



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

MINUTES

BOARD MEETING

TUESDAY – NOVEMBER 23, 2021

Board Meeting Agenda
November 23, 2021, 9:00 AM, via Teleconference

In accordance with Governor JB Pritzker's Disaster Proclamation issued November 12, 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: 891 4866 2405

- 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 October 28, 2021
 - b) Approval of Minutes - Executive Sessions held October 28, 2021
 - c) Approval of Transcript - Board Meeting held October 28, 2021
- 4) Approval Board Orders
 - a) Officer Ronald Dybas
 - b) Officer Charles Meadows
- 5) Approval of Benefit Applications and Expenses
- 6) Credit for Other Service Hearing – Officer Muhammad Baig
- 7) Disability Hearings
 - a) Officer Richard Arroyo
 - b) Officer Nicole Conway
 - c) Captain Eric Olson
- 8) Legal Review - In-process Cases Status Report*
 - a) In-process case report
 - b) Other
- 9) Annual Gift to Minimum Annuitants and Widows
- 10) IT Assessment
- 11) Investment Items
 - a. Cash Flow/Needs
 - b. Market Update, 3rd Quarter and October Performance Review
 - c. TerraCap Portfolio Review and Re-up Discussion
- 12) Annuitant Board Member Election – Contest filed
- 13) 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 November 23, 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 November 12, 2022 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
Melissa Conyears-Ervin	Trustee
John Lally^	Trustee
Michael Lappe^	Vice President
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^	Benefits Analyst

Consultants and Advisors Present:

Kevin Leonard	NEPC
Dr. Peter Orris*	Board Physician
Richard Reimer*	Board Attorney/Hearing Officer

Investment Managers Present:

Pat Melton	TerraCap
Steve Hagenbuckle	TerraCap

Public in Attendance:

Craig Slack	City of Chicago Office of the Treasurer
Richard R. Arroyo*	Police Officer, CPD
Eric R. Olson *	Police Captain, CPD
Ralph Licari*	Attorney
Miriam Santos*	Attorney

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

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. Anthony Brown, retired police sergeant, member of the public chose to address the Board.

APPROVAL OF ADMINISTRATIVE ITEMS

The first order of business was review of the minutes of the Board meeting held October 28, 2021. *A motion to approve the minutes from the Board meeting held October 28, 2021, was made by Trustee Skardon, seconded by Trustee Lappe.*

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

The next order of business was the review of the minutes of the Executive Sessions from the Board meeting held October 28, 2021. *A motion to approve the executive session minutes from the Board meeting held October 28, 2021, was made by Trustee Skardon, seconded by Trustee Lappe.*

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

The next order of business was the review of the transcript of the Board meeting held October 28, 2021. *A motion to approve the transcript from the Board meeting held October 28, 2021, was made by Trustee Skardon, seconded by Trustee Lappe.*

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

APPROVAL OF BOARD ORDERS

Ronald Dybas

Payment of Death Benefit.

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

A motion authorizing staff to adopt and publish the Board order prepared for Heirs of Ronald Dybas was made by Trustee Skardon, seconded by Trustee Lappe.

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

Charles Meadows

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 Charles Meadows was made by Trustee Skardon, seconded by Trustee Lappe.

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

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

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

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

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

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

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

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

DOCKET: SCHEDULE II-F Refund of Contributions Received in Error

A motion to approve the Refund of Contributions Received in Error as detailed on Schedule II-F was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE II-F Refund of Contributions Received in Error-Continued

This matter tabled until later today's date.

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

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

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

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

DOCKET: SCHEDULE IV Disability Benefits - Revised

A motion to approve the revised disability benefits as detailed on Schedule IV was made by Trustee Skardon, seconded by Trustee Lappe.

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

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

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

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

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

DOCKET: SCHEDULE VII-A GUARDIANSHIP APPOINTMENT WITH ONE-TIME RETRO PAYMENT DUE

Documentation verified, review and discussion concluded. *A motion to acknowledge the Guardianship appointments as detailed on Schedule VII-A was made by Trustee Skardon, seconded by Trustee Lappe.*

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

DOCKET: SCHEDULE VII-B PRIOR SERVICE REQUESTS FOR COOK COUNTY SERVICE UNDER 40 ILCS 5/5-214 (C)

Documentation verified. *A motion to approve the prior service requests as detailed on Schedule VII-B was made by Trustee Skardon, seconded by Trustee Lappe.*

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

DOCKET: SCHEDULE VII-C 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-C was made by Trustee Skardon, seconded by Trustee Lappe.*

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

General docketed items completed.

Whereas Trustee Conyears-Ervin left the proceedings

A motion to appoint Justin Kugler as the Hearing Officer for the prior service hearing and 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 Lappe.

