



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

MINUTES

**INVESTMENT COMMITTEE MEETING
and
BOARD MEETING**

FRIDAY – NOVEMBER 20, 2020

Policemen's Annuity and Benefit Fund of Chicago
Board Meeting
AGENDA
NOVEMBER 20, 2020. 9:00 AM
Via Teleconference

- 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 October 29, 2020
 - b) Approval of Minutes – Executive Sessions of October 29, 2020
 - c) Approval of Transcript – Regular Board meeting held October 29, 2020
- 4) Approval of Board Orders – Daly, Rutkowski, Agee, Gleeson and Harris
- 5) Approval of Benefit Applications – **REFER TO MONTHLY DOCKET**
- 6) Disability Hearings
 - a) Castillo, Veronica
 - b) Hernandez Jr., Edwin
- 7) Credit for Other Service - Lee, Scott M.
- 8) Investment Items
 - a) Cash Flow/Needs
 - b) Market Update and Performance/Flash Report
 - c) NEPC Liquidity Study
- 9) Legal Review*
- 10) Board review of Physician's Recommendations on Disability Recipients' Re-examinations
- 11) 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: 953 4529 8939*

*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 9:00 a.m. November 20, 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 2020-71 as a result of the COVID-19 pandemic.

PRESENT

Board Members:

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

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

Public in Attendance:

Veronica Castillo*	- Disability Applicant, reconsideration
Rosemarie Giambalvo	- Retired CPD
Ralph Licari*	- Attorney
Mark Myslinski	- City of Chicago Office of the Treasurer
Craig Slack	- City of Chicago Office of the Treasurer
Several unidentified attendees	

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

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 then asked if there were any requests from the public to address the Board.

APPROVAL OF ADMINISTRATIVE ITEMS

The first order of business was the review of the Minutes of the October 29, 2020, regular board meeting. *A motion to approve the regular Board meeting minutes held October 29, 2020, 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.

The next order of business was the review of the Minutes of the Executive Sessions 1 - 4 of the October 29, 2020, regular board meeting. *A motion to approve the executive session 1- 4 minutes from the meeting held October 29, 2020, 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.

The next order of business was the review of the Transcript of the October 29, 2020, regular board meeting. *A motion to approve the transcript from the meeting held October 29, 2020, was made by Trustee Skardon, seconded by Trustee Lappe.*

ROLL CALL: For: Bennett, Beyna, Coneyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

APPROVAL OF BOARD ORDERS

Samantha V. Daly

A draft order was provided to the Board by Board Counsel, Justin Kugler. In the case of Officer Samantha Daly, the Board finds Daly is disabled as disability is defined in the Code; however, the Board finds that Daly’s disability was not the result of an injury incurred in the performance of an act of duty as is defined in the Code. Retrieving a file is not an act of police duty inherently involving special risk, not ordinarily assumed by a citizen in the ordinary walks of life. Therefore, Daly’s application for a duty disability benefit is denied, and Daly is granted an ordinary disability benefit.

A motion to approve the drafted order on Officer Daly’s disability benefit claim was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Bennett, Beyna, Coneyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

Kirk Rutkowski

A draft order was provided to the Board by Board Counsel, Justin Kugler. In the case of Officer Kirk Rutkowski, the Board finds that Rutkowski’s medical condition is not now Disabling, as disability is defined in the Code. Payment of Rutkowski’s duty disability benefits will therefore cease on October 18, 2020, Rutkowski having been returned to active service with the CPD October 19, 2020.

A motion to approve the drafted order on Officer Rutkowski’s disability status review was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Bennett, Beyna, Coneyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

Lawrence C. Agee

A draft order was provided to the Board by Board Counsel, Justin Kugler. In the case of Officer Lawrence C. Agee, the Board finds upon a review of the Fund’s records, this application, and Section 5/5-214.2 of the Code finds that pursuant to the above referenced statute the application for the benefits sought had to be made no later than February 17, 2010, and this submission, completed on September 11, 2020, was not timely brought. Accordingly, the Board finds this application for police pension service credit prior to appointment with the CPD for all or part of the time period requested is hereby denied.

A motion to approve the drafted order on Officer Agee’s application for pension credit was made by Trustee Skardon, seconded by Trustee Lally.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

Kevin M. Gleeson

A draft order was provided to the Board by Board Counsel, Justin Kugler. In the case of Officer Kevin M. Gleeson, the Board finds upon a review of the Fund’s records, this application, and Section 5/5-214.2 of the Code finds that pursuant to the above referenced statute the application for the benefits sought had to be made no later than February 17, 2010, and this submission, completed on September 21, 2020, was not timely brought. Accordingly, the Board finds this application for police pension service credit prior to appointment with the CPD for all or part of the time period requested is hereby denied.

