
MINUTES OF THE PROCEEDINGS
REGULAR MEETING
OF THE
RETIREMENT BOARD OF THE
POLICEMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO
HELD
THURSDAY – March 28, 2019

The regular meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund of Chicago (the "Fund") was held 9:00 a.m. March 28, 2019 at the office of the Fund, 221 North LaSalle Street, Suite 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 Deposition Solution LLC Court Reporters and are made a part of the record.

PRESENT: Trustees Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

ABSENT: Brown, Summers 2.

PRESIDING: President Beyna

OTHERS PRESENT:

Mr. Kenneth Kaczmarz, Interim Executive Director, Ms. Caroline Vullmahn, Comptroller, Mr. David Kugler, Board Counsel, Mr. Justin Kugler, Legal Counsel, Dr. Peter Orris, Board Physician, and Staff Members Mr. Robert Crawford, Ms. Kay Hylton, Mr. Joseph Kosman and Ms. Adrienne Kiertyan.

PUBLIC IN ATTENDANCE:

Ms. Rosemarie Giambalvo, Mr. Paul Tasch and Mr. Gary Oprondek, Annuitants, Mr. Carlos Saladino, FOP Representative.

President Beyna called the meeting to order and recognized Annuitant member Rosemarie Giambalvo who had expressed interest in addressing the Board.

Mr. Kaczmarz was recognized and given leave to read an email, received from Ms. Rosemarie Giambalvo into the record. The email read as follows:

Dear Mr. Kaczmarz,

Please instruct anyone from the Board to cease and desist their investigators following me. I refuse to be intimidated or threatened again, and again, as I have been since June 2011.

If I see anyone following me after this notification, they will be arrested on the spot, and I will file a formal complaint with the Inspector General's office, then personally sue the Pension Board. Hope we are clear!

Ms. Rosemarie Giambalvo

The Board stated for the record that it has not authorized and has not directed any such surveillance activities.

Ms. Giambalvo directed her comments concerning annual legal expenses paid to Board counsel David Kugler to the Board. The Board reiterated the fact that the invoices provided to Ms. Giambalvo, in response to her FOIA request, represented legal work performed by Mr. Kugler on behalf of the Fund approved and paid by the Board.

President Beyna also acknowledged Annuitant member Paul Tasch who also expressed interest in addressing the Board. Mr. Tasch's comments centered on the current Funding status of the Fund and the actions undertaken by the Fund to address the issue with the City. The Board responded that it advises the

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City annually of the Fund's underfunded status in all of its required Financial Reporting. The City acknowledges that status by its inclusion of the Fund as a Component unit of the City in its own Financial Statements. The Board also indicated that it continually monitors the legislative activities of the City and the FOP in Springfield and has retained two individual lobbyist firms to assist the Boards with opposing such legislation when it is in the best interest of the Fund.

The first order of business was the review of the Minutes of the Regular Board meeting held February 28, 2019. *It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board approve the Minutes of February 28, 2019, as submitted.*

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

The next order of business was review of the Minutes of the Investment Committee meeting held March 25, 2019.

It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board approve the Minutes of the Investment Committee meeting held March 25, 2019, as submitted.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, 5.

Absent: Brown, Summers 2.

Against: 0.

Abstain: Wright 1.

The next order of business is the consideration by the Board of two recommendations from the Investment Committee:

The first is to issue RFP's for Core and Core-Plus Fixed Income Managers allowing the current Core and Core-Plus managers to re-bid.

It was moved by Lappe, seconded by Hamburger to approve the recommendation of the Investment Committee to issue RFP's for Core and Core –Plus Fixed Income

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

The second is to Fund the Pluscious account with \$15 million in available cash because of the delay in the GAM liquidation.

It was moved by Lappe, seconded by Hamburger to approve the recommendation of the Investment Committee

To utilize available \$15 million in Cash to provide funding for Pluscious and to replenish cash when the GAM liquidation is completed.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

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

In the matter of **Thomas McNamara**, "The Board finds that McNamara's medical condition is not now disabling as disability is defined in the Act. Payment of McNamara's duty disability benefits will therefore cease on April 30th, 2019 and McNamara 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 Thomas McNamara, as submitted.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

In the matter of **Roberto Miranda**,

It was moved by Trustee Wright, seconded by Trustee Hamburger to issue a correction order specifically for the limited purpose of correcting the Scribner's error in noting that Miranda appeared at the hearing and waived his right to an attorney. Mr. Miranda did in fact appear with his attorney, Mr. Ralph Licari.

ROLL CALL

For: Beyna, Fields, Hamburger Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

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

PAGE NO. REFERENCE

1 - 4 Incurred Expenses for the Month of March 2019.

It was moved by Trustee Lappe, seconded by Trustee Fields that the Board approve the Obligations as detailed on pages 1 through 4.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

5 - 6 Refunds of Contributions; Withdrawal of Service and Widow's Annuity Accumulations.

