



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

MINUTES

BOARD MEETING

THURSDAY – AUGUST 26, 2021

Board Meeting Agenda
August 26, 2021, 9:00 AM, via Teleconference

In accordance with Governor JB Pritzker's Disaster Proclamation issued July 23, 2021 and 5 ILCS 120/7(e), the Policemen's Annuity and Benefit Fund of Chicago Board Meeting will be held through remote attendance. Members of the public wishing to listen to the proceeding, please dial into the meeting at:

Phone: 1-312-626-6799

Meeting ID: 997 9875 0052

- 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 July 29, 2021
 - b) Approval of Minutes - Executive Sessions held July 29, 2021
 - c) Approval of Transcript – Board Meeting held July 29, 2021
 - d) Approval of Transcript – IC Committee Meeting held July 26, 2021
- 4) Approval of Benefit Applications and Expenses
- 5) Disability Hearings
 - a) Officer Neal Ivers
 - b) Officer Damian O'Sullivan
 - c) Officer Paul Duffy
 - d) Officer Paul Stanczyk
- 6) Disability: Board review of Physician's Recommendations on Re-examinations
- 7) Legal Review - In-process Cases Status Report*
- 8) Fiduciary Liability Insurance Renewal Options
- 9) Investment Items
 - a. Cash flow/needs
 - b. 2nd Quarter Performance Review
 - c. Market Update and July Performance Review
 - d. Private Equity and Private Debt RFPs Update
 - e. Diversity Goals Update
- 10) Other business

*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 "Board" or "Fund") was held on August 26, 2021, convening remotely via video and audio conference 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 via video and audio conference in accordance with the Open Meetings Act 5 ILCS 120/7(e) and Governor Pritzker's Disaster Proclamation issued as a result of the COVID-19 pandemic. In consideration of the health and safety of Trustees, staff, members, and the public, the Board President determined that an in-person meeting was not practical or prudent due to the Governor's Disaster Proclamation.

Board Members Present:

| | |
|-------------------------|---------------------|
| Thomas Beyna^ | President |
| Jennie Huang Bennett* | Trustee |
| 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 |
| Deanna Jones | NEPC |
| Kevin Leonard* | NEPC |

Public in Attendance:

| | |
|-------------------|---|
| Mark Myslinski | City of Chicago Office of the Treasurer |
| Craig Slack | City of Chicago Office of the Treasurer |
| Paul Duffy | Police Officer, CPD |
| Paul Stanczyk | Police Officer, CPD |
| Ralph Licari | Attorney |
| Damian O'Sullivan | Police Officer, CPD |
| Helene Principato | Widow Annuitant, CPD – Public Comment |

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. Helene Principato, an annuitant widow, was the only member of the public who chose to address the Board.

APPROVAL OF ADMINISTRATIVE ITEMS

The first order of business was review of the minutes of the July 29, 2021, Board meeting. *A motion to approve the minutes from the Board meeting held July 29, 2021, was made by Trustee Skardon, seconded by Trustee Lappe.*

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

The next order of business was the review of the minutes of the Executive Sessions of the July 29, 2021, Board meeting. *A motion to approve the executive session minutes from the Board meeting held July 29, 2021, was made by Trustee Skardon, seconded by Trustee Lappe.*

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

The next order of business was the review of the transcript of the July 29, 2021, Board meeting. *A motion to approve the transcript from the Board meeting held July 29, 2021, was made by Trustee Skardon, seconded by Trustee Lappe.*

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

The next order of business was the review of the transcript of the Investment Committee meeting of July 26, 2021. *A motion to approve the transcript from the investment committee meeting held July 26, 2021, was made by Trustee Skardon, seconded by Trustee Lappe.*

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

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

DOCKET: SCHEDULE I-A Incurred Expenses for the Month of August 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, Bennett, Lally, Lappe, Skardon, Stiscak.
 Against: 0.
 Absent: 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, Bennett, Lally, Lappe, Skardon, Stiscak.
 Against: 0.
 Absent: Conyears-Ervin, Park.

DOCKET: SCHEDULE II - B Refunds of Widow’s Annuity Accumulations

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

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

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

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

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

DOCKET: SCHEDULE II-D Partial 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, Bennett, Lally, Lappe, Skardon, Stiscak.
 Against: 0.
 Absent: Conyears-Ervin, Park.

DOCKET: SCHEDULE II-E Refund of Unused Annuity Accumulations

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

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

DOCKET: SCHEDULE III-A Annuities - Revised

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

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

DOCKET: SCHEDULE IV New Disability Applications

a) Arroyo, Richard R., claiming Duty disability

Medical report reviewed. *A motion to 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 was made by Trustee Beyna, seconded by Trustee Stiscak.*

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

b) Keane, Tamara L., claiming Ordinary disability

Medical report reviewed. *A motion to grant officer Keane an ordinary disability benefit was made by Trustee Beyna, seconded by Trustee Stiscak.*

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

c) Munizzi, Anthony F., claiming Duty disability

Medical report reviewed. *A motion to 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 was made by Trustee Beyna, seconded by Trustee Stiscak.*

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

d) Ridge, Martin E., claiming Duty disability

Medical report reviewed. *A motion to 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 was made by Trustee Beyna, seconded by Trustee Stiscak.*

ROLL CALL: For: Beyna, Bennett, Lally, Lappe, Skardon, Stiscak.

