



RETIREMENT BOARD OF THE
POLICEMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO

MINUTES

**INVESTMENT COMMITTEE MEETING
and
REGULAR MEETING**

THURSDAY – JULY 23, 2020

Policemen's Annuity and Benefit Fund of Chicago
Board Meeting and
Investment Committee Meeting
AGENDA
July 23, 2020
Thursday – 9:00 A.M.
Via Zoom and Audio Conference

- 1- Roll Call
- 2- Requests from Members of the Public to Address the Board
- 3- Approval of Administrative Items
 - a. Approval of Minutes - Regular Board meeting held June 26, 2020
 - b. Approval of Minutes – Executive Session of June 26, 2020
- 4- Trustee Election
 - a. Petitions
 - i. Pass on the sufficiency of nominating petitions of candidates for one Trustee Representative of Lieutenant, or rank superior
 - ii. Pass on the sufficiency of nominating petitions of candidates for one Trustee Representative of Sergeant
 - b. Ballots have been drafted in accordance with the filed nominating petitions
 - i. Review and approval of drafted Ballot for Lieutenant, or rank superior, representative
 - ii. Review and approval of drafted Ballot for Sergeant representative
- 5- Approval of Benefit Applications – **REFER TO MONTHLY DOCKET**
- 6- Duty Disability Hearing – Webb, Nicholas K.
- 7- Investment Items
 - a. Cash Flow / Needs
 - b. Market Update
 - c. Performance
 - d. Manager Reviews
 - i. Great Lakes (tentatively 10:30am)
 - ii. BMO (tentatively 11am)
 - e. Lazard – Manager Guideline Amendment
 - f. RFP – US Small/Mid Cap Value Manager
 - g. GRS Return Sensitivity Impact
- 8- Legal Review*
- 9- Trustee Education – Ethics Training Requirement
- 10- Other business

For members of the public wishing to listen to the proceeding, please dial into the meeting at:
1-312-626-6799
Meeting ID: 945 7641 5683
Password: 60606

*Topics may be discussed in close session in accordance with the applicable Open Meetings Act provisions.

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. July 23, 2020, convening remotely via Zoom and Teleconference at 9:00 a.m. for the consideration of applications and bills, and for other such matters that came before the Board. This meeting is being held in accordance with the Open Meetings Act and Governor Pritzker's Executive Order 2020-43 as a result of the COVID-19 pandemic.

PRESENT

Board Members:

Thomas Beyna	- President
Jennie Bennett*	- Trustee
Melissa Conyears-Ervin	- Trustee
Michael Lappe	- Vice President
Susie Park*	- Trustee
Stephen Skardon	- Trustee
Brian Wright	- Recording Secretary

Absent:

None.

Staff:

Erin Keane	- Executive Director
David Kugler	- Board Counsel
Justin Kugler	- Legal Counsel
Kay Hylton	- Benefits Manager
Bob Crawford	- Disability Manager

Consultants:

Dr. Peter Orris*	- Board Physician
Kevin Leonard*	- NEPC
Deanna Jones	- NEPC
Kristen Finney-Cook*	- NEPC
Danielle Tyler*	- Bansley & Kiener, L.L.P.

Public in Attendance:

Debra Sanello	- Retired CPD
Rose Olivieri	- Retired CPD
Rosemarie Giambalvo	- Retired CPD
Ralph Licari*	-Attorney
Matt McCue	- No Affiliation noted
Kevin Mullane	- CPD - Active
Mark Myslinski	- City of Chicago Office of the Treasurer
Kirk Rutkowski*	-Disability Applicant, Hearing

Several unidentified attendees

ROLL CALL

President Beyna determined a quorum was present and called the meeting to order.

**Denotes partial attendance during the open portion of the meeting.*

REQUESTS FROM MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD

President Beyna then asked if there were any requests from the public to address the Board. There were two requests. Debra Sanello and Rose Olivieri were afforded the same allotted time and addressed the Board.

APPROVAL OF MINUTES OF PRIOR MEETINGS

The first order of business was the review of the Minutes of the June 26, 2020, regular board meeting. *A motion to approve the regular Board meeting minutes held June 26, 2020, was made by Trustee Wright, seconded by Trustee Lappe.*

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

The next order of business was the review of the Minutes of the Executive Sessions of the June 26, 2020, regular board meeting.

