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**MINUTES OF THE PROCEEDINGS**  
**REGULAR MEETING**  
**OF THE**  
**RETIREMENT BOARD OF THE**  
**POLICEMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO**  
**HELD**  
**FRIDAY – MAY 31, 2019**

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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. May 31, 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: Bennet, Beyna, Conyears-Ervin, Hamburger, Lappe, Park,  
Wodnicki, Wright, (8)

ABSENT: 0

PRESIDING: President Beyna

#### INTROUCTION OF NEW TRUSTEES:

The Retirement Board of the Policemen's Annuity and Benefit Fund of Chicago is pleased to introduce and welcome to the Fund three news Trustees:

Melissa Conyears-Ervin, City Treasurer of Chicago  
Jennie Huang Bennett, Chief Financial Officer  
Susie Park, Director of Budget and Management

#### OTHERS PRESENT:

Mr. Kenneth Kaczmarz, Interim Executive Director, Ms. Caroline Vullmahn, Comptroller, Mr. David Kugler, Board Counsel, Mr. Justin Kugler, Legal Counsel, Dr. Peter Oris, Board Physician and Staff Members Mr. Robert Crawford, Ms. Kay Hylton, Ms. Jackie Robinson, Ms. Gladys Bernal and Mr. Jackson Lockard.

Mr. Alex Rivera, Ms. Kristen Brundirks, and Mr. Lance Weiss representatives from Gabriel, Roeder Smith; Independent Consulting Actuaries.  
Ms. Irene Davis, Mr. Garfield Carr and Ms. Jeanette Carmona from Mitchell Titus LLP, Certified Public Accountants

#### PUBLIC IN ATTENDANCE

Ms. Rosemarie Giambalvo, 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. Direction was given that the public comment section is for members to express their concerns and views. It is not a question and answer session.

Ms. Giambalvo directed her comments concerning Section 5-211 of the Pension Code concerning the Board's hiring of an additional attorney and distributed copies of material she prepared to the Trustees for review. Her further comments addressed the City's responsibility for the payment of costs associated with Disability benefits and the rational concerning the Board's expenditures for members already in receipt of disability benefits.

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President Beyna informed Ms. Giambalvo that the Board would take her questions under advisement.

Prior to the first order of business was the Board's decision regarding the status of the Executive director position and a motion to enter Executive session was called.

*Prior to the commencement of scheduled hearings a motion was made by Trustee Hamburger, seconded by Trustee Wright that the Board enter executive session under 2 ( c ) ( 11 )*

ROLL CALL

For: Bennett, Beyna, Hamburger, Lappe, Park, Wodnicki, Wright, 7.

Against: 0.

Absent: Conyears-Ervin 1.

*At the conclusion of the executive session, a motion was made by Trustee Wright, seconded by Trustee Hamburger to come out of executive session*

ROLL CALL

For: Bennett, Beyna, Hamburger, Lappe, Park, Wodnicki, Wright, 7.

Against: 0.

Absent: Conyears-Ervin 1.

*A motion was made by Trustee Wright, seconded by Trustee Lappe to approve Ms. Erin Keane as Executive Director of the Policemen's Annuity and Benefit Fund of Chicago.*

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

Against: 0.

Abstain: Bennett, Park 2.

Absent: Conyears-Ervin 1.

The first order of business was the review of the Minutes of the Regular Board meeting held April 25, 2019.

*It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board approve the Minutes of April 25, 2019, as submitted.*

ROLL CALL

For: Bennett, Beyna, Hamburger, Lappe, Park, Wodnicki, Wright, 7.

Against: Conyears-Ervin 1.

The next order of business was the review of the Minutes of the Investment Committee meeting on May 28, 2019.

*It was moved by Trustee Hamburger, seconded by Trustee Lappe that the Board approve the Minutes of the Investment Committee meeting held May 28, 2019 and contract negotiations previously discussed.*

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ROLL CALL

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

Against: Conyears-Ervin 1.

Abstain: Bennett, Park 2.

In regards to previously discussed Investment Committee recommendations, it was determined on advice of Counsel that Investment Advisor Oak Tree was unwilling to accept the contract language required under State Statutes for all investment advisors and therefore would not be retained as an Investment Advisor for the Fund. The Funds would be reallocated to the Blackstone and T/A Realty Investments accounts.

