



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

MINUTES

BOARD MEETING

MONDAY – DECEMBER 20, 2021

Board Meeting Agenda
December 20, 2021, 9:00 AM, via Teleconference

In accordance with Governor JB Pritzker's Disaster Proclamation issued December 10, 2021 and 5 ILCS 120/7(e), the Policemen's Annuity and Benefit Fund of Chicago Board Meeting will be accessible through remote attendance. Members of the public wishing to participate or listen to the proceeding, please dial into the meeting at:

Phone: 1-312-626-6799

Meeting ID: 860 9851 0187

- 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 - Board Meeting held November 23, 2021
 - b) Approval of Minutes - Executive Sessions held November 23, 2021
 - c) Approval of Transcript - Board Meeting held November 23, 2021
- 5) Approval Board Orders
 - a) Officer Muhammad Baig
 - b) Officer Martin Ridge
- 6) Approval of Benefit Applications and Expenses
- 7) Disability Hearings
 - a) Officer Jason Cloherty (record submission)
 - b) Sergeant Timothy Conlan
 - c) Officer Julio Flores
- 8) Legal Review - In-process Cases Status Report*
 - a) In-process case report
 - b) Other
- 9) Investment Items
 - a. Cash Flow/Needs
 - b. November Performance Review
- 10) Legislative Agenda
- 11) Draft ACFR 2019 and 2020
- 12) 2022 Conference Attendance
- 13) Budget Discussion
- 14) RFP Medical Advisor
- 15) RFP Investment Consultant
- 16) Other business

*Topics may be discussed in closed session in accordance with the applicable Open Meetings Act provisions.

Board Members Present:

Jennie Huang Bennett*	Trustee
Melissa Conyears-Ervin*	Trustee
John Lally^	Trustee
Michael Lappe^	Vice President
Wayne Metcalfe^	Trustee
Susie Park	Trustee
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
Jason Wasiukiewicz^	Staff Assistant

Consultants and Advisors Present:

Kevin Leonard	NEPC
Dr. Peter Orris*	Board Physician
Richard Reimer*	Board Attorney/Hearing Officer
Bukola Bello*	Vision M.A.I. Consulting

Public in Attendance:

Craig Slack	City of Chicago Office of the Treasurer
Mark Myslinski	City of Chicago Office of the Treasurer
Timothy E. Conlan*	Police Sergeant, CPD
Julio J. Flores *	Police Officer, CPD
Ralph Licari*	Attorney
Petros Milionis*	Witness for disability claimant

Others in attendance via audio, identified only by telephone numbers

^ Denote attendance in person at the Fund office

*Denotes partial attendance

ROLL CALL

Recording Sectary Stiscak called the meeting to order and determined a quorum was present.

REQUESTS FROM MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD

Trustee Stiscak asked if there were any requests from the public to address the Board. There were no requests to address the Board.

ELECTION OF OFFICERS

Election of the Board President, Vice President and Recording Secretary is required in every December per 40 ILCS 5/5-181.

Recording Secretary

Nomination by Trustee Skardon seconded by Trustee Lappe to elect Michael Stiscak for the position of Recording Secretary.

No other nominations made.

VOTE: For: Bennett, Conyers-Ervin, Lally, Lappe, Metcalfe, Park, Skardon.
Against: 0.
Abstain: Stiscak

Vice President

Nomination by Trustee Lally seconded by Trustee Stiscak to elect Michael Lappe for the position of Vice President.

Nomination by Trustee Park seconded by Trustee Bennett to elect Stephen Skardon for the position of Vice President.

VOTES FOR MIKE LAPPE: Lally, Metcalfe, Stiscak 3.
VOTES FOR STEPHEN SKARDON: Bennett, Conyers-Ervin, Park 3.
ABSTENSION: Lappe, Skardon 2.

The Board did not achieve a majority vote. As a result, the current Fund Vice President Mike Lappe will retain the role as Vice President.