A motion to approve the drafted order on Officer Gleeson’s application for pension credit was made by Trustee Skardon, seconded by Trustee Lally.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

Ernest B. (Lottie) Harris

A draft order was provided to the Board by Board Counsel, Justin Kugler. In the case of Retiree Ernest B. Harris, the Board finds this application, and Section 5/5-153(5) of the Code finds an ordinary death benefit is not available because Mr. Harris’ separation from service with the CPD occurred prior to his attainment of age 50. Accordingly, the Board finds this application for an ordinary death benefit is hereby denied.

A motion to approve the drafted order on Ernest Harris beneficiary’s application for the death benefit was made by Trustee Skardon, seconded by Trustee Lally.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

President Beyna advised the members that the Board would move to the approval of Benefit applications and Expense items as appearing in the October 2020 Docket.

DOCKET

PAGE NO. REFERENCE

1 - 4 Incurred Expenses for the Month of November 2020

A motion to approve the Incurred Expenses as detailed on pages 1 through 4 was made by Trustee Lappe, seconded by Trustee Skardon.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

5 - 8 Refunds of Contributions; Withdrawal of Service, Widow's Annuity Accumulations, Revised Widow's Annuity Accumulations and Exempt Rank

A motion to approve the Refunds as detailed on pages 5 through 8 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

9 - 10 Payment to Heirs of Deceased Annuitants

A motion to approve payments to heirs of deceased annuitants as detailed on pages 9 and 10 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

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: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

12 Refund Contributions Received in Error

A motion to approve the refund as detailed on page 12 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

13 - 17 Annuities [Summary pg. 18]

A motion to approve the Annuities as detailed on pages 13 - 17 was made by Trustee Skardon, seconded by Trustee Lappe.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

DOCKET

PAGE NO. REFERENCE

19 Annuities – Revised

Previously approved, System generated information

20 - 21 Annuities to Widows [Summary pg. 22]

A motion to approve the Revised Annuities as detailed on pages 20 and 21 was made by Trustee Lappe, seconded by Trustee Skardon, with the exception of Joanne (Brian) Worcester, and the noted reimbursement from Camille (Clifford) Doyle of annuity overpayment.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
 Against: 0.
 Absent: 0.

23 – 24 Disability Benefit Applications - New

a) King, Jamal T.

Medical report reviewed and discussion concluded.

A motion to defer decision on the application for disability benefits for Officer King pending further medical information was made by Trustee Beyna, seconded by Trustee Skardon.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
 Against: 0.
 Absent: 0.

b) Konica, Barbara

Medical report reviewed and discussion concluded.

A motion to defer decision on the application for disability benefits for Officer Konica pending further medical information was made by Trustee Beyna, seconded by Trustee Lappe.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
 Against: 0.
 Absent: 0.

c) McNamara, Thomas J.

Medical report reviewed and discussion concluded.

A motion to grant Officer McNamara an ordinary benefit was made by Trustee Beyna, seconded by Trustee Lappe.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
 Against: 0.
 Absent: 0.

d) Rocco Pignato, Lisa M.

Medical report reviewed and discussion concluded.

A motion to grant Officer Rocco Pignato 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 Lappe.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
 Against: 0.

Absent: 0.

DOCKET

PAGE NO. REFERENCE

25 - 26 Payment of Death Benefits (Summary p. 27)

A motion to approve payment of the Death Benefits indicated on pages 25 and 26 was made by Trustee Skardon, seconded by Trustee Beyna.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

LEAVES

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

A motion to approve pension credit for military leaves as indicated on page 28 was made by Trustee Skardon, seconded by Trustee Beyna.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

MISCELLANEOUS

29 GUARDIANSHIP APPOINTMENT

Newson, Jim

A motion to acknowledge and accept the court order as detailed on page 29 was made by Trustee Lappe, seconded by Trustee Skardon.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

30 REQUESTS TO PURCHASE PENSION CREDIT FOR PRIOR COOK COUNTY 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 5/5-214(c) as detailed on page 30 was made by Trustee Lappe, seconded by Trustee Skardon, except Nicholas Stella, which is deferred for additional information.

ROLL CALL: For: Bennett, Beyna, Conyears-Ervin, Lally, Lappe, Park, Skardon, Stiscak 8.
Against: 0.
Absent: 0.

DOCKET

PAGE NO. REFERENCE

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

Documentation verified, review and discussion concluded.

