

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

MINUTES

BOARD MEETING

THURSDAY – FEBRUARY 23, 2023

Board Meeting Agenda February 23, 2023, 9:00 A.M.

- 1) Roll Call
- 2) Requests from Members of the Public to Address the Board
- 3) Approval of Administrative Items
 - a) Approval of Minutes Investment Meeting held January 23, 2023
 - b) Approval of Transcript Investment Meeting held January 23, 2023
 - c) Approval of Minutes Board Meeting held January 26, 2023
 - d) Approval of Minutes Executive Sessions during Board Meeting held January 26, 2023
 - e) Approval of Transcript Board Meeting held January 26, 2023
- 4) Consideration for Approval of Board Orders
 - a) Detective Beth Svec Duty Disability Claim
 - b) Officer Lori Bechina Duty Disability Claim
- 5) Consideration for Approval of Benefit Applications and Expenses
- 6) Consideration for Approval of Applications for Disability / Reviews
 - a) Hearing on Officer Andrew Kutella Duty Disability Claim
 - b) Hearing on Officer William Molina Duty Disability Status Hearing
- 7) Discussion and Possible Action Regarding Legislative Agenda
- 8) Legal Review*
 - a) In-process case report
 - b) Other
- 9) Discussion Regarding Cash Flow and Possible Action Regarding the Liquidation of Investments to Assist in the Payment of Benefits
- 10) Discussion and Possible Action Regarding 2023 Budget*
- 11) Discussion and Possible Action Regarding Fund Legislative Lobbyist RFI
- 12) 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
Wayne Metcalfe Trustee
Susie Park Trustee

Stephen Skardon Vice President

Michael Stiscak President, Recording Secretary

Staff Present:

Kevin Reichart Executive Director
Sarah Boeckman Board Counsel
Kay Hylton Benefits Manager
Bob Crawford Disability Manager
Jason Wasiukiewicz^ Staff Assistant

Consultants and Advisors Present:

Dr. Peter Orris* Board Physician
Dr. Susan Buchanan* Board Physician

Brian Labardi* Board Attorney/Hearing Officer

Bella Bukola^* Legislative liaison

Deanna Jones^ NEPC

Public in Attendance:

Craig Slack City of Chicago Office of the Treasurer

Andrew Kutella* Police Officer, CPD

Ralph Licari* Attorney

William Molina* Police Officer, CPD Carlos Saladino* Retired, CPD

Other unidentified persons were in attendance.

[^] Denote attendance virtually

^{*}Denotes partial attendance

ROLL CALL

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

Due to the fact that there is a physical quorum present there was a motion by Trustee Lally, seconded by Trustee Metcalfe to allow Board Members to participate remotely as provided for in the Open Meetings Act section 7(a).

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

Against: 0.

Absent: Bennett, Conyears-Ervin, Lappe.

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. Retired member Carlos Saladino addressed the Board.

APPROVAL OF ADMINISTRATIVE ITEMS

The first order of business was review of the minutes of the Investment Meeting held January 23, 2023. A motion to approve the minutes from the Investment Meeting held January 23, 2023, was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Against: 0.

Absent: Bennett, Conyears-Ervin, Lappe.

The next order of business was the review of the transcript from the Investment Meeting held January 23, 2023. A motion to approve the transcript from the Investment Meeting held January 23, 2023, was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Against: 0.

Absent: Bennett, Conyears-Ervin, Lappe.

The next order of business was the review of the minutes of the Board Meeting held January 26, 2023. A motion to approve the minutes from the Board Meeting held January 26, 2023, was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Against: 0.

Absent: Bennett, Conyears-Ervin, Lappe.

The next order of business was the review of the minutes of the Executive Sessions held January 26, 2023. A motion to approve the minutes from the Executive Sessions held January 26, 2023, was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Against: 0.

Absent: Bennett, Conyears-Ervin, Lappe.

APPROVAL OF ADMINISTRATIVE ITEMS - CONTINUED

The next order of business was the review of the transcript of the Board Meeting held January 26, 2023. A motion to approve the transcript of the Board Meeting held January 26, 2023, was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Against: 0.

