



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

MINUTES

**INVESTMENT COMMITTEE MEETING
and
REGULAR MEETING**

THURSDAY – September 24, 2020

Policemen's Annuity and Benefit Fund of Chicago
Regular Board Meeting
AGENDA
SEPTEMBER 24, 2020. 9:00 AM
Via Zoom and Audio Conference

- 1) Roll Call
- 2) Election for Recording Secretary
- 3) Approval of Administrative Items
 - a) Approval of Minutes – Regular Board meeting held August 27, 2020
 - b) Approval of Minutes – Executive Session of August 27, 2020
 - c) Approval of Transcript – Regular Board meeting held August 27, 2020
- 4) Approval of Board Orders - Kirk Rutkowski
- 5) Approval of Benefit Applications – **REFER TO MONTHLY DOCKET**
- 6) Revision of Board Rules for Open Meetings Act
- 7) Legislative Update
- 8) Motion to Reconsider Duty Disability Benefits - Dougan
- 9) Disability Hearings
 - a) Gonzalez, Samantha T.
 - b) Katich, Cherie
- 10) GRS Sensitivity Analysis^
- 11) Investment Items
 - a) Cash Flow/Needs
 - b) Market Update and Performance/Flash Report
 - c) Update on list of SMID Value Firms that submitted RFPs
 - d) Diverse Managers and Brokers update
 - e) Active v. Passive Investment Discussion^
- 12) Trustee Education - 2019 certification and 2020 opportunities^
- 13) Legal Review*
- 14) Other business
- 15) Requests from Members of the Public to Address the Board

For members of the public wishing to listen to the proceeding, please dial into the meeting at:
1-312-626-6799

Meeting ID: 966 2626 0972 Password: 60606

^Carried over from previous meeting agenda

*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. September 24, 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 2020-55 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

Absent:

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
Bukola Bello*	- Board Legislative Liaison

Public in Attendance:

Michael Cosentino	- Active CPD
Coleen Dougan*	- Disability Applicant, reconsideration
Samantha Gonzalez*	- Disability Applicant, Hearing
Chere Katich*	- Disability Applicant, Hearing
Benny Martinez	- CPD testimony
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	

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.*

ELECTION FOR RECORDING SECRETARY

A motion to appoint Michael Stiscak as recording secretary 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.

APPROVAL OF ADMINISTRATIVE ITEMS

The first order of business was the review of the Minutes of the August 27, 2020, regular board meeting.
A motion to approve the regular Board meeting minutes held August 27, 2020 was 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.

The next order of business was the review of the Minutes of the Executive Sessions of the August 27, 2020, regular board meeting.
A motion to approve the executive session minutes from the meeting held August 27, 2020 was 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.

The next order of business was the review of the Transcript of the August 27, 2020, regular board meeting.
A motion to approve the transcript from the meeting held August 27, 2020 was 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.

APPROVAL OF BOARD ORDERS

KIRK RUTKOWSKI

A draft order was provided to the Board by Board Counsel, Justin Kugler, who then reviewed of the facts of the current situation in Officer Rutkowski’s case. At the August Board meeting, Officer Rutkowski requested his disability be terminated as he was no longer disabled and was requesting CPD return him to duty. Based on those facts, the Board terminated his disability benefit effective September 30, 2020 in anticipation of him returning to duty in September. Officer Rutkowski provided notice to the Fund that he had begun the reinstatement process with CPD early in September but it was not complete as of the day of the Board meeting. As a result, Officer Rutkowski requests an extension of his disability benefits until CPD is able to complete his return to duty process. The delay appears to be with the CPD.

A motion to continue Officer Rutkowski's disability benefit through October 31, 2020 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.

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

DOCKET

PAGE NO. REFERENCE

1 - 4 Incurred Expenses for the Month of August 2020

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

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

5 - 13 Refunds of Contributions; Withdrawal of Service, Widow's Annuity Accumulations and Revised Widow's Annuity Accumulations

A motion was made by Trustee Skardon, seconded by Trustee Lappe, to approve the Refunds as detailed on pages 5 through 13.

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

14 - 16 Payment to Heirs of Deceased Annuitants

A motion was made by Trustee Lappe, seconded by Trustee Skardon, to approve payments to heirs of deceased annuitants as detailed on pages 14 through 16.

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

17 Refund of Unused Annuity Accumulations

A motion was made by Trustee Skardon, seconded by Trustee Lappe, to approve the refund as detailed on page 17.