A motion to approve the executive session minutes from the meeting held June 26, 2020, was made by Trustee Lappe, seconded by Trustee Wright.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

TRUSTEE ELECTION

Executive Director Erin Keane reported to the Board that there are 3 active members from the rank of Lieutenant or rank superior thereto who have filed petitions to be a candidate for the open position on the Board. In order of filing, the candidates are Brian E. Wright, David J. Haynes and Michael J. Stiscak. Fund staff, after reviewing and verifying signatures on the petitions filed, confirm that each candidate meets the requirements and should appear on the election ballot in the order stated. Additionally, there are 3 active members from the rank of Sergeant who have filed petitions to be a candidate for the open position on the Board. In order of filing, the candidates are Paul M. Sedlacek, Jon Utz and John Lally. Fund staff, after reviewing and verifying signatures on the petitions filed, confirm that each candidate meets the requirements and should appear on the election ballot in the order stated. Based on the submitted petitions and the amended Election Rules, ballots were drafted accordingly and dispersed to the Board members for review.

A motion was made by Trustee Lappe, seconded by Trustee Skardon that the Board pass on the sufficiency of the Petitions filed by the 3 members for the rank of Lieutenant or rank superior thereto as cited and approve the drafted ballot per the amended election rules.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

A motion was made by Trustee Lappe, seconded by Trustee Skardon that the Board pass on the sufficiency of the Petitions filed by the 3 members for the rank of Sergeant as cited and approve the drafted ballot per the amended election rules.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
Against: 0.
Absent: Bennett, Park 2.

President Beyna advised the members that the Board would move to the approval of Benefit Applications and Expense items as appearing in the July 2020 Docket and turned the meeting over to Board Secretary Wright.

DOCKET

PAGE NO. REFERENCE

1 - 5 Incurred Expenses for the Month of July 2020

A motion was made by Trustee Skardon, seconded by Trustee Beyna that the Board approve the Incurred Expenses as detailed on pages 1 through 5.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
Against: 0.
Absent: Bennett, Park 2.

**6 - 10 Refunds of Contributions; Withdrawal of Service, Widow's Annuity Accumulations
And Revised Widow's Annuity Accumulations and Exempt Rank**

A motion was made by Trustee Beyna, seconded by Trustee Skardon that the Board approve the Refunds as detailed on pages 6 through 10.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
Against: 0.
Absent: Bennett, Park 2.

11 - 12 Payment to Heirs of Deceased Annuitants

A motion was made by Trustee Beyna, seconded by Trustee Skardon that the Board approve payments to heirs of deceased annuitants as detailed on pages 11 and 12.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
Against: 0.
Absent: Bennett, Park 2.

13 Refund of Unused Annuity Accumulations

A motion was made by Trustee Beyna, seconded by Trustee Skardon that the Board approve the refund as detailed on page 13.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
Against: 0.
Absent: Bennett, Park 2.

DOCKET

PAGE NO. REFERENCE

14 - 17 Annuities [Summary pg. 17a]

A motion was made by Trustee Skardon, seconded by Trustee Beyna that the Board approve the Annuities as detailed on pages 14 - 17.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

18 - 29 Annuities - Revised

A motion was made by Trustee Beyna, seconded by Trustee Lappe that the Board approve the Revised Annuities as detailed on pages 18 - 29.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

30 – 31 Annuities to Widows [Summary pg. 32]

A motion was made by Trustee Beyna, seconded by Trustee Skardon that the Board approve the Revised Annuities as detailed on pages 30 - 31.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

33 Annuities to Widows - Revised

A motion was made by Trustee Skardon seconded by Trustee Beyna that the Board approve the Revised Annuities to Widows as detailed on page 33.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

34 Health Care Subsidy Reimbursements

Underwood, et al. v. City of Chicago et al. (13-CH-17450)

A motion was made by Trustee Beyna seconded by Trustee Skardon that the Board approve the healthcare subsidies as detailed on page 34.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

DOCKET

PAGE NO. REFERENCE

35 Duty / Occupational Disability Claim / Ordinary – New

DUTY DISABILTY APPLICATION

a) **Gaal, Kelly A.**

After review of the submitted IME;

A motion was made by Trustee Beyna, seconded by Trustee Skardon that that the Board 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 it is deemed warranted.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

DUTY DISABILTY APPLICATION

d) **Stubblefield, Tahani L.**

After review of the submitted IME;

A motion was made by Trustee Beyna, seconded by Trustee Skardon that that the Board 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 it is deemed warranted.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

36 - 38 Payment of Death Benefits (Summary p. 39)

A motion was made by Trustee Beyna, seconded by Trustee Lappe to approve payment of the Death Benefits indicated on pages 36 through 38, excluding Richard Jones and Vernon Williams per 40 ILCS 5/5-153 and the requirement set forth therein.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

40 REQUEST FOR PENSION CREDIT FOR MILITARY LEAVES OF ABSENCE SERVICE
UNDER 40 ILCS 5/5-214(c)

Documentation verified, review and discussion concluded.