It was moved by Trustee Fields, seconded by Trustee Beyna that the Board approve the Refunds as detailed on pages 5 and 6.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

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PAGE NO. REFERENCE

7 - 9 Payment to Heirs of Deceased Annuitants

It was moved by Trustee Hamburger, seconded by Trustee Fields that the Board approve payments to heirs of deceased annuitants as detailed on pages 7 and 9.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

10 Refund of Unused Annuity Accumulations

It was moved by Trustee Lappe, seconded by Trustee Beyna that the Board approve refund of unused annuity accumulations to the Estate of an Officer that died active and unmarried as detailed on page 10.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

11 - 13 Annuities [Summary pg. 14]

It was moved by Trustee Beyna, seconded by Trustee Hamburger that the Board approve the new Annuities as detailed on pages 11 through 14.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

15 Annuities - Revised

It was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board approve the Revised Annuities as detailed on page 15.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

16 - 17 Annuities to Widows [Summary pg. 18]

It was moved by Trustee Beyna, seconded by Trustee Fields that the Board approve the Annuities to Widows as detailed on pages 16 and 18.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

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19 Annuities to Children

It was moved by Trustee Beyna, seconded by Trustee Wodnicki that the Board approve the annuities to children as detailed on page 19.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

20 Duty and Occupational Disease Disability Claims

a) Ali, Mohamed

Based upon the medical reports, it was moved by Trustee Hamburger, seconded by Trustee Wodnicki that the Board defer to a full evidentiary hearing.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

b.) Kelly, Patrick J.

Based on the medical reports, a motion was made by Trustee Lappe to defer;

No second was heard and the motion dies:

A motion was then made by Trustee Hamburger, seconded by Beyna to grant the officer, subject to full evidentiary hearing and ordinary disability benefit without prejudice with the understanding that the Board reserves the right prior to such hearing to revisit and terminate that benefit if it is deemed warranted.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

21-23 Payment of Death Benefits [Summary pg. 24]

It was moved by Trustee Wodnicki, seconded by Trustee Lappe that the Board approve the applications for death benefits as listed on pages 21 through 23.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

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MISCELLANEOUS

25 GUARDIANSHIP APPOINTMENT

Elnora Manney

Documentation verified, it was moved by Trustee Beyna, seconded by Trustee Hamburger that the Board acknowledge the guardianship appointment as detailed on page 38.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

26 CHILDREN'S ANNUITY

Wilson, Lillie

Based on the confirmation of the DNA testing, that the child was conceived in-vitro after the death of the officer and is in fact the child of the deceased officer, on motion of Trustee Beyna, seconded by Trustee Wodnicki that the Board grant the Children's Annuity benefit.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, 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 Beyna that the Board approve the request to purchase prior military service under 5/214.3 as detailed on page 27.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

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

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

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

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.
Absent: Brown, Summers 2.
Against: 0.
Against: 0.

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PAGE NO. REFERENCE

DISABILITY HEARINGS

28 DUTY DISABILITY CLAIMS

Peter, Dawn

Officer Dawn Peter appeared, with counsel, before the Board for her claim for a duty disability benefit. After hearing testimony from Officer Peter and reviewing the documents submitted *it was moved by Trustee Wright, seconded by Trustee Lappe that the board award Officer Dawn Peter a duty disability benefit.*

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.
Absent: Brown, Summers 2.
Against: 0.

It was then moved by Trustee Wright, seconded by Trustee Lappe that the board award the duty disability benefit at 75 percent of salary as defined in the Pension Act.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.
Absent: Brown, Summers 2.
Against: 0.

Thompson, Theresa

Officer Thompson appeared, with counsel, before the Board for her claim for a duty disability benefit. After hearing testimony and reviewing the documents submitted *it was moved by Trustee Wright, seconded by Trustee Lappe that the board award Officer Theresa Thompson a duty disability benefit.*

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.
Absent: Brown, Summers 2.
Against: 0.

It was then moved by Trustee Wright, seconded by Trustee Lappe that the board award the duty disability benefit at 75 percent of salary as defined in the Pension Act paid retroactively to the date Ms. Thompson was removed from Chicago Police Department payroll.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wodnicki, Wright 6.
Absent: Brown, Summers 2.
Against: 0.

Czubek, Gia

Officer Gia Czubek appeared, with counsel, before the Board for her claim for a duty disability benefit. After hearing testimony from Officer Czubek and reviewing the documents submitted *it was moved by Trustee Wright, seconded by Trustee Hamburger that the board award Officer Gia Czubek a duty disability benefit.*

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers, Wodnicki 3.
Against: 0.

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It was then moved by Trustee Wright, seconded by Trustee Hamburger that the board award Officer Czubek the duty disability benefit at 75 percent of salary as defined in the Pension Act.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers, Wodnicki 3.
Against: 0.

DUTY DISABILITY STATUS REVIEWS

29

Jones, Yvette

Officer Yvette Jones appeared with counsel, Ralph Licari, before the Board on her disability status review. After hearing testimony from Catherine Skol and Sgt. Thomas Risley of the Chicago Police Department – Medical Section, and reviewing the documents submitted *it was moved by Trustee Hamburger, seconded by Trustee Wright to terminate Disability Benefits effective April 30th 2019.*

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers Wodnicki 3.
Against 0

30

Koniarski, Jennifer

Officer Jennifer Koniarski appeared along with her Legal counsel, Ralph Licari for a status review of her Disability Benefit.

