



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

MINUTES

BOARD MEETING

THURSDAY – AUGUST 24, 2023

Board Meeting Agenda
August 24, 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 July 24, 2023
 - b) Approval of Minutes - Executive Session during Investment Meeting held July 24, 2023
 - c) Approval of Transcript - Investment Meeting held July 24, 2023
 - d) Approval of Minutes – Board Meeting held July 27, 2023
 - e) Approval of Minutes - Executive Sessions during Board Meeting held July 27, 2023
 - f) Approval of Transcript - Board Meeting July 27, 2023
- 4) Consideration for Approval of Board Orders
 - a) Officer Amy Carey – Duty Disability Claim
 - b) Officer Alfred Caruso – Duty Disability Claim
- 5) Consideration for Approval of Benefit Applications and Expenses
- 6) Consideration and Possible Action Regarding Fiduciary and Cyber Liability Insurance Renewal
- 7) Consideration for Approval of Applications for Disability / Reviews
 - a) Hearing for Miguel Rios – Duty Disability
 - b) Hearing for Sergeant Angela Salgado – Duty Disability
 - c) Status Review for Officer Carlos Zamora – Duty Disability
- 8) Consideration and Possible Action Regarding Physician's Recommendations
- 9) Consideration and Possible Action Regarding Application and Hearing Rules and Procedures
- 10) Legal Review*
 - a) In-process case report
 - b) Other
- 11) Consideration and Possible Action Regarding City of Chicago Funding Letter
- 12) Discussion Regarding Cash Flow and Possible Action Regarding the Liquidation of Investments to Assist in the Payment of Benefits
- 13) Other Business

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

Board Members Present:

Melissa Conyears-Ervin*	Trustee
Jill Jaworski	Trustee
John Lally	Trustee
Mike Lappe	Trustee
Jeffrey Levine*	Trustee
Wayne Metcalfe	Trustee
Michael Stiscak	President, Recording Secretary

Staff Present:

Kevin Reichart	Executive Director
Sarah Boeckman	Board Counsel
Kay Hylton	Benefits Manager
Bob Crawford	Disability Manager

Consultants and Advisors Present:

Dr. Susan Buchanan*	Board Physician
Richard Reimer	Board Attorney/Hearing Officer
Craig Goesel*	Agent/Fiduciary Liability and Cyber Insurance (Alliant)
Jake Jemmi*	Agent/Fiduciary Liability and Cyber Insurance (Alliant)

City of Chicago Office of the Treasurer Staff

City of Chicago Office of the Chief Financial Officer Staff

Public in Attendance:

Ralph Licari*	Attorney
Carlos Zamora *	Police Officer, CPD
Angela Salgado *	Police Sergeant, CPD
Tom Laughran	Retired, CPD
Michael Rothman*	Attorney

^ Denote attendance virtually

*Denotes partial attendance

ROLL CALL

Trustee 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 one request to address the Board: Attorney Michael Rothman.

APPROVAL OF ADMINISTRATIVE ITEMS

The first order of business was review of the minutes of the Investment Meeting held July 24, 2023.

A motion to approve the minutes from the Investment Meeting held July 24, 2023, was made by Trustee Lappe, seconded by Trustee Lally.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

The next order of business was the review of the minutes of the Executive Sessions held July 24, 2023.

A motion to approve the minutes from the Executive Sessions held July 24, 2023, was made by Trustee Lappe, seconded by Trustee Lally.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

The next order of business was the review of the transcript of the Board Meeting held July 24, 2023.

A motion to approve the transcript of the Board Meeting held July 24, 2023, was made by Trustee Lappe, seconded by Trustee Lally.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

The next order of business was the review of the minutes of the Board Meeting held July 27, 2023.

A motion to approve the minutes from the Board Meeting held July 27, 2023, was made by Trustee Lappe, seconded by Trustee Lally.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

The next order of business was the review of the minutes of the Executive Sessions held July 27, 2023.

A motion to approve the minutes from the Executive Sessions held July 27, 2023, was made by Trustee Lappe, seconded by Trustee Lally.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

APPROVAL OF ADMINISTRATIVE ITEMS--continued

The next order of business was the review of the transcript of the Board Meeting held July 27, 2023.

A motion to approve the transcript of the Board Meeting held July 27, 2023, was made by Trustee Lally, seconded by Trustee Lally.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

CONSIDERATION FOR APPROVAL OF BOARD ORDERS

Officer Amy Carey

Duty Disability Claim

Board Counsel provided a draft order to the Board.

