



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

MINUTES

BOARD MEETING

THURSDAY – JUNE 24, 2021

Board Meeting
AGENDA
JUNE 24, 2021. 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 – Board Meeting held May 27, 2021
 - b) Approval of Minutes – Executive Sessions held May 27, 2021
 - c) Approval of Transcript – Board Meeting held May 27, 2021
- 4) Approval of Board Orders
 - a) Bryan Cassidy
- 5) Approval of Benefit Applications and Expenses
- 6) Audited Financial Statements – Mitchell Titus
- 7) Disability Hearing - Sgt. Keith Fuelling
- 8) Disability: Board review of Physician’s Recommendations on Re-examinations
- 9) Credit for Other Service - Sgt. Clifford Russell, Jr.
- 10) Investment Items
 - a. Cash flow/needs
 - b. Q1 Performance Review
 - c. May Performance Review
 - d. Passive RFP Update
- 11) Legal Review - In-process Cases Status Report
- 12) Consideration of Revised Board Application and Hearing Rules and Procedures
- 13) Consideration of Impact Statement
- 14) RFP Update - Administration of Trustee Election
- 15) Other business

The regular meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund of Chicago (the "Board" or "Fund") was held on June 24, 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 2021-11 as a result of the COVID-19 pandemic. The Governor's Executive Order suspends the in-person attendance requirement for members of the public body and allow for remote participation by video and audio conference.

Board Members Present:

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

Staff Present:

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

Consultants and Advisors Present:

Dr. Peter Orris*	- Board Physician
Richard Reimer*	- Board Attorney/Hearing Officer
Kevin Leonard*	- NEPC
Deanna Jones	- NEPC
Irene Davis*	- Mitchell Titus
Kenny Adegoke*	- Mitchell Titus
Garfield Carr*	- Mitchell Titus

Public in Attendance:

Mark Myslinski	- City of Chicago Office of the Treasurer
Craig Slack	- City of Chicago Office of the Treasurer
Sgt. Keith Fuelling*	- City of Chicago Police Officer
Sgt. Clifford Russell, Jr.*	- City of Chicago Police Officer
Allen Jaglowski	- Annuitant, CPD

Others in attendance via audio, identified only by telephone numbers

^ 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. Retired member Allen Jaglowski addressed the Board.

APPROVAL OF ADMINISTRATIVE ITEMS

The first order of business was review of the minutes of the May 27, 2021, board meeting.

A motion to approve the regular board meeting minutes held May 27, 2021, was made by Trustee Skardon, seconded by Trustee Stiscak.

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

The next order of business was the review of the minutes of the Executive Sessions of the May 27, 2021, board meeting.

A motion to approve the executive session minutes from the meeting held May 27, 2021, was made by Trustee Skardon, seconded by Trustee Lappe.

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

The next order of business was the review of the transcript of the May 27, 2021, board meeting.

A motion to approve the transcript from the meeting held May 27, 2021, was made by Trustee Skardon, seconded by Trustee Lappe.

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

APPROVAL OF BOARD ORDERS

Bryan Cassidy

A draft order was provided to the Board by Board Counsel.

A motion authorizing staff to adopt the Board order prepared for Officer Cassidy was made by Trustee Lappe, seconded by Trustee Stiscak.

Trustee Skardon requested action on the order be deferred until the next meeting in order to review the order with Board counsel. Trustee Lappe withdrew his motion to approve and this matter was tabled.

President Beyna turned the meeting over to Board Secretary Stiscak for the approval of Benefit Applications and Expense items as appearing in June 2021 Docket.

DOCKET: SCHEDULE I-A Incurred Expenses for the Month of June 2021

A motion to approve the Incurred Expenses as detailed on Schedule I-A was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE II-A Refunds of Contributions

A motion to approve the Refunds as detailed on Schedule II-A was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE II - B Refunds of Widow's Annuity Accumulations and Revised Refunds of Widow's Annuity Accumulations

A motion to approve the Refunds and Revised Refunds as detailed on Schedule II-B was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE II-C Refunds Exempt Rank

A motion to approve Refunds-Exempt Rank as detailed on Schedule II-C was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE II-D Payment to Heirs of Deceased Annuitants

A motion to approve Payments to Heirs of Deceased Annuitants as detailed on Schedule II-D was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE II-E Refund of Unused Annuity Accumulations

A motion to approve Refunds of Unused Annuity Accumulations as detailed on Schedule II-E was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE II-G Refund of Annual Increase Contributions

A motion to approve Refunds of the Annual Increase Contributions as detailed on Schedule II-G was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE III-A Annuities and Annuities with a Summary page

A motion to approve the Annuities as detailed on Schedule III-A was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE III-A Annuities - Revised

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

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

DOCKET: SCHEDULE III-B Annuities to Widows with a Summary page

A motion to approve the Annuities to Widows as detailed on Schedule III-B was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE IV New Disability Applications

- a) Mishler, Elizabeth, claiming Occupational disability

Previously, the Board awarded Lt. Mishler an ordinary disability benefit without prejudice. However, after further clarification on her medical records, the Board has adequate information to determine she qualifies for the occupational disease benefit.

A motion to grant Lt. Mishler an occupational disease disability benefit was made by Trustee Beyna, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE IV New Disabilities - Revised

A motion to approve the Revised Disabilities as detailed on Schedule IV-Disability Benefits-Revised was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE V Payment of Death Benefits with a Summary page

A motion to approve payment of the Death Benefits indicated Schedule V was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE VI PENSION CREDIT FOR EXTENDED MILITARY LEAVES UNDER 40 ILCS 5/5-212

Documentation verified, review and discussion concluded.