Absent: Bennett, Conyears-Ervin, Lappe.

APPROVAL OF BOARD ORDERS

Detective Beth Svec

Duty Disability Claim

Board Counsel provided a draft order to the Board.

A motion to approve the Board Order as submitted for Beth Svec was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Against: 0

Absent: Bennett, Conyears-Ervin, Lappe.

Lori Bechina

Duty Disability Claim

Board Counsel provided a draft order to the Board.

A motion to approve the Board Order as submitted for Lori Bechina was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Against: 0.

Absent: Bennett, Conyears-Ervin, Lappe.

CONSIDERATION FOR APPROVAL OF BENEFIT APPLICATIONS AND EXPENSES

DOCKET: SCHEDULE I-A Incurred Expenses for the Month of February 2023

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

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

Against: 0.

Absent: Bennett, Conyears-Ervin, Lappe.

DOCKET: SCHEDULE II-A Refunds and REVISED Refunds of Contributions

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

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

Against: 0.

Absent: Bennett, Conyears-Ervin, Lappe.

Trustee Bennett joined the proceedings via Zoom.

DOCKET: SCHEDULE II-B Refunds of Surviving Spouse's Contributions

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

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE II-B Refunds of Surviving Spouse's Contributions - REVISED

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

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE II-C Refunds of Exempt Rank Contributions and REVISED Exempt Rank Refund

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

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

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 Metcalfe.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE II-E Refund of Unused Contributions and REVISED Refund of Unused Contributions

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

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE II-G Refund of Automatic Increase Reserve (retirement < 20 years)

A motion to approve the Refund of Automatic Increase Reserve as detailed on Schedule II-G was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE II-G Refund of Automatic Increase Reserve (retirement < 20 years) REVISED

A motion to approve the Refund of Automatic Increase Reserve – Revised as detailed on Schedule II-G, Continued was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE III-A 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 Metcalfe.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE III-A Annuities - REVISED

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

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

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 Metcalfe.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE III-B Annuities to Widows - REVISED

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

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE III-C Annuities to Children

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

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE III-C Annuities to Children REVISED

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

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE IV Disability Benefits

Timothy Moragne, Claiming Duty Disability

The Board Physician provided a review of the applicant's medical reports.

A motion to award Timothy Moragne, 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 Lally.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

Roberto Ramirez

Roberto Ramirez, Claiming Duty Disability

The Board Physician provided a review of the applicant's medical reports.

A motion to award Roberto Ramirez, 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 Lally.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

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 Metcalfe.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE VI PENSION CREDIT FOR LEAVES OF ABSENSE UNDER 40 ILCS 5/5-214(d)

Documentation review and discussion concluded. A motion to DENY the additional pension credit for other service under 40 ILCS 5/5-214(d) as detailed on Schedule VI was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE VII-A REQUESTS TO PURCHASE ADDITIONAL PENSION CREDIT FOR PRIOR SERVICE UNDER 40 ILCS 5/5-214(C)

Documentation review and discussion concluded. A motion to DENY 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 Metcalfe.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

DOCKET: SCHEDULE VII-B REQUESTS TO PURCHASE ADDITIONAL PENSION CREDIT FOR CERTAIN LAW ENFORCEMENT SERVICE UNDER 40 ILCS 5/5-214.2

Documentation verified, review and discussion concluded. A motion to approve the request to purchase additional pension credit for prior Portability service under 40 ILCS 5/5-214.2 as detailed on Schedule VII-B was made by Trustee Skardon, seconded by Trustee Metcalfe.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

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 Metcalfe.

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

General docketed items completed.

HEARINGS

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

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

Against: 0.

Absent: Conyears-Ervin, Lappe.

Trustee Conyears-Ervin joined the proceedings.

Trustee Bennett left the proceedings.

DOCKET: SCHEDULE VIII-A DUTY DISABILITY HEARING

<u>Andrew Kutella – Hearing continued from previous date</u>

This hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability claim of Officer Andrew Kutella. Officer Kutella appeared before the Board, with counsel, on the continuation of his claim for a duty disability benefit. The records and documents presented were reviewed and testimony was taken from claimant. Review included the supplemental exhibits submitted since the previous hearing held November 30, 2022.