A motion to approve the Board Order as submitted for Officer Amy Carey was made by Trustee Lally, seconded by Trustee Lappe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

Officer Alfred Caruso

Duty Disability Claim

Board Counsel provided a draft order to the Board.

A motion to approve the Board Order as submitted for Officer Alfred Caruso was made by Trustee Lally, seconded by Trustee Lappe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

CONSIDERATION FOR APPROVAL OF BENEFIT APPLICATIONS AND EXPENSES

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

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

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

DOCKET: SCHEDULE II-A Refunds of Contributions

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

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

CONSIDERATION FOR APPROVAL OF BENEFIT APPLICATIONS AND EXPENSES – continued

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 Lally, seconded by Trustee Lappe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

DOCKET: SCHEDULE II-C Refunds of Exempt Rank Contributions

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

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

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 Lally, seconded by Trustee Lappe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

DOCKET: SCHEDULE II-E Refunds of Unused Annuity Accumulations

A motion to approve refunds as detailed on Schedule II-E, was made by Trustee Lally, seconded by Trustee Lappe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

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 Lally, seconded by Trustee Lappe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

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 Lally, seconded by Trustee Lappe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

CONSIDERATION FOR APPROVAL OF BENEFIT APPLICATIONS AND EXPENSES – continued

DOCKET: SCHEDULE III-C Annuities to Children

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

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

DOCKET: SCHEDULE IV Disability Benefits

Michael D. Komo, Claiming Ordinary Disability

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

A motion to defer all benefits subject to a full evidentiary hearing was made by Trustee Lappe, seconded by Trustee Metcalfe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

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 Lally, seconded by Trustee Lappe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

DOCKET: SCHEDULE VII-A 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-A was made by Trustee Lally, seconded by Trustee Lappe.*

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

General docketed items completed.

FIDUCIARY LIABILITY/CYBER INSURANCE RENEWAL

Craig Goesel and Jake Jemmi of Alliant appeared before the Board on the renewal of the Fund’s Fiduciary Liability and Cyber Liability Insurance for 2024. After presentation, questions and answers, a *motion to renew the Fiduciary Insurance with Euclid as primary \$5 million and Ullico as excess \$5 million with a premium of \$176,333 for the Policemen’s Annuity and Benefit Fund for the period September 2023- September 2024, was made by Trustee Lally, seconded by Trustee Lappe.*

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

Trustee Lally made a motion to renew the cyber liability insurance coverage, consistent with Alliant’s recommendation, seconded by Trustee Lappe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

HEARINGS

A motion to appoint Richard Reimer as the Hearing Officer for all disability cases scheduled to be heard at this meeting was made by Trustee Lally, seconded by Trustee Lappe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

IN ORDER OF APPEARANCE

DOCKET: SCHEDULE VIII-A DUTY DISABILITY HEARING

Miguel Rios

Attorney for Officer Miguel Rios requested a continuance on the duty disability hearing.

A motion to grant a continuance for Officer Miguel Rios to the November 2023 Board meeting was made by Trustee Lally, seconded by Trustee Lappe.

ROLL CALL: For: Conyears-Ervin. Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Levine.

DOCKET: SCHEDULE VIII-A DUTY DISABILITY HEARING- continued

Angela Salgado

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

WHEREUPON, Trustee Conyears-Ervin left the proceedings.

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

ROLL CALL: For: Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Conyears-Ervin, Levine.

WHEREUPON, Trustee Jeffrey Levine entered the proceedings.

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

ROLL CALL: For: Jaworski, Lally, Lappe, Levine, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Conyears-Ervin.

A motion to award Officer Angela Salgado a duty disability benefit at 75% of salary as provided for in the Pension Act was made by Trustee Lally, seconded by Trustee Lappe.

ROLL CALL: For: Jaworski, Lally, Lappe, Metcalfe, Stiscak.
 Against: 0.
 Abstain: Levine.
 Absent: Guzman, Conyears-Ervin.

CONSIDERATION RULES AND PROCEDURES FOR APPLICATIONS AND HEARINGS

A motion to adopt the modified Rules and Procedures as submitted was made by Trustee Metcalfe, seconded by Trustee Lappe.

ROLL CALL: For: Jaworski, Lally, Lappe, Levine, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Conyears-Ervin.

LEGAL REVIEW - IN-PROCESS CASES STATUS REPORT

Board's legal counsel Sarah Boeckman provided a report included with meeting materials for review.