A motion to approve the additional pension credit for MILITARY LEAVES under 40 ILCS 5/5-212 as detailed on Schedule VI was made by Trustee Lappe, seconded by Trustee Skardon.

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

DOCKET: SCHEDULE VII-A 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 Schedule VII-A was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE VII-B REQUESTS TO PURCHASE ADDITIONAL PENSION CREDIT FOR PRIOR MILITARY SERVICE UNDER 40 ILCS 5/5-214.3

Documentation verified, review and discussion concluded.

A motion to approve the request to purchase additional pension credit for prior military service under 40 ILCS 5/5-214.3 as detailed on Schedule VII-B was made by Trustee Skardon, seconded by Trustee Lappe.

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

General docketed items completed.

MITCHELL TITUS PRESENTATION

Irene Davis, Kenny Adegoke and Garfield Carr, representatives from Mitchell Titus, appeared remotely and provided a presentation to the Board on the Audited Financial Statements for the year ended December 31, 2020. In addition, Mitchell Titus discussed their report on the Agreed Upon Procedures, which are completed every other year in compliance with the Illinois Pension Code. Mitchell Titus reported that they expect to issue a clean, unmodified opinion on the financial statements.

Presentation, review and discussion concluded.

A motion to accept the Annual Audit Report for the year 2020 was made by Trustee Lappe, seconded by Trustee Stiscak.

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

DOCKET: SCHEDULE VIII-A DISABILITY HEARING

A motion to appoint Rick Reimer as the Hearing Officer for all disability cases scheduled to be heard at this meeting was made by Trustee Skardon, seconded by Trustee Stiscak.

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

WHEREUPON; Trustee Conyears-Ervin joined the proceedings

Sgt. Keith Fuelling Hearing

This hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability claim of Sgt. Keith Fuelling. Sgt. Keith Fuelling appeared before the Board, with counsel, on his claim for a duty disability benefit. Testimony was taken from Sgt. Fuelling and claimant’s witness, Petro Milionis. The records and documents presented were reviewed.

A motion to go into executive session per 5 ILCS 120/2(c)(4) was made by Trustee Skardon, seconded by Trustee Lappe.

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

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

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

Counsel for the claimant made a closing statement to the Board.

A motion to award duty disability benefit to Sgt. Keith Fuelling was made by Trustee Lappe, seconded by Trustee Lally.

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

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

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

DISABILITY: Board Review Of Physician’s Recommendations On Disability Recipients’ Re-Examinations

A motion to approve the recommendations provided in the June 21, 2021 memo to the Board on disability matters was made by Trustee Skardon, seconded by Trustee Stiscak.

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

DOCKET: SCHEDULE VIII-B CREDIT FOR PRIOR SERVICE HEARING

Credit for Prior Service

A motion to appoint Justin Kugler as the Hearing Officer in this matter was made by Trustee Skardon, seconded by Trustee Lappe.

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

Clifford Russell, Jr. Hearing

Sgt. Clifford Russell, Jr. appeared before the Board, without counsel, on his petition to receive pension credit for prior service as detailed on Schedule VIII-B. Documents were reviewed and testimony taken from the petitioner.

A motion to go into executive session pursuant to 5 ILCS 120/2 (c)(4) was made by Trustee Skardon, seconded by Trustee Lappe.

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

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

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

A motion to grant Sgt. Clifford Russell request to receive pension credit for prior service as detailed on Schedule VIII-B was made by Trustee Skardon, seconded by Trustee Lappe.

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

INVESTMENT ITEMS

Cash Flow/Needs

Comptroller Kevin Reichart reported on cash balance as well as benefit payment expenses for June 2021.

For tax levy year 2020/payment year 2021, the Fund has received approximately \$447 million of the total amount due of \$738 million. There remains a balance due of \$291 million. Year-to-date, the Fund has received approximately 51 percent of the property tax levy portion of the total amount due, which is consistent with the timing of the collection of the property tax levies to prior years.

Passive RFP Update

Kevin Leonard and DeAnna Jones of NEPC provided an update on the Passive/Index RFP, which the Board approved in March and issued April 6th with responses due May 3rd. Eight responses to the RFP were submitted.

Consistent with the NEPC's recommendation, *a motion to invite the Northern Trust, Rhumblin, State Street Global and Xponance as the four finalists to make a presentation on their proposals for passive index provider was made by Trustee Skardon, seconded by Trustee Lappe.*

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

First Quarter Performance

Kevin Leonard and DeAnna Jones of NEPC provided a first quarter report. They noted the one year return as of March 31, 2021 is 31.9%.

May Performance Review

Kevin Leonard and DeAnna Jones of NEPC provided an update on May performance.

Consistent with the NEPC's recommendation, *a motion to place Lazard Emerging Markets Income Fund on the watch list due to organizational changes was made by Trustee Skardon, seconded by Trustee Stiscak.*

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

Consistent with the NEPC's recommendation, *a motion to place BMO on the watch list due to organizational changes was made by Trustee Skardon, seconded by Trustee Stiscak.*

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

LEGAL REVIEW

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

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

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

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

A motion to go back into executive session per 5 ILCS 120/2(c)(4) was made by Trustee Skardon, seconded by Trustee Lappe.

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

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

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

Upon returning to open session, Board counsel Rick Reimer reviewed for the record the draft decision in the matter of the disability application of Officer Cassidy.

APPROVAL OF BOARD ORDERS

Bryan Cassidy

A draft order was provided to the Board by Board Counsel.

A motion authorizing staff to adopt and publish the Board order prepared for Officer Bryan Cassidy consistent with discussion held in executive session was made by Trustee Skardon, seconded by Trustee Lappe.

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

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, Skardon, Stiscak.
 Against: 0.
 Absent: Bennett, Park.