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

DOCKET: SCHEDULE VII-D PRIOR SERVICE CREDIT - HEARING

Muhammad Baig

This hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the application of Officer Muhammad Baig. Officer Baig appeared before the Board, without counsel, on his claim for prior service pension credit. The records and documents presented were reviewed and testimony was taken from claimant. A motion to deny Officer Baig's request for prior service credit under 40 ILCS 5/5-214 was made by Trustee Skardon, seconded by Trustee Lally.

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

DOCKET: SCHEDULE VIII-A DUTY DISABILITY HEARING

Richard Arroyo Hearing

This hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability claim of Officer Richard Arroyo. Officer Arroyo 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 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, Lally, Lappe, Park, Skardon, Stiscak.
 Against: 0.
 Absent: Bennett, Conyears-Ervin.

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

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

Richard Arroyo Hearing Continued

A motion to award Officer Arroyo a duty disability benefit pursuant to his application was made by Trustee Skardon, seconded by Trustee Lappe.

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

A motion to grant Officer Arroyo duty disability benefit at 75% of salary as provided for in the Illinois Pension Code was made by Trustee Skardon, seconded by Trustee Lappe.

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

DOCKET: SCHEDULE VIII-B DISABILITY STATUS HEARING

Nicole Conway Hearing

A motion to defer the disability status review for Nicole Conway until further notice was made by Trustee Skardon, seconded by Trustee Lally.

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

DOCKET: SCHEDULE VIII-A DUTY DISABILITY HEARING CONTINUED

Eric R. Olson Hearing

This hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability claim of Captain Eric R. Olson. Captain Olson 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. Videos of the injury incident were presented and viewed.

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

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

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

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

A motion to award Captain Olson a duty disability benefit pursuant to his application was made by Trustee Lally, seconded by Trustee Stiscak.

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

A motion to grant Captain Olson duty disability benefit at 75% of salary as provided for in the Illinois Pension Code was made by Trustee Lally, seconded by Trustee Stiscak.

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

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 Stiscak, seconded by Trustee Lappe.

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

Item Revisited

DOCKET: SCHEDULE II-F Refund of Contributions Received in Error-Continued

Documentation verified, review and discussion concluded. *A motion to approve the refund of erroneous pension contributions to Alan R. Holcomb as detailed on Schedule II-F Continued was made by Trustee Skardon, seconded by Trustee Lappe.*

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

ANNUAL GIFT TO MINIMUM ANNUITANTS AND WIDOWS

Executive Director Erin Keane reviewed with the Trustees the history of providing a gift check to the Fund's minimum annuitants and widows. The total recipients for December 2021 is 772 and to provide a \$500 gift check the amount \$386,000 is required.

A motion to approve allocating \$386,000 from the Fund's gift reserve to provide the 2021 gift check of \$500 to the identified annuitants and widows was made by Trustee Lappe, seconded by Trustee Lally.

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

IT ASSESSMENT

Executive Director Erin Keane reviewed with the Trustees a request to have an assessment of the Fund's IT structure completed.

A motion to approve allocating \$20,000 for assessment of the Fund's IT Structure was made by Trustee Stiscak, seconded by Trustee Lappe.

ROLL CALL: For: Beyna, Lally, Lappe, 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 \$76.1 million for November 2021. He reported that for Tax Levy Year 2020/Payment year 2021, the Fund has received approximately \$710 million, or 96% of the total amount due of \$738 million. There remains a balance due of \$28 million. The levy distributions to date are consistent with historical levels.

Market Update, 3rd Quarter Review

Kevin Leonard of NEPC reviewed October investment performance and provided a year-to-date market update.

TerraCap Portfolio Review

Patrick Melton and Steve Hagenbuckle of TerraCap appeared before the Board for a recap on Fund IV and a presentation on the Fund V offering.

A motion to go into executive session pursuant to 5 ILCS 120/2(c)(7) was made by Trustee Skardon, seconded by Trustee Park.

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

ANNUITANT BOARD MEMBER ELECTION - CONTEST FILED

The Board election rules require any person wishing to contest the results of an election to submit an affidavit setting out the reasons why the declared results are inaccurate. The affidavit must be received within 10 days after the results of the canvass have been provided to the candidates.

Retiree member and candidate Rosemarie Giambalvo submitted an affidavit contesting the election results of the 2021 Annuitant Trustee Election within the required 10 days and her affidavit was included in the meeting materials for the Board’s review and consideration. As a matter of due diligence, Fund staff asked the election administrator, Survey and Ballot Systems (SBS), to respond to claims made in the affidavit. SBS provided the Board with a letter specifically addressing certain concerns cited in Ms. Giambalvo’s affidavit.

Vice President Stiscak provided Ms. Giambalvo the opportunity to address the Board with her concerns. The affidavit and oral statement did not provide substantial evidence to cause the Board to question the validity of the election outcome. A motion to deny Ms. Giambalvo’s contest of the 2021 Annuitant Trustee Election, was made by Trustee Skardon, seconded by Trustee Stiscak

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

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

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