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

18 Refund of Annual Increase (less than 20 years of service)

A motion was made by Trustee Skardon, seconded by Trustee Lappe, to approve the refund as detailed on page 18.

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

Absent: Bennett, Park 2.

DOCKET

PAGE NO. REFERENCE

19 - 24 Annuities [Summary pg. 25]

A motion was made by Trustee Skardon, seconded by Trustee Lappe, to approve the Annuities as detailed on pages 16 - 21.

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

26 - 33 Annuities - Revised

A motion was made by Trustee Skardon, seconded by Trustee Lappe, to approve the Revised Annuities as detailed on pages 23 - 39.

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

34 - 35 Annuities to Widows [Summary pg. 36]

A motion was made by Trustee Skardon, seconded by Trustee Lappe, to approve the Revised Annuities as detailed on pages 24 and 35.

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

37 Annuities to Widows - Revised

A motion was made by Trustee Skardon seconded by Trustee Lappe, to approve the Revised Annuities to Widows as detailed on page 37.

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

38 Annuities to Children

A motion was made by Trustee Skardon seconded by Trustee Lappe, to approve the Annuities to Children as detailed on page 38.

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

39 Health Care Subsidy Reimbursements

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

A motion was made by Trustee Skardon seconded by Trustee Lappe, to approve the healthcare subsidies as detailed on page 39.

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

Against: 0.
Absent: Bennett, Park 2.

DOCKET

PAGE NO. REFERENCE

40 Disability Benefit Applications - New

a) Stanczyk, Paul M.

Medical report reviewed and discussion concluded.

A motion was made by Trustee Stiscak seconded by Trustee Skardon, to defer decision on the application for disability benefits for Officer Stanczyk pending a full hearing.

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

Against: 0.

Absent: Bennett, Park 2.

41 - 45 Payment of Death Benefits (Summary p. 46)

A motion was made by Trustee Skardon, seconded by Trustee Lappe, to approve payment of the Death Benefits indicated on pages 41 through 45, with the exception of Patrick McAuliff, who did not fulfill the statutory requirements to be eligible for the death benefit.

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

Against: 0.

Absent: Bennett, Park 2.

**47 REQUEST FOR PENSION CREDIT FOR MILITARY LEAVES OF ABSENCE SERVICE
UNDER 40 ILCS 5/5-212**

Documentation verified, review and discussion concluded.

A motion was made by Trustee Lappe, seconded by Trustee Skardon, to approve the request to purchase Leave of Absence service detailed on page 47.

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

Against: 0.

Absent: Bennett, Park 2.

48 GUARDIANSHIP APPOINTMENT

Nowinski, Stanley R.

Documentation verified. A motion was made by Trustee Skardon seconded by Trustee Lappe, to acknowledge and accept the order of appointment as detailed on page 48.

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

Against: 0.

Absent: Bennett, Park 2.

49 GUARDIANSHIP APPOINTMENT

Parker, Jr., Aaron

Documentation verified. A motion was made by Trustee Skardon seconded by Trustee Lappe, to acknowledge and accept the order of appointment as detailed on page 49.

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

Against: 0.

Absent: Bennett, Park 2.

DOCKET

PAGE NO. REFERENCE

50 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 was made by Trustee Skardon, seconded by Trustee Lappe, to approve the request to purchase additional pension credit for prior Cook County service under 5/5-214(c) as detailed on page 50.

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

51 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 Lappe, to approve the request to purchase additional pension credit for prior military service under 5/5-214.3 as detailed on page 51.

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

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

REVISION OF BOARD RULES FOR OPEN MEETINGS ACT

Board counsel, Justin Kugler, discussed the proposed revisions to the existing Open Meetings Act resolution on rules for Board member and public participation. The revisions are for Section 3, the Public Comment section. The proposed modifications change the time limitation per individual but increase the overall time allowed for public comment, making them consistent with the City of Chicago City Council public comment rules. In addition, the existing rules place public comment at the end of agenda, which was eliminated after Board discussion.

After discussion and agreement to make the identified changes to the revised Board Rules A motion was made by Trustee Lappe, seconded by Trustee Skardon, to approve the modification to the Board Rules as discussed.

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

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

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

It was moved by Trustee Skardon, seconded by Trustee Lappe for the Board to come out of executive session.

