



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

MINUTES

INVESTMENT MEETING

MONDAY – July 25, 2022

**Policemen's Annuity and Benefit Fund of Chicago
Investment Meeting**

July 25, 2022

10:00 AM

In accordance with Governor JB Pritzker's Disaster Proclamation issued July 22, 2022 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: 820 1608 6560

- 1) Roll Call
- 2) Requests from Members of the Public to Address the Board
- 3) Discussion Regarding Cash Flow and Possible Action Regarding the Liquidation of Investments to Assist in the Payment of Benefits
- 4) Market Update and June Performance/Flash Report
- 5) Inflation/Market Outlook Discussion
- 6) Discussion and Possible Action Regarding Investment Consultant Request for Proposal
- 7) Other Business

PRESENT

Board Members:

Michael Stiscak^	President, Recording Secretary
Stephen Skardon*	Vice President
Melissa Conyears-Ervin	Trustee
Michael Lappe	Trustee
Wayne Metcalfe^	Trustee
Susie Park	Trustee

Staff:

Kevin Reichart^	Acting Executive Director/Comptroller
Bob Crawford^	Disability Manager
Jason Wasiukiewicz^	Benefits Analyst

Legal Counsel

Sarah Boeckman^	Burke Burns & Pinelli
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Consultants:

Kevin Leonard	NEPC
DeAnna Jones	NEPC
Phillip Nelson	NEPC

Public in Attendance:

Craig Slack	City of Chicago Office of the Treasurer
Mark Myslinski	City of Chicago Office of the Treasurer
Others in attendance via audio, identified only by telephone numbers	

NOT PRESENT:

Jennie Bennett	Trustee
John Lally	Trustee

^ Denote attendance in person at the Fund office

*Denotes partial attendance

ROLL CALL

President Stiscak determined a quorum was present and called the meeting to order at approximately 10:05 a.m.

REQUESTS FROM MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD

President Stiscak then asked if there were any requests from the public to address the Board.

Two members of the Fund addressed the Board: Mr. Gene Roy and Ms. Rosemarie Giambalvo.

CASH FLOW

Comptroller Kevin Reichart presented the Fund cash flow and needs. Kevin reported that the Fund has received from the City of Chicago approximately \$421 million out of the \$786.8 million in required contributions for the 2022 payment year. He further reported that the Fund is receiving contributions in a rate similar to previous years.

CASH FLOW- continued

Comptroller Reichart also reported that the second installment Cook County property bills would be delayed by approximately 4 months this year. This will cause a corresponding delay in the Fund receiving tax receipts and may require significant liquidations of investments each month for the remainder of the year to meet cash flow needs.

In addition, although the Fund did not have to liquidate any assets for the month of July, Comptroller Reichart asked the Board to authorize liquidation of up to \$25 million for cash flow needs in August.

MARKET UPDATE AND JUNE PERFORMANCE/FLASH REPORT

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

A motion was made by Trustee Stiscak, seconded by Trustee Metcalf to liquidate up to \$25 million from the Northern Trust Russell 1000 Index Fund based upon NEPC's recommendation.

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

INFLATION/MARKET OUTLOOK DISCUSSION

Phillip Nelson of NEPC led a presentation on the expected inflation outlook in the near-term and long-term.

Trustee Skardon joined the proceedings.

DISCUSSION AND POSSIBLE ACTION REGARDING INVESTMENT CONSULTANT REQUEST FOR PROPOSAL

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

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

A motion to return to open session was made by Trustee Skardon, seconded by Trustee Lappe.

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

A motion to retain NEPC as the Fund's investment consultant subject to successful contract negotiations was made by Trustee Skardon, seconded by Trustee Lappe.

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

No other business

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

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