*A motion was made by Trustee Hamburger, seconded by Trustee Lappe to allocate \$15 million to Blackstone and \$10 million to T/A realty.*

ROLL CALL

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

Against: 0.

Absent: Conyears-Ervin, Bennett 2

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 **Marco Di Franco**; Pursuant to 40 ILCS 5/5-214 and 40 ILCS 5/5-214.2 and for all reasons stated herein, Di Franco's has not established entitlement to the police pension service credit for the period September 16, 1996 to May 20, 1998, at which time he was employed as a customs inspector with the United States Customs and Border Protection, as the statutory provisions of the Act do not grant police pension service credit for such service. Di Franco's request for police pension service credit for all of the time period requested is, therefore, denied.

*It is moved by Trustee Wright, seconded by Trustee Hamburger that the Board approved the order regarding Marco Di Franco.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

*A motion to enter executive session to confer about Ms. Jennifer McClendon's motion was entered by Trustee Hamburger, seconded by Trustee Wright that the Board enter executive session under 2 ( c ) ( 11 )*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

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*At the conclusion of the executive session, a motion was made by Trustee Hamburger, seconded by Trustee Wright to come out of executive session*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

In the matter of **Jennifer McClendon**,

*A motion was made by Trustee Hamburger, seconded by Trustee Wright to deny the motion to reconsider filed by Ms. McClendon, after reviewing her motions and exhibits, who did not appear before the Board and was represented on her behalf by counsel Jerry Marconi."*

ROLL CALL

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

Against: 0.

Abstain: Bennett, Conyears-Ervin, Park 3.

Fund President Beyna turned the meeting over to the Recording Secretary Wright for approval of the May Docket Items.

PAGE NO.                      REFERENCE

1 - 5                      Incurred Expenses for the Month of May 2019.

*A motion was made by Trustee Hamburger, seconded by Trustee Wodnicki that the Board approve the Obligations as detailed on pages 1 through 5.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

6 - 8                      Refunds of Contributions; Withdrawal of Service and Widow's Annuity Accumulations

*A motion was made by Trustee Beyna, seconded by Trustee Hamburger that the Board approve the Refunds as detailed on pages 6 through 8.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

9 - 10                      Payment to Heirs of Deceased Annuitants

*It was moved by Trustee Hamburger, seconded by Trustee Beyna at the Board approve payments to heirs of deceased annuitants as detailed on pages 9 through 10.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

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11 Refunds of Annual Increase Contributions (*less than 20 years*)

*A motion was made by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the Refunds as detailed on pages 6 through 8.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

12 - 15 Annuities [Summary pg. 16]

*A motion was made by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the new Annuities as detailed on pages 12 through 15.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

PAGE NO.    REFERENCE

17 - 18        Annuities to Widows [Summary pg. 19]

*A motion was made by Trustee Lappe, seconded by Trustee Beyna that the Board approve the Annuities to Widows as detailed on pages 17 and 18.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

20 - 21        Duty and Occupational Disease Disability Benefits

**a) Jackson, Matthew**

*A motion was made by Trustee Hamburger, seconded by Trustee Beyna, that based on medical reports, the Board would defer to a full evidentiary hearing.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

**b) Montoya, Victor H.**

*A motion was made by Trustee Lappe, seconded by Trustee Beyna that the Board grant the officer an occupational disease disability based on the Medical evidence*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

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**c) Rivas, Gelacio**

*Based upon the medical reports, a motion was made by Trustee Beyna, seconded by Trustee Hamburger that the Board move to grant the officer subject to a full evidentiary hearing an ordinary benefit without prejudice with the understanding that the Board reserves the right prior to such hearing to revisit and terminate that benefit if deemed warranted.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

22 - 24 Payment of Death Benefits [Summary pg. 25]

*A motion was made by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the applications for death benefits as listed on pages 22 through 24.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

PAGE NO.      REFERENCE

26 - 27      REQUESTS FOR PENSION CREDIT FOR MILITARY SERVICE  
LEAVE OF ABSENCE UNDER USERRA and 5-212.