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

ROLL CALL: For: Conyears-Ervin, Lally, Metcalfe, Park, Skardon, Stiscak.

Against: 0.

Absent: Bennett, Lappe.

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

ROLL CALL: For: Conyears-Ervin, Lally, Metcalfe, Park, Skardon, Stiscak.

Against: 0.

Absent: Bennett, Lappe.

A motion to award Officer Andrew Kutella duty disability benefits for the period March 15, 2022 through March 31, 2023, was made by Trustee Skardon, seconded by Trustee Lally.

ROLL CALL: For: Conyears-Ervin, Lally, Metcalfe, Park, Skardon, Stiscak.

Against: 0.

Absent: Bennett, Lappe.

Trustee Bennett re-joined the proceedings via Zoom.

DOCKET: SCHEDULE VIII-B DUTY DISABILITY STATUS HEARING

William A. Molina - Hearing

Officer Molina appeared before the Board, without counsel, on his claim for a disability status review and requested a continuance in order to obtain legal counsel.

A motion to grant Officer Molina a continuance until the April 27, 2023 Board meeting was made by Trustee Lally, seconded by Trustee Metcalfe.

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

Against: 0.
Absent: Lappe.

LEGAL REVIEW - IN-PROCESS CASES STATUS REPORT

Board's legal counsel Sarah Boeckman provided a report, which was included in the materials provided previously to the Board for review. No action or discussion was required.

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

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

Against: 0.
Absent: Lappe.

LEGAL REVIEW - IN-PROCESS CASES STATUS REPORT- CONTINUED

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

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

Against: 0.
Absent: Lappe.

A motion for the Fund to enter into a retention agreement with Bleichmar Fonti Auld, LLP and Kehoe Law Firm, P.C. authorizing them to prosecute claims under federal securities laws relating to the securities of Twist Bioscience Corporation in the securities class action captioned <u>Peters v. Twist Bioscience Corporation et al</u>, No. 3:22-cv-08168-TSH (N.D. Cal.) was made by Trustee Stiscak, seconded by Trustee Skardon.

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

Against: 0.
Absent: Lappe.

DISCUSSION AND POSSIBLE ACTION REGARDING 2023 BUDGET

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

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

Against: 0.
Absent: Lappe.

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

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

Against: 0.
Absent: Lappe.

Trustee Bennett left the proceedings.

CASH FLOW

Executive Director Kevin Reichart presented the Fund cash flow and needs.

A motion to liquidate up to \$25 million from the Xponance Index Fund, if needed, consistent with the recommendation from NEPC was made by Trustee Skardon, seconded by Trustee Lally.

ROLL CALL: For: Conyears-Ervin, Lally, Metcalfe, Park, Skardon, Stiscak.

Against: 0.

Absent: Bennett, Lappe.

DISCUSSION AND POSSIBLE ACTION REGARDING LEGISLATIVE AGENDA

Bukola Bella joined the meeting via Zoom and provided the Trustees a legislative agenda update and information on pending bills of interest to the Fund.

DISCUSSION AND POSSIBLE ACTION REGARDING FUND LEGISLATIVE LOBBYIST RFI

Executive Director Kevin Reichart recapped that in December 2022 the board requested that he work with Fund counsel to issue an RFI for a Fund Lobbyist. That was completed in January with submittals due by mid-February. The Fund received three submittals; Blaida & Associates, Phelps Barry and Vision M.A.I. Their submittals have been provided to the Board for review. Presentation from the three will be scheduled at the Investment Meeting of March 20, 2023.

OTHER BUSINESS

Trustee Conyears-Ervin requested an update on her request to change the date of the July Board meeting. Executive Director advised that another Board member had scheduled commitments around the posted meeting date, so a date change was not possible.

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

ROLL CALL: For: Conyears-Ervin, Lally, Metcalfe, Park, Skardon, Stiscak.

Against: 0.

Absent: Bennett, Lappe.