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

LEGISLATIVE UPDATE

Bukola Bello appeared before the Board to provide legislative updates which concern the Fund and its members. The details of her presentation were provided to the Trustees in her report.

MOTION TO RECONSIDER DUTY DISABILITY BENEFITS

Dougan, Coleen

At the previous Board meeting, the Board voted to deny Officer Dougan's application for disability benefits but had not yet approved a final written order. The Officer's counsel, Mr. Licari has since filed a motion to reconsider the Board's vote to deny Officer Dougan's application for disability benefits. Mr. Licari's motion indicates that the officer returned to the CPD medical section and CPD found her not medically fit to return to duty. Therefore, Mr. Licari is asking this Board to reconsider its prior oral decision and grant the officer disability benefits in light of the new facts.

After discussion and consideration, a motion was made by Trustee Stiscak, seconded by Trustee Lappe, to grant Coleen Dougan a duty disability benefit.

ROLL CALL: For: Beyna, Lally, Lappe, Stiscak 4.
Against: Conyears-Ervin, Skardon 2.
Absent: Bennett, Park 2.

A motion was made by Trustee Lappe, seconded by Trustee Lally, that the Board award the duty disability benefit at 75% of salary as defined in the Pension Act.

ROLL CALL: For: Beyna, Lally, Lappe, Stiscak 4.
Against: Conyears-Ervin, Skardon 2.
Absent: Bennett, Park 2.

DISABILITY HEARINGS

DOCKET

PAGE NO. REFERENCE

52 DUTY DISABILITY CLAIM

a) Gonzalez, Samantha T.

Officer Samantha Gonzalez appeared with counsel before the Board on her application for a duty disability benefit. After reviewing documents and hearing all testimony, *a motion was made by Trustee Skardon, seconded by Trustee Lappe, for the Board to go into executive session per 2 (C)(4).*

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

It was moved by Trustee Lally, seconded by Trustee Lappe for the Board to come out of executive session.

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

A motion was made by Trustee Skardon, seconded by Trustee Lappe that the Board deny duty disability benefits.

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

A motion was made by Trustee Skardon, seconded by Trustee Lappe that the Board continue the ordinary disability benefits to Samantha Gonzalez as provided for in the Pension Act.

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

b) Katich, Chere L.

Officer Chere Katich appeared with counsel before the Board on her application for a duty disability benefit. Additional witness providing testimony in this case: Sgt. Benny Martinez of the CPD. After reviewing documents and hearing all testimony, *a motion was made by Trustee Lappe, seconded by Trustee Skardon, for the Board to go into executive session per 2 (C)(4).*

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

It was moved by Trustee Lappe, seconded by Trustee Skardon for the Board to come out of executive session.

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

A motion was made by Trustee Skardon, seconded by Trustee Lappe that the Board deny Chere Katich duty disability benefits.

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

A motion was made by Trustee Skardon, seconded by Trustee Lappe that the Board continue the ordinary disability benefits to Chere Katich as provided for in the Pension Act.

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

DOCKET

PAGE NO. REFERENCE

53 STATUS REVIEW

Rutkowski, Kirk – *Board consideration*
See pages 4-5 of these minutes.

GRS SENSITIVITY ANALYSIS

Mr. Lance Weiss and Ms. Kristen Brundirks representing Gabriel, Roeder, Smith & Company appeared before the Board to review the sensitivity analysis. The purpose of the analysis was to review the rates of return and the market conditions following the COVID-19 pandemic.

INVESTMENT ITEMS

Cash Flow/Needs

Executive Director Keane presented the Fund’s cash flow and cash position.
On the recommendation of NEPC *a motion was made by Trustee Skardon, seconded by Trustee Lappe that the Fund liquidate up to \$20 million from William Blair International Equity Fund.*

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

Market Update, Performance

Kevin Leonard, Kristen Finney-Cook and Deanna Jones of NEPC reviewed monthly performance report; provided an update on list of SMID Value Firms that submitted responses to the RFP; presented a Diverse Managers and Brokers update; and also provided education on Active v. Passive Investments.

TRUSTEE EDUCATION

Executive Director Erin Keane reviewed with the Board members all 2019 certifications were met. Board members were reminded of 2020 educational opportunities.

LEGAL REVIEW

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

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

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

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

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.

NO RESPONSES

All business concluded for this date *a motion was made by Trustee Lappe, seconded by Trustee Skardon that this meeting be adjourned.*

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