



Retirement Board of the Policemen's Annuity and Benefit Fund of Chicago

MINUTES

**INVESTMENT COMMITTEE MEETING
and
BOARD MEETING**

THURSDAY – JANUARY 28, 2021

Board Meeting
AGENDA
January 28, 2021. 9:00 AM
Via Teleconference

- 1) Roll Call
- 2) Requests from Members of the Public to Address the Board
- 3) Election of Board Officers
- 4) Approval of Administrative Items
 - a) Approval of Minutes – Regular Board meeting held December 18, 2020
 - b) Approval of Minutes – Executive Sessions of December 18, 2020
 - c) Approval of Transcript – Regular Board meeting held December 18, 2020
- 5) Approval of Benefit Applications – **REFER TO MONTHLY DOCKET**
- 6) Disability Hearings
 - a) Keith T. Fuelling – Motion for Continuance Filed
 - b) Barbara Konica – Motion for Continuance Filed
 - c) Paul M. Stanczyk – Motion for Continuance Filed
 - d) Kevin M. Prendkowski
- 7) Motion - Nicholas A. Stella
- 8) Credit for Other Service - April Fisher-Smith
- 9) Investment Items
 - a) Cash Flow/Needs
 - b) Market Update and Performance/Flash Report
 - c) Asset Allocation – 2021 Assumptions and Action
 - d) Passive RFP Discussion
- 10) Legal Review*
- 11) Status of Affidavit Response
- 12) 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: 963 6798 1229*

*Topics may be discussed in closed 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 on January 28, 2021, 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 was held in accordance with the Open Meetings Act and Governor Pritzker's Executive Order 2021-01 as a result of the COVID-19 pandemic. The Governor's Executive Order and Public Act 101-0640 suspends the in-person attendance requirement for members of the public body and allows for remote participation by video and audio conference.

Board Members:

Thomas Beyna^	- President
Melissa Conyears-Ervin	- Trustee
John Lally^	- Trustee
Michael Lappe	- Vice President
Susie Park	- Trustee
Stephen Skardon	- Trustee
Michael Stiscak^	- Recording Secretary

Staff:

Erin Keane^	- Executive Director
Kevin Reichart^	- Comptroller
Justin Kugler	- Legal Counsel
Kay Hylton^	- Benefits Manager
Bob Crawford^	- Disability Manager

Consultants:

Dr. Peter Orris*	- Board Physician
Kevin Leonard*	- NEPC
Deanna Jones	- NEPC

Public in Attendance:

Mark Myslinski	- City of Chicago Office of the Treasurer
Craig Slack	- City of Chicago Office of the Treasurer
Rosemarie Giambalvo	- PABF Retiree
Michael Byrne	- PABF Retiree
Russell Schafer	- PABF Retiree
Others unidentified	

^ Denote attendance in person at the Fund office

*Denotes partial attendance

ROLL CALL

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

REQUESTS FROM MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD

President Beyna asked if there were any requests from the public to address the Board. There were three requests to address the Board; Rosemarie Giambalvo, Michael Byrne and Russell Schaffer. Each identified person was provided three minutes to address the Retirement Board. No other requests were made.

APPROVAL OF ADMINISTRATIVE ITEMS

The first order of business was the review of the minutes of the December 18, 2020, regular board meeting.
A motion to approve the regular board meeting minutes held December 18, 2020, was made by Trustee Lappe, seconded by Trustee Skardon.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
 Against: 0.
 Absent: Bennett 1.

The next order of business was the review of the minutes of the Executive Sessions of the December 18, 2020, regular board meeting.
A motion to approve the executive session minutes from the meeting held December 18, 2020, was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
 Against: 0.
 Absent: Bennett 1.

The next order of business was the review of the transcript of the December 18, 2020, regular board meeting.
A motion to approve the transcript from the meeting held December 18, 2020, was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Lally, Lappe, Park, Skardon, Stiscak 6.
 Against: 0.
 Absent: Bennett, Conyears-Ervin 2.

DOCKET

PAGE NO. REFERENCE

1 - 5 Incurred Expenses for the Month of December 2020.

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

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
 Against: 0.
 Absent: Bennett 1.

6 - 7 Refunds of Contributions; Withdrawal of Service and Widow's Annuity Accumulations

A motion to approve the Refunds as detailed on pages 6 and 7 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Lally, Lappe, Park, Skardon, Stiscak 6.
 Against: 0.
 Absent: Bennett, Conyears-Ervin 2.

8 - 10 Payment to Heirs of Deceased Annuitants

A motion to approve payments to heirs of deceased annuitants as detailed on pages 8 through 10 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
 Against: 0.
 Absent: Bennett 1.

DOCKET

PAGE NO. REFERENCE

11 Refund of Unused Annuity Accumulations

A motion to approve the refund as detailed on page 11 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Coneyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

12 - 14 Annuities [Summary pg. 15]

A motion to approve the Annuities as detailed on pages 12 - 14 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Lally, Lappe, Park, Skardon, Stiscak 6.
Against: 0.
Absent: Bennett, Coneyears-Ervin 2.

16 Annuities – Revised

A motion to approve the Revised Annuities as detailed on page 16 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Coneyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

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

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

ROLL CALL: For: Beyna, Coneyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

20 Annuities to Children

A motion to approve the Annuities to Children as detailed on page 20 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Coneyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

21 Disability Benefit Application – New

a) Garza, Robert

Medical report reviewed and discussion concluded.