A motion to defer for a hearing on the request to purchase additional pension credit for prior law enforcement service under 5/5-214.2 as detailed on page 31 was made by Trustee Beyna, seconded by Trustee Skardon.

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

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

Documentation verified, review and discussion concluded.

A motion to approve the request to purchase additional pension credit for prior military service under 5/5-214.3 as detailed on page 32 was made by Trustee Beyna, seconded by Trustee Skardon.

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

The docketed items having been completed next order of business was to move to the next item on the Agenda.

On the scheduled hearings there has been a request for a continuance.

33 DUTY DISABILITY CLAIM - HEARING

b) Hernandez, Jr., Edwin

A motion to approve the request for a continuance by Officer Edwin Hernandez, Jr. was made by Trustee Skardon seconded by Trustee Lally.

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

A motion for the Board 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, Skardon, Stiscak 6.
Against: 0.
Absent: Bennett, Park 2.

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

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

DOCKET

PAGE NO. REFERENCE

HEARINGS

33 DUTY DISABILITY CLAIM - HEARING, Continued

a) Castillo, Veronica

Officer Veronica Castillo appeared with counsel before the Board on her application for a duty disability benefit. After reviewing documents and hearing all testimony, a *motion to award Officer Veronica Castillo's application for duty disability benefits was made by Trustee Skardon, seconded by Trustee Lally.*

ROLL CALL: For: Beyna, Lally, Lappe, Skardon, Stiscak 5.
Against: Conyears-Ervin 1.
Absent: Bennett, Park 2.

A motion to grant Officer Veronica Castillo'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, Lally, Lappe, Skardon, Stiscak 5.
Against: Conyears-Ervin 1.
Absent: Bennett, Park 2.

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

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

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

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

On the application of Joanne (Brian) Worcester and in accordance with 40 ILCS 5/5-146 (from Ch. 108 1/2, par. 5-146) Wives and widows not entitled to annuities.

The following wives or widows have no right to annuity from the fund:

(b) A wife or widow of a policeman who withdraws, whether or not he enters upon annuity, and dies out of service, if the marriage occurred after the effective date and less than one year prior to the policeman's death, and the widow was not his wife while he was in service; **if after an evidentiary hearing**, however, the Board, at its sole discretion determines that special circumstances exist warranting payment of a widow's annuity, then and only then shall the Board have authority to grant and award the annuity that would have been otherwise available

Mrs. Worcester appeared before the Board telephonically for an evidentiary hearing on her application for a widow's annuity as the spouse of Brian Worcester. Testimony, documents and submissions reviewed and discussion concluded.

A motion to deny a widow's annuity to Joanne Worcester in accordance with 40 ILCS 5/5-146 as detailed was made by Trustee Skardon, seconded by Trustee Lally.

ROLL CALL: For: Beyna, Conyears-Ervin, Lally, Lappe, Skardon, Stiscak 6.

Against: 0.
Absent: Bennett, Park 2

DOCKET

PAGE NO. REFERENCE

34 CREDIT FOR OTHER SERVICE

a) Lee, Scott M.

Officer Scott M. Lee appeared before the Board telephonically for an evidentiary hearing on his application to purchase pension credit for prior service as detailed on page 34.

Testimony, documents and submissions reviewed and discussion concluded.

A motion for the Board to approve the application filed by Office Lee 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.

BOARD REVIEW OF PHYSICIAN'S RECOMMENDATIONS ON DISABILITY RECIPIENTS' RE-EXAMINATIONS

A motion to authorize and direct Officer Vasilios Kefalas to undergo an Independent Medical Evaluation 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.

LEGAL REVIEW

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

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

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

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. William Blair International Growth was notified that the Fund would need to redeem \$10 million for November benefit payments. The Fund will also need to liquidate at least \$65 million in additional assets to make benefit payments for the month of December.

NEPC recommends redeeming from the non-US Equity portfolio consistent with the recommendations over the past several months as the portfolio is currently over allocated in this sector relative to target. In order to provide enough leeway in the event of any changes, NEPC recommends liquidating \$75 million.

A motion to follow the recommendation of NEPC to liquidate, for December benefit payments, taking up to \$25 million each from Artisan Partners, William Blair International Growth and Acadian for December benefit payments was made by Trustee Skardon, seconded by Trustee Stiscak.

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

Market Update, Performance

Kevin Leonard and Deanna Jones of NEPC reviewed the monthly performance report including possible impacts of COVID-19 vaccines on the markets.

NEPC also reviewed the liquidity study they performed for the Fund and the factors that could change the study. NEPC highlighted the importance of liquidity to a public pension fund because of the necessary monthly payments and noted that the Fund's liquidity is currently appropriate.

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