*Documentation verified, a motion was made by Trustee Hamburger, seconded by Trustee Lappe that the Board approve the request to purchase prior military service under 5/212 as detailed on page 26-27.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

28      REQUESTS TO PURCHASE PENSION CREDIT FOR PRIOR COOK COUNTY  
SERVICE UNDER 5-214 (c)

*Documentation verified, a motion was made by Trustee Hamburger, seconded by Trustee Wodnicki that the Board approve the request to purchase prior Cook County service under 5/214 as detailed on page 28.*

ROLL CALL

For: Bennett, Beyna, Conyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

29      REQUESTS TO PURCHASE ADDITIONAL PENSION CREDIT FOR PRIOR  
MILITARY SERVICE UNDER 5-214.3

*Documentation verified, a motion was made by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the request to purchase additional pension credit for prior military service under 5/214 as detailed on page 29.*

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ROLL CALL

For: Bennett, Beyna, Coneyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

30 MILITARY LEAVE OF ABSENCE CONSIDERATION

*Pending a review of documentation for Gerald Cruz, a motion was made by Trustee Beyna, seconded by Trustee Wodnicki that the Board defer a decision pending a review of underlying data.*

ROLL CALL

For: Bennett, Beyna, Coneyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

*A motion was made by Trustee Hamburger, seconded by Trustee Wodnicki that the Board enter executive session under 2 ( c ) ( 11 )*

ROLL CALL

For: Bennett, Beyna, Coneyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

*A motion was made by Trustee Hamburger, seconded by Trustee Lappe that the Board exit executive session.*

ROLL CALL

For: Bennett, Beyna, Coneyears-Ervin, Hamburger, Lappe, Park, Wodnicki, Wright 8

Against: 0.

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31 – 33

DISABILITY HEARINGS

OCCUPATIONAL DIESEASE DISABILTY CLAIM

a) **O'Reilly, Shannon**

Officer Shannon O'Reilly appeared before the Board, unaccompanied by counsel, for her claim of an occupational disease disability benefit. After hearing a request for a motion of continuance submitted by Officer O'Reilly *it was moved by Trustee Lappe, seconded by Trustee Hamburger that the Board grant the motion of a continuance and confer again at the July meeting*

ROLL CALL

For: Beyna, Hamburger, Lappe, Wodnicki, Wright, Bennett, Coneyears-Ervin, Park 8.

Against: 0.



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ORDINARY DISABILITY CLAIMS

b) **Cassidy, Brian**

Officer Brian Cassidy appeared before the Board, unaccompanied by counsel, for his claim of ordinary disability benefits. After listening to testimony given by Officer Cassidy *a motion was made by Trustee Wright, seconded by Trustee Lappe to defer his hearing until a later date*

ROLL CALL

For: Beyna, Hamburger, Lappe, Wodnicki, Wright, Bennett, Conyears-Ervin, Park 7.

Absent: Hamburger 1.

Against: 0.

DUTY DISABILITY

c) **Walker, Clay**

Officer Clay Walker appeared before the Board, unaccompanied by counsel, for a ruling on the termination duty disability benefits and Officer Walker's ability to return to active limited duty. *It was moved by Trustee Hamburger, seconded by Trustee Wright to terminate duty disability benefits for Officer Walker on June 30<sup>th</sup>*

ROLL CALL

For: Beyna, Hamburger, Lappe, Wodnicki, Wright, Bennett, Conyears-Ervin, Park 8.

Against: 0.

*A motion was made by Trustee Hamburger, seconded by Trustee Wright that the Board enter executive session under 2 ( c ) ( 11 )*

ROLL CALL

For: Beyna, Hamburger, Lappe, Wodnicki, Wright, Bennett, Conyears-Ervin, Park 8.

Absent: 0.

Against: 0

*A motion was made by Trustee Wright, seconded by Trustee Lappe that the Board exit executive session*

ROLL CALL

For: Beyna, Hamburger, Lappe, Wodnicki, Wright, Bennett, Conyears-Ervin, Park 8.

Absent: 0.

Against: 0.