The Board having received all documentation and testimony in the matter and a motion being made by Trustee Wright, seconded by Trustee Hamburger that the Board terminate disability benefits effective July 1, 2018, when the Board received evidence that Ms. Koniarski was no longer disabled.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers Wodnicki 3.
Against: 0.

31

Skol, Catherine

Officer Catherine Skol appeared with counsel, Ralph Licari, before the Board on her disability status review. After hearing testimony from Catherine Skol, Sgt. Thomas Risley of the Chicago Police Department – Medical Section, and Dr. Peter Orris, Physician Consultant for the Board and reviewing the documents submitted *it was moved by Trustee Lappe, seconded by Trustee Hamburger that the board go into executive session per 2 (c)(11).*

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers Wodnicki 3.
Against 0

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A motion was then made by Trustee Hamburger, seconded by Trustee Wright to exit Executive Session.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers Wodnicki 3.
Against: 0.

Out of Executive Session:

A motion was made by Trustee Hamburger, seconded by Trustee Wright to terminate Catherine Skol's duty disability benefits as of April 30, 2019.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers Wodnicki 3.
Against 0

The Executive Director reviewed with the Board the following matters.

A request for amendments for the 2019 Operating Budget

1. To allow for an increase to Acct. 280 Pension Administration System of \$12,000 to correctly reflect an \$18,000 final balance owed on the completion of services on an upgrade to the system implemented by Bradley Consulting.

After hearing the discussion the Board decided to not provide an increase to the Operating Budget. There is additional consulting monies budgeted. If needed. The Board indicated that that could be used and any further shortfalls could be presented to the Board at a later date.

2. To allow for an increase to the 2019 Budget for Acct 270 Actuarial services to correctly reflect the total of \$73,500 associated with the preparation of the 2018 Actuarial Valuation and related GASB schedules.

After discussion of the many items included in the Fund's 2019 Budget for Actuarial services, *a motion was made by Trustee Wright, seconded by Trustee Hamburger to revise the budget by \$10,000 for the Actuaries.*

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers Wodnicki 3.
Against 0

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Mr. Kaczmarz requested that the Board adopt a policy in line with the language of the Illinois Freedom of Information Act, that would allow the Fund to charge fees outlined in the Act when appropriate for the creation of responses to FOIA requests. *On motion of Trustee Wright, seconded by Trustee Hamburger to approve the Freedom of Information Act Policy consistent with the statute that allows us to charge, and that it would be applied uniformly.*

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.

Absent: Brown, Summers Wodnicki 3.

Against 0

Mr. Kaczmarz, then presented a request from Sargent Sidney Pennix concerning the methodology utilized by the Fund in regards to the collection and classification of contributions made by Pennix while working at what he refers to as an “exempt rank”. Mr. Kaczmarz indicated that the request does not comply with the language of the ILCS 40 Act 5/5-174 which specifically indicates the instances when certain contributions may be refunded.

After review and discussion the Board concurred with the mailing of Fund counsel’s letter.

Mr. Kaczmarz then requested that the Board consider an amendment to the Fund’s Employee Policy Handbook that would eliminate the requirement that an employee, invoking their rights under the Federal Family Leave Act, no longer be required to exhaust all available Vacation time before beginning to utilize unpaid time off approved under the Family Leave Act.

After review of the existing language in the Fund’s Employee Handbook and discussing the matter further,

A motion was made by Trustee Wright, seconded by Trustee Hamburger to amend the Fund’s Employee Handbook to reflect that Employees, approved for time off as prescribed in the Family Leave Act, are not required to Exhaust all available Sick and Vacation Time before utilizing the 12 weeks of unpaid Family Leave Time allowed by the Act.

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.

Absent: Brown, Summers Wodnicki 3.

Against 0

Trustee Lappe advised the Board of a situation involving the continued overpayment of approximately \$32,000 that was fraudulently received by a family member in Georgia. Mr. Lappe will be pursuing this with the financial crimes unit and push to have the family member extradited to Chicago to face charges

A motion was then made by Trustee Hamburger, seconded by Trustee Lappe to go into Executive Session under 2 (c) (1)

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers Wodnicki 3.
Against 0

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A motion was made by Trustee Wright seconded by Trustee Hamburger, to come out of Executive session

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers Wodnicki 3.
Against 0

A motion was then made by Trustee Hamburger to amend her motion in regards to Fund member **Mohammed Ali**. *Ms. Hamburger moves to grant Officer Ali, subject to a full evidentiary hearing, an ordinary disability benefit without prejudice with the understanding that the Board reserves the right, prior to such hearing, to revisit and terminate the benefits if deemed warranted*

ROLL CALL

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers Wodnicki 3.
Against 0

All business concluded for this date, March 28, 2019, *it was moved by Trustee Wright, seconded by Trustee Hamburger that this meeting be adjourned.*

For: Beyna, Fields, Hamburger, Lappe, Wright 5.
Absent: Brown, Summers Wodnicki 3.
Against 0