President

Nomination by Trustee Lappe seconded by Trustee Lally to elect Michael Stiscak for the position of President.

Nomination by Trustee Bennett seconded by Trustee Park to elect Stephen Skardon for the position of President.

VOTES FOR MIKE LAPPE: Lally, Metcalfe, Stiscak 3.
VOTES FOR STEPHEN SKARDON: Bennett, Conyers-Ervin, Park 3.
ABSTENSION: Lappe, Skardon 2.

The Board did not achieve a majority vote. As a result, the Fund President role remains vacant.

APPROVAL OF ADMINISTRATIVE ITEMS

Approval of the transcript and minutes from the November 23, 2021 meeting will be postponed until the next regular Board meeting

The next order of business was review of the minutes of the Executive Sessions from the Board meeting held November 23, 2021. *A motion to approve the executive session minutes from the Board meeting held November 23, 2021, was made by Trustee Skardon, seconded by Trustee Lappe.*

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

WHEREAS Trustee Conyears-Ervin left the proceedings.

APPROVAL OF BOARD ORDERS

Muhammad Baig

Credit for Other Service

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

A motion authorizing staff to adopt and publish the Board order prepared for Muhammad Baig was made by Trustee Skardon, seconded by Trustee Lappe.

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

Martin E. Ridge

Duty Disability Claim

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

A motion authorizing staff to adopt and publish the Board order prepared for Martin Ridge was made by Trustee Skardon, seconded by Trustee Lappe.

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

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

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

WHEREAS Trustee Bennett left the proceedings.

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

DOCKET: SCHEDULE II-C Refunds of Exempt Rank Contributions

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

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

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: Lally, Lappe, Metcalfe, Park, Skardon, Stiscak.
 Against: 0.
 Absent: Bennett, Coneyears-Ervin.

DOCKET: SCHEDULE II-G Refund of Annual Increase Contributions

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

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

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: Lally, Lappe, Metcalfe, Park, Skardon, Stiscak.
 Against: 0.
 Absent: Bennett, Coneyears-Ervin.

DOCKET: SCHEDULE III-A Annuities - Revised

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

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

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: Lally, Lappe, Metcalfe, Park, Skardon, Stiscak.
 Against: 0.
 Absent: Bennett, Coneyears-Ervin.

DOCKET: SCHEDULE III-C Annuities to Children

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

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

DOCKET: SCHEDULE IV Disability Benefits

Fazy, Michael P., Claiming duty disability
Jagla, III, Leonard T., Claiming Duty Disability
Tantilla, Michael A., Claiming Duty Disability
Medical Reports reviewed by Fund Medical Advisor.

A motion to grant these 3 officers 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 Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE V Payment of Death Benefits with a Summary

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

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

DOCKET: SCHEDULE VI-A 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-A was made by Trustee Skardon, seconded by Trustee Lappe.*

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

DOCKET: SCHEDULE VII- PENSION CREDIT FOR EXTENDED LEAVES UNDER 40 ILCS 5/5-214(c)

Documentation verified, review and discussion concluded. *A motion to approve the additional pension credit for other 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: Lally, Lappe, Metcalfe, Park, Skardon, Stiscak.
 Against: 0.
 Absent: Bennett, Conyears-Ervin.

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

General docketed items completed.

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 Lappe, seconded by Trustee Stiscak.

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

DOCKET: SCHEDULE VIII-A DUTY DISABILITY HEARING

Jason Cloherty Hearing continued from October 28, 2021

This hearing was continued and conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability claim of Officer Jason Cloherty. Officer Cloherty's attorney appeared before the Board, on the continuation of this claim for a duty disability benefit. Additional records and documents were presented and reviewed.