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*A motion was then made by Trustee Wright, seconded by Trustee Lappe to approve an evaluation for **Mohammed Ali***

ROLL CALL

For: Beyna, Hamburger, Lappe, Wodnicki, Wright, Bennett, Conyears-Ervin, Park 8.

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*A motion was then made by Trustee Wright, seconded by Trustee Hamburger to approve an FCE for Officer Vasilios Kefalas*

ROLL CALL

For: Beyna, Hamburger, Lappe, Wodnicki, Wright, Bennett, Conyears-Ervin, Park 8.

Against: 0.

Mr. Alex Rivera, Ms. Kristen Brundirks, and Mr. Lance Weiss representatives from Gabriel Roeder Smith [GRS], the Fund's Independent Consulting Actuary agent, presented The Fund's Actuarial Valuation at Calendar Year end December 31, 2018. The report included their findings regarding required statutory contributions, funding ratio and member data. Trustees directed that the Experience Study budgeted to be conducted during 2019 be undertaken immediately

Ms. Irene Davis, Mr. Garfield Carr, and Ms. Jeanette Carmora, representatives from Mitchell Titus, The Fund's Independent Auditors presented the Fund's Annual Financial Statements at December 31, 2018. They outlined the findings of the audit and stated that after they gather a few more audit confirmations and verifications that they would be able to issue their unqualified opinion of the Fund's Statements. Mitchell Titus received full cooperation from the Fund's employees and after performing the audit found "no unreasonable judgments or assumptions."

Mr. Kugler advised that a monthly legal status report had been distributed to Trustees for their information.

Mr. Kaczmarz presented the following items include in his Executive Director's report.

In recognition of the Fund's IT Manager's request to upgrade the Fund's imaging servers and imaging program, Mr. Kaczmarz requested that the Board authorize an assessment and documentation of the Fund's entire IT system and backup before beginning the imaging upgrade and data migration. Trustee Hamburger inquired about any requirement to go out for bid on any such project. Trustees requested that the matter be deferred for a later meeting.

Mr. Kaczmarz informed the Board that the Fund has received a request from the Federal Prosecutors office, to approve an extension of an allowed payment period for one of a group of eight members who composed a class of applicants, previously given "priority hire" status through a Federal Lawsuit. Ms. Kathleen Lawrence, has indicated that Mr. Jesse Sanchez was not provided the correct notifications through the City of Chicago.

*A motion was made by Trustee Wright, seconded by Trustee Lappe to allow Mr. Sanchez an additional year to repay the Funds.*

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ROLL CALL

For: Beyna, Hamburger, Lappe, Wodnicki, Wright, Bennett, Park 8.

Absent: Conyears-Ervin,

Against: 0

Mr. Kaczmarz informed the Trustees that the Fund has negotiated a collection agreement with the daughter of a member that continued to receive benefit payments for two years after the death of the Widowed Annuitant. Mr. Kaczmarz requested that the Board approve the terms of that collection which includes an \$18,000 up front payment and a monthly payment of approx. \$850 per month for one year. The Trustees directed Mr. Kaczmarz and Mr. Kugler to proceed.

Mr. Kaczmarz informed the Trustees of another over payment situation involving the continued payment of Retirement Benefits to a widow for 6 months after the member's death. The Widow is entitled to benefits and a one-time death benefit. She has requested that she be allowed to repay the balance of the amount owed over a 24-month period. The Board concurred and directed Mr. Kaczmarz and Mr. Kugler to proceed.

Staff presented the situation concerning the Death Benefit for member MacFarland. MacFarland died having previously directed that his death benefit be paid to his former spouse as primary and daughter as his contingent beneficiaries. Mrs. MacFarland was ill and subsequently died as well. Her current husband filed for the Death Benefit to be paid to her estate. The question is whether the contingent beneficiaries should be paid. After a brief discussion, the trustees agreed that because the primary beneficiary was alive at the time the member died, her estate was rightly entitled to the Death Benefit.

The Board directed Mr. Kaczmarz to obtain a bid to produce only 1000 of the Fund's Code Books for members who still desire a printed copy.

All business concluded, *it was moved by Trustee Hamburger, seconded by Trustee Wright that this meeting be adjourned*

ROLL CALL

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

Absent: Bennett, Conyears-Ervin, Park 3.

Against: 0.