Against: 0.
Absent: Conyears-Ervin, Park.

e) Wedel, Jakub, claiming Ordinary disability

Medical report reviewed. *A motion to grant officer Wedel an ordinary disability benefit was made by Trustee Beyna, seconded by Trustee Stiscak.*

ROLL CALL: For: Beyna, Bennett, Lally, Lappe, Skardon, Stiscak.
Against: 0.
Absent: 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 Beyna.

ROLL CALL: For: Beyna, Bennett, Lally, Lappe, Skardon, Stiscak.
Against: 0.
Absent: 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 Skardon, seconded by Trustee Lappe.*

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

General docketed items completed.

DOCKET: SCHEDULE VIII-A DUTY DISABILITY HEARING

Neal P. Ivers Hearing Continued

The continuation of this hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability claim of Officer Neal Ivers. Neal Ivers' counsel, Ralph Licari, appeared before the Board on the continuation of his claim for a disability benefit. The records and documents presented were reviewed. *A motion to award ordinary disability benefits; however, no benefits shall be paid until it is determined when the officer was removed from the CPD payroll and no benefits shall be received during any time salary was received from the CPD, was made by Trustee Skardon, seconded by Trustee Stiscak.*

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

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 Stiscak, seconded by Trustee Skardon.

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

WHEREUPON; Trustee Conyears-Ervin joined the proceedings.

Damian O'Sullivan Hearing

This hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability claim of Officer Damian O'Sullivan. Officer Damian O'Sullivan appeared before the Board, without counsel, on his claim for a duty disability benefit. The records and documents presented were reviewed.

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

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

WHEREUPON; Trustees Bennett and Conyears-Ervin left the proceedings.

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

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

A motion to award duty disability benefits at 75% without prejudice on an interim basis was made by Trustee Stiscak, seconded by Trustee Lappe. The decision is not intended to be a final administrative decision and will be subject to evaluation in three months to determine whether claimant has undergone surgery for his left wrist.

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

FIDUCIARY LIABILITY INSURANCE RENEWAL OPTIONS

Craig Goesel of Alliant Insurance reviewed with Board member the fiduciary liability insurance renewal options available to the Fund. *A motion to renew fiduciary liability insurance with Hudson Insurance Company (administered by Euclid) for the primary layer and Markel Insurance Company (administered by Ullico) for the excess layer was made by Trustee Stiscak, seconded by Trustee Skardon.*

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

WHEREUPON; Trustee Conyears-Ervin rejoined the proceedings.

DOCKET: SCHEDULE VIII-A DUTY DISABILITY HEARING - Resumed

Paul Duffy Hearing

This hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability claim of Officer Paul Duffy. Officer Paul Duffy appeared before the Board, with counsel Ralph Licari, on his claim for a duty disability benefit. The records and documents presented were reviewed. *A motion to award duty disability benefits at 75% was made by Trustee Beyna, seconded by Trustee Lappe.*

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

WHEREUPON; Trustee Conyears-Ervin left the proceedings.

Paul Stanczyk Hearing

This hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability claim of Officer Paul Stanczyk. Officer Paul Stanczyk appeared before the Board, with counsel Ralph Licari, on his claim for a duty disability benefit. 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 Lappe, seconded by Trustee Stiscak.*

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

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

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

A motion to deny duty disability benefits was made by Trustee Stiscak, seconded by Trustee Skardon.

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

A motion to deny ordinary disability benefits was made by Trustee Stiscak, seconded by Trustee Lappe.

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

INVESTMENT ITEMS

Cash Flow/Needs

Comptroller Kevin Reichart reported on cash balance as well as benefit payment expenses for August 2021. He reported that the fund has received from the City of Chicago \$447 million out of the \$738 million owed for the year 2021. Kevin also informed the Board that tax levy distribution typically received by the Fund in August and September, is expected this year to be received in October and November. Because this timing difference, he asked for Board approval to liquidate up to \$80 million to fund benefit payments, expenses and capital calls in September.

DeAnna Jones of NEPC recommended the Board take up to \$40 million from the Northern Trust Large Cap Index Fund, which is domestic equity, and up to \$40 million from the William Blair International Equity portfolio. *Based on NEPC's recommendations, a motion to liquidate up to \$80 million for benefit payments, expenses and capital calls, was made by Trustee Skardon, seconded by Trustee Stiscak.*

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

Kevin Leonard of NEPC reviewed the second quarter performance, monthly performance, RFP updates and the Diversity Goals update.

The last item on the Agenda was LEGAL REVIEW, which was tabled.

For lack of a quorum the meeting of this date, August 26, 2021, stands adjourned.