A motion to grant Officer Jason Cloherty a duty disability benefit at 75% of salary as provided for in the Illinois Pension Code Act based on the physical injuries incurred was made by Trustee Stiscak, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE VIII-A DUTY DISABILITY HEARING CONTINUED

Timothy E. Conlan Hearing

This hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability claim of Sgt. Timothy Conlan. Sgt. Conlan appeared before the Board, with counsel, on his claim for a duty disability benefit. The records and documents presented were reviewed and testimony was taken from claimant.

A motion to continue the hearing this matter until after an evidence deposition of Dr. Koh can be taken was made by Trustee Stiscak, seconded by Trustee Lappe.

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

Julio J. Flores Hearing

This hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability claim of Officer Julio Flores. Officer Flores appeared before the Board, with counsel, on his claim for a duty disability benefit. The records and documents presented were reviewed and testimony was taken from claimant and witness Mr. Petros Milionis

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

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

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

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

A motion to deny Officer Flores application for a duty disability benefit was made by Trustee Skardon, seconded by Trustee Stiscak.

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

LEGAL REVIEW - IN-PROCESS CASES STATUS REPORT

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

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

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

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

A motion to direct staff to proceed as discussed in executive session was made by Trustee Skardon, seconded by Trustee Lappe.

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

INVESTMENT COMMITTEE RECOMMENDATION FOR AWARD OF PRIVATE DEBT AND PRIVATE EQUITY RFPs

Cash Flow

Comptroller Kevin Reichart reported on cash balance as well as benefit payment expenses of \$75.1 million for December 2021. He reported that for Tax Levy Year 2020/Payment year 2021, the Fund has received approximately \$712.6 million, or 96.5% of the total amount due of \$738 million. There remains a balance due of \$25 million. The levy distributions to date are consistent with historical levels. Given that 2022 property tax distributions are not expected to begin until later in the first quarter of 2022, he asked to Board to authorize liquidation of up to \$110 million to cover benefit payments, operating expenses and capital contributions.

November Performance Review and Market Update

Kevin Leonard of NEPC reviewed November investment performance and provided a year-to-date market update. In addition, he made recommendations to the Board for liquidation of investments based on the Fund's current asset allocations compared to targets.

A motion was made by Trustee Skardon, seconded by Trustee Stiscak to liquidate the following amounts based upon NEPC's recommendation: \$30 million from the William Blair non-US equity; \$15 million from Artison non-US; \$15 million from Acadian non-US; \$25 million from the William Blair SMID Cap portfolio; and \$25 million from the Northern Trust Russell 1000 Index Fund, totaling \$110 million

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

Legislative Report

Ms. Bukola Bello appeared before the Board to provide a legislative update and discuss the Board's legislative agenda.

A motion to approve Bukola Bello filing, on behalf of the Board, the draft regarding workers' compensation bill subject to potential edits as discussed was made by Trustee Skardon, seconded by Trustee Lappe.

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

Draft ACFR 2019 and 2020

Executive Director Ms. Erin Keane reviewed with the Trustees the ACFR report, formerly known as the CAFR report, a name change throughout the industry. She noted the Fund is not required to complete an ACFR but chose to do so in order to provide additional information to members. The ACFR will not be printed but will be available on the Fund's website.

A motion to accept the ACFR Report pending Mitchell Titus' review was made by Trustee Stiscak, seconded by Trustee Skardon.

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

2022 Conference Attendance

A review of the 2022 conference schedule was completed.

A motion to approve the 2022 Conference schedule was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Budget Discussion

A motion to go into executive session pursuant to 5 ILCS 120/2(c)(1) was made by Trustee Skardon, seconded by Trustee Stiscak.

ROLL CALL: For: Lally, Lappe, Metcalfe, Park, Skardon, Stiscak.

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

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

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

RFP Medical Advisor

A motion to approve and issue the drafted RFP for a Medical Advisor was made by Trustee Lappe, seconded by Trustee Skardon.

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

RFP Investment Consultant

A draft was distributed to Board members. No action taken at this time.

All business concluded, *a motion to adjourn was made by Trustee Lappe, seconded by Trustee Skardon.*

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