Kehoe,
And Robert Podgorny

Labaton Sucharow; represented by Mark Bogen, Serena Hallowell, Lara Goldstone and Mark Willis.

Saxena White; represented by Charles Jeroloman and Maya Saxena.

After hearing all presentations *it was moved by Trustee Wright, seconded by Trustee Hamburger that the Board enter into executive session per 2 (c)(11).*

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

TRUSTEE BROWN LEFT THE PROCEEDINGS.

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

ROLL CALL

For: Beyna, Hamburger, Hauser, Wodnicki, Wright 5.

Absent: Brown, Caldero, Summers 3.

Against: 0.

PAGE NO. REFERENCE

HEARINGS

32 REQUEST TO PURCHASE PENSION CREDIT FOR LEAVE OF ABSENCE SERVICE

Holt, Ronald M.

Ronald Holt appeared before the Board without counsel, on his petition to receive pension credit while on a leave of absence. Board counsel reviewed with Ronald Holt the procedures of an administrative hearing, along with his right to have an attorney represent him. Ronald Holt agreed to proceed without legal representation. After hearing testimony from Ronald Holt, Robert Landowski, Director of Human Resources for the Chicago Police Department, and reviewing documents submitted *it was moved by Trustee Wright, seconded by Trustee Hamburger that the Board enter into executive session.*

ROLL CALL

For: Beyna, Hamburger, Hauser, Wodnicki, Wright 5.

Absent: Brown, Caldero, Summers 3.

Against: 0.

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

ROLL CALL

For: Beyna, Hamburger, Hauser, Wodnicki, Wright 5.

Absent: Brown, Caldero, Summers 3.

Against: 0.

THIS CASE IS TAKEN UNDER ADVISEMENT; The Board requested additional information to be supplied from the Director of Human Resources.

PAGE NO. REFERENCE

DISABILITY HEARINGS

DISABILITY STATUS REVIEW

29

Matthew Lipman

Matthew Lipman appeared, with counsel, before the Board on a status review of his disability. After hearing testimony from Sergeant Lipman; the Board's Consulting Physician, Dr. Peter Orris, and Sergeant Janet Kemper of the CPD Medical Section and reviewing the records submitted in this case, *it was moved by Trustee Hamburger, seconded by Trustee Brown that based upon the medical information submitted, the Board terminate Sergeant Lipman's duty disability benefits effective February 28, 2018.*

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.
Absent: Caldero, Summers 2.
Against: 0.

30

DUTY DISABILITY CLAIMS

Murillo, Veronica

Veronica Murillo appeared before the Board, with counsel, on her claim for a duty disability benefit. After hearing testimony from Officer Murillo and reviewing the records submitted in this matter, *it was moved by Trustee Wright, seconded by Trustee Hamburger that the Board award Officer Veronica Murillo a duty disability benefit.*

ROLL CALL

For: Beyna, Hamburger, Hauser, Wodnicki, Wright 5.
Absent: Brown, Caldero, Summers 3.
Against: 0.

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

ROLL CALL

For: Beyna, Hamburger, Hauser, Wodnicki, Wright 5.
Absent: Brown, Caldero, Summers 3.
Against: 0.

Dowd, John D.

John Dowd appeared before the Board, with counsel, on his claim for a duty disability benefit. There was testimony from Lieutenant Dowd and review of the records submitted in this matter.

TRUSTEE BROWN RE-ENTERED THE PROCEEDINGS

It was moved by Trustee Beyna, seconded by Trustee Wright that the Board award Lieutenant John Dowd a duty disability benefit.

ROLL CALL

For: Beyna, Hamburger, Hauser, Wodnicki, Wright 5.
Absent: Caldero, Summers 2.
Against: 0.
Abstain: Brown 1.

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

ROLL CALL

For: Beyna, Hauser, Wodnicki, Wright 4.
Absent: Caldero, Summers 2.
Against: Hamburger 1.
Abstain: Brown 1.

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The Fund's Chief Investment Officer requested Board approval for travel expenses for upcoming conferences including Institutional Investor, MSA and Real Assets. Estimated expenses are \$2,300.

It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board approve the travel expenses requested by the Fund's Chief Investment Officer.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

The Executive Director reviewed with the Board the following matters.

- To accommodate the Trustees' schedules and a conflict with another fund's meeting; the March 22, 2018, regular Board meeting will begin at 12:30 pm.
- The next item was a training request for the IPPFA Regional Seminar for any trustees interested in attending.

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board approve travel expenses associated with attendance for any trustee at the upcoming IPPFA regional training seminar.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

- The next item was a draft letter to the Illinois Department of Financial and Professional Regulation which certifies compliance of the Trustees with the ethics training requirements.

It was moved by Trustee Brown, seconded by Trustee Wright that the Board approve the letter to the Illinois Department of Financial and Professional Regulation certifying the compliance with ethics training requirements.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

- The next item discussed was an insurance refund of \$2,390 directed to a member, **Kenneth W. Bell**, in error. Numerous attempts to recover the erroneous refund have not been successful. Recommendation was to recover the erroneous payment from his annuity payments over the next six months.

It was moved by Trustee Brown, seconded by Trustee Wodnicki that the Board approve the reduction of retired member Kenneth Bell's annuity over six months to recover the erroneous paid refund.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

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The Board's Consulting Physician, Dr. Peter, Orris, discussed a recent annual exam of disability member **Juana Herrera**, noting his recommendation that a Functional Capacity Exam subsequently be conducted on this member.

It was moved by Trustee Hamburger, seconded by Trustee Wodnicki that the Board approve the FCE for this member.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

- The Executive Director verified with each Trustee his/her contact information for the Cook County Statement of Economic Interest.
- The Executive Director requested to attend the annual GFOA (Government Finance Officers Association) and IGFOA (Illinois Government Finance Officers Association) conferences.

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board approve travel expenses associated with the Executive Director's attendance at the IGFOA and GFOA annual conferences for 2018.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

All business concluded for this date, January 30, 2018, *it was moved by Trustee Wright, seconded by Trustee Beyna that this meeting be adjourned.*

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wright 5.

Absent: Caldero, Summers, Wodnicki 3.

Against: 0.