CONSIDERATION OF CITY OF CHICAGO FUNDING LETTER

Executive Director Reichart provided a summarization for the Board.

As previously discussed, there's an expected four-month delay in the receipt of the second installment of property tax receipts, and in response to this expected delay, the City has proposed providing funding as described in the letter that's in the Board materials. Until property tax receipts begin again on a monthly basis, the Fund would submit a funding form to the City requesting enough money to avoid investment liquidations for that month's cash flows and to maintain the Fund's customary pass downs. The Fund's staff and counsel have reviewed the City's memorandum. Upon Board approval, staff is prepared to submit our first request for \$40 million from the City to meet August's cash flow needs and forestall any liquidation of investments in the month of August.

A motion to accept the terms, as needed, the 2023 advanced pension contribution terms and conditions memo from the City was made by Trustee Metcalfe, seconded by Trustee Lappe.

ROLL CALL: For: Jaworski, Lally, Lappe, Levine, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Conyears-Ervin.

CASH FLOW REPORT AND ACTION REGARDING THE LIQUIDATION OF INVESTMENTS TO ASSIST IN THE PAYMENT OF BENEFITS

Executive Director Kevin Reichart presented the Fund cash flow and cash needs. He reported that the Fund has received \$361 million from the City of Chicago for the 2023 payment year. There is a balance due of \$434.5 million.

In addition, the Fund did not need to liquidate any assets for the month of July. Executive Director Reichart requested permission from the Board to liquidate up to \$75 million in September for cash flow needs, just in case the City is unable to provide funding via the process described earlier. NEPC recommended that the source of the liquidation, if needed, be the investment with Xponance.

A motion consistent with NEPC's recommendations to liquidate up to \$75 million from Xponance for September cash flow needs should we not receive such funding from the City was made by Trustee Lally, seconded by Trustee Lappe.

ROLL CALL: For: Jaworski, Lally, Lappe, Levine, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Conyears-Ervin.

CONSIDERATION REGARDING PHYSICIAN'S RECOMMENDATIONS

A motion to accept the recommendation from the Board's physician concerning additional medical reviews/tests on certain disability recipients was made by Trustee Lally, seconded by Trustee Lappe.

ROLL CALL: For: Jaworski, Lally, Lappe, Levine, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Conyears-Ervin.

OTHER BUSINESS

Executive Director Kevin Reichart provided an Election update.

Nominees who want to run for the trustee position from the rank of "Sergeant" and the trustee position from the rank of "Lieutenant or Rank Superior to Lieutenant" can file petitions from Tuesday, August 29th through Tuesday, September 5th.

Mr. Reichart informed the Board that an Invitation by Alderman Villegas, was sent to the presidents of each of the City's major public pension funds to appear before the Economic, Capital and Technology Development Committee on Tuesday, September 5, 2023, for a hearing on the investment policies of the City's pension funds. Consistent with the three other City pension funds, we intend to send a letter on August 25, 2023, respectfully declining the invitation. The Fund's investment policy as well as the applicable State statutory provisions, which govern the Fund's investment, shall be sent with the letter.

Motion to recess until 12:15 pm was made by Trustee Stiscak, seconded by Trustee Lappe.

ROLL CALL: For: Jaworski, Lally, Lappe, Levine, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Conyears-Ervin.

WHEREUPON, the meeting was recessed at 11:15 a.m. until 12:15 a.m. this date, August 24, 2023.

The Regular Meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund of the City of Chicago reconvened at 12:15 p.m.

ROLL CALL: For: Jaworski, Lally, Lappe, Levine, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Conyears-Ervin.

DOCKET: SCHEDULE VIII-B DUTY DISABILITY STATUS REVIEWS

Carlos Zamora

Officer Zamora appeared before the Board on a Status Review.

This hearing was conducted pursuant to Article 5 of the Illinois Pension Code concerning the disability status review of Officer Carlos Zamora. Officer Zamora appeared before the Board, without counsel, on his disability review. The records and documents presented were reviewed and testimony was taken from Officer Zamora and the Board's physician, Dr. Buchanan.

A motion to terminate the Duty Disability Benefits effective September 30, 2023, or a Return to Duty date was made by Trustee Metcalfe, seconded by Trustee Lappe.

ROLL CALL: For: Jaworski, Lally, Lappe, Levine, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Conyears-Ervin.

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

ROLL CALL: For: Jaworski, Lally, Lappe, Levine, Metcalfe, Stiscak.
 Against: 0.
 Absent: Guzman, Conyears-Ervin.