A motion was made by Trustee Lappe, seconded by Trustee Skardon that the Board approve the request to purchase Leave of Absence service detailed on page 40.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

DOCKET

PAGE NO. REFERENCE

41 REQUESTS FOR PENSION CREDIT FOR PRIOR COOK COUNTY SERVICE UNDER 5/5-214 (C).

Documentation verified, review and discussion concluded.
A motion was made by Trustee Beyna, seconded by Trustee Skardon that the Board approve the request to purchase prior Cook County service under 5-214 (c) on page 41.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

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

Documentation verified, review and discussion concluded.
A motion was made by Trustee Skardon, seconded by Trustee Beyna, that the Board approve the request to purchase additional pension credit for prior military service under 5/5-214.3 as detailed on page 42.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

The docketed items having been completed, Secretary Wright turned the chair back to Fund President Beyna.

34 DUTY DISABILITY CLAIM

HEARING - Webb, Nicholas K.

This date, Nicholas K. Webb appeared, with counsel, before the Board on his application for a duty disability benefit. After reviewing documents and hearing testimony, *a motion was made by Trustee Lappe, seconded by Trustee Wright that the Board award Nicholas K. Webb duty disability benefits.*

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

A motion was made by Trustee Lappe, seconded by Trustee Wright that the Board grant Nicholas K. Webb’s duty disability award at 75% of salary as defined in the Pension Act.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

INVESTMENT ITEMS

Cash Flow/Needs

The Executive Director, Erin Keane, presented the Fund’s cash flow and cash position. The outlook for August 2020 was reviewed.

A motion was made by Trustee Skardon, seconded by Trustee Lappe, to accept the liquidation recommendation presented by NEPC.

ROLL CALL: For: Beyna, Conyears-Ervin, Lappe, Skardon, Wright 5.
 Against: 0.
 Absent: Bennett, Park 2.

Market Update, Performance

Kevin Leonard, Kristen Finney-Cook and Deanna Jones of NEPC reviewed monthly performance report.

WHEREUPON, Trustee Park and Trustee Huang-Bennett entered the proceedings.

Manager Reviews

- i) Great Lakes Advisors -Mr. Tom Kiley, Wells, Mr. Frice and Ms. Huong Le, portfolio managers appeared before the Board and provided a performance presentation.
- ii) BMO Global Asset Management -Ms. Meaghan Ryan, Mr. Tom Lettenberger and Mr. Josiah Hood, relationship and portfolio managers appeared before the Board and provided a performance presentation.

Manager Guideline Amendment

Lazard, one of the Funds international equity managers, has requested a small change within their investment guidelines.

A motion was made by Trustee Lappe, seconded by Trustee Skardon that the Board approve the amendment to the guidelines as discussed.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lappe, Park, Skardon, Wright 7.
 Against: 0.
 Absent: 0.

RFP-US Small/Mid Cap Value Manager

Ms. Deanna Jones of NEPC reviewed with the Board a RFP directed to the Funds 6% target to small-to-mid cap securities as part of the its domestic equity portfolio.

A motion was made by Trustee Wright, seconded by Trustee Skardon that the Board approve the issuance of a RFP for small-to-mid cap investment firms.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lappe, Park, Skardon, Wright 7.
 Against: 0.
 Absent: 0.

GRS Sensitivity Study

The Board tabled this item to the August meeting when representative from GRS can be present to review their study results.

Legal Review

It was moved by Trustee Skardon, seconded by Trustee Lappe that the Board go into executive session per 2 (c) 11.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lappe, Park, Skardon, Wright 7.
 Against: 0.
 Absent: 0.

It was moved by Trustee Skardon, seconded by Trustee Bennett that the Board exit executive session.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lappe, Park, Skardon, Wright 7.
 Against: 0.
 Absent: 0.

Trustee Education

The Board tabled this item for a subsequent meeting.

Other Business

Ms. Erin Keane, Executive Director, discussed with the Board members that the biggest complaint during the COVI-19 shut-down of the business office and remote working, was the ability for police members and their beneficiaries to confidently contact the Fund office. Currently, she and staff are reviewing an updated telephone system.

All business concluded for this date.

A motion was made by Trustee Skardon, seconded by Trustee Conyears-Ervin that this meeting is adjourned.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lappe, Park, Skardon, Wright 7.
 Against: 0.
 Absent: 0.