A motion to grant Officer Robert Garza, 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 was made by Trustee Beyna, seconded by Trustee Stiscak.

ROLL CALL: For: Beyna, Coneyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

b) Johnson, Daniel A.

Medical report reviewed and discussion concluded.

A motion to grant Officer Daniel A. Johnson, 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 was made by Trustee Beyna, seconded by Trustee Stiscak.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

DOCKET

PAGE NO. REFERENCE

22 - 25 Payment of Death Benefits (Summary pg. 26)

A motion to approve payment of the Death Benefits indicated on pages 22 through 25 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

LEAVES

27 REQUESTS FOR PENSION CREDIT FOR MILITARY LEAVE OF ABSENCE UNDER 40 ILCS 5/5-212

A motion to approve pension credit for the military leaves as indicated on page 27 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

28 REQUESTS TO PURCHASE ADDITIONAL PENSION CREDIT FOR PRIOR COOK COUNTY LAW ENFORCEMENT SERVICE UNDER 40 ILCS 5/5-214 (c)

Documentation verified, review and discussion concluded.

A motion to approve the request to purchase additional pension credit for prior Cook County service under 40 ILCS 5/5-214(c) as detailed on page 28 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

29 REQUESTS TO PURCHASE ADDITIONAL PENSION CREDIT FOR PRIOR PORTABILITY SERVICE UNDER 40 ILCS 5/5-214.2

Documentation review and discussion concluded.

A motion to deny the request to purchase additional pension credit for prior portability service under 40 ILCS 5/5-214.2 per statutory guidelines was made by Trustee Lappe, seconded by Trustee Skardon.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

DOCKET

PAGE NO.

REFERENCE

31 **DUTY DISABILITY HEARING -Continued**

d) Kevin M. Prendkowski

Officer Kevin M. Prendkowski appeared with counsel before the Board on his application for a duty disability benefit. After reviewing documents and hearing all testimony, a *motion to go into executive session per 5 ILCS 120/2 (C)(4) was made by Trustee Skardon, seconded by Trustee Lally.*

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

A motion to exit executive session was made by Trustee Skardon, seconded by Trustee Stiscak.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

A motion to award Officer Kevin M. Prendkowski's application for duty disability benefits was made by Trustee Lally, seconded by Trustee Skardon.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

A motion to grant Officer Kevin M. Prendkowski's duty disability award at 50% of salary as defined in the Pension Act was made by Trustee Skardon, seconded by Trustee Lally.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

Motion - Nicholas Stella

Attorney for Officer Stella was present on this case, continued from the December 2020 Board meeting, and requested ordinary disability benefits terminate in accordance with the medical reports submitted.

A motion to terminate Officer Nicholas Stella's ordinary disability January 31, 2021, was made by Trustee Lappe, seconded by Trustee Stiscak.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

NOTE: Officer Nicholas Stella's duty disability application remains pending, a full evidentiary hearing shall be scheduled for a later date.

32 **CREDIT FOR OTHER SERVICE**

April Fisher-Smith

A motion to continue this matter for a hearing in February was made by Trustee Skardon, seconded by Trustee Park.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
Against: 0.
Absent: Bennett 1.

INVESTMENT ITEMS

Cash Flow/Needs

Executive Director Keane presented the Fund's cash flow and cash position including the potential need to liquidate up to \$75 million for February benefit payments.

NEPC recommended the Fund liquidate up to \$25 million each from Acadian, international small cap; William Blair International, international developed growth manager; and UBS, developed international equity value manager, to make benefit payments for February.

A motion to approve the liquidations as recommended by the Fund's investment consultant, NEPC, was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
 Against: 0.
 Absent: Bennett 1.

Market Update, Performance, 2021 Assumptions and Action

Kevin Leonard and Deanna Jones of NEPC reviewed the market update and 2020 fourth quarter performance.

On the recommendation of NEPC, a motion to liquidate the PIMCO Global Asset Allocation portfolio was made by Trustee Lappe, seconded by Trustee Lally.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
 Against: 0.
 Absent: Bennett 1.

The last investment item was discussion about issuing a Passive Investment Manager RFP.

The Board gave NEPC direction to draft a Passive Investment Manager RFP and present it to the Board in February for review.

LEGAL REVIEW

A motion to go into executive session per 5 ILCS 120/2(C)(11) was made by Trustee Skardon, seconded by Trustee Lally.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
 Against: 0.
 Absent: Bennett 1.

A motion for the Board to exit executive session was made by Trustee Skardon, seconded by Trustee Lally.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
 Against: 0.
 Absent: Bennett 1.

AFFIDAVIT STATUS UPDATE

Executive Director Keane reported 98 retired members have not yet submitted the required 2019 Annuitant Affidavit. Fund staff has issued four letters to these members in the last 18 months without responses. As a result, she advised best practice is to suspend the annuity benefit for the identified members pending receipt of the signed affidavit.

A motion to temporarily suspend annuity benefits as of February 15, 2021, of the members who have not returned the signature affidavit was made by Trustee Lappe, seconded by Trustee Stiscak.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
 Against: 0.
 Absent: Bennett 1.

All business concluded for this date, *a motion to adjourn the meeting was made by Trustee Skardon, seconded by Trustee Lappe.*

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 7.
 Against: 0.
 Absent: Bennett 1.