
MINUTES OF THE PROCEEDINGS
REGULAR MEETING
OF THE
RETIREMENT BOARD OF THE POLICEMEN'S
ANNUITY & BENEFIT FUND
HELD
MONDAY - DECEMBER 18, 2017

The regular meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund was held December 18, 2017, at 9:00 A.M. at the office of the Fund, 221 N. LaSalle Street, Room 1626, Chicago, Illinois for the consideration of applications and bills, and for other such matters that came before the Board. The contents of this meeting were transcribed by Esquire Communications, Ltd. Court Reporters and are made a part of the record.

PRESENT: Trustees Beyna, Brown, Caldero, Hamburger, Hauser, Wodnicki, Wright 7.
ABSENT: Summers 1.
PRESIDING: President Hauser

President Hauser called the meeting to order.

The first order of business was the election of Retirement Board Officers for the Policemen's Annuity and Benefit Fund.

ELECTION OF OFFICERS

Nomination made by Trustee Wright of Kenneth Hauser for the position of President, seconded by Trustee Hamburger.

No other nominations were made.

VOTE on the nomination.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.
Absent: Brown, Summers 2.
Against: 0.

Nomination made by Trustee Beyna, of Carol Hamburger for the position of Vice President, seconded by Trustee Wright.

No other nominations were made.

VOTE on the nomination.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.
Absent: Brown, Summers 2.
Against: 0.

Nomination made by Trustee Hauser of Brian Wright for the position of Recording Secretary, seconded by Trustee Hamburger.

No other nominations were made.

VOTE on the nomination.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.
Absent: Brown, Summers 2.
Against: 0.

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President Hauser called for a motion on the minutes from the regular Board of Trustee meeting held October 26, 2017.

Motion was made by Trustee Wright, seconded by Trustee Wodnicki that the Board approve the minutes from the regular meeting held October 26, 2017.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

President Hauser called for a motion on the minutes from the regular Board of Trustee meeting held November 30, 2017.

Motion was made by Trustee Beyna, seconded by Trustee Wright that the Board approve the minutes from the regular meeting held November 30, 2017.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

Trustee Hauser requested motions on Board orders submitted by the Board's legal counsel.

In the matter of **Michael Alesia**, the Board found that Officer Alesia's duty disability benefit, resulting from an act of duty has ceased, and therefore, his duty disability benefit shall cease on December 31, 2017, and be granted an Ordinary Disability benefit effective January 1, 2018, as he is disabled from a non-duty incident..

It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board adopt the order on Michael Alesia as submitted.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

In the matter of **Bobby Costello**, his medical condition is not now disabling; ordinary disability benefits shall cease on December 31, 2017, and directed to the Chicago Police Department for reassignment.

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board adopt the order on Bobby Costello as submitted.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

MINUTES CONTINUED

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In the matter of **Peter Kochanny**, His request for pension credit for prior service under 40 ILCS 5/5-214.2, is denied. The Board finds that pursuant to the above-referenced statute, your application for the benefits he seeks had to be made no later than February 17, 2010, and your submission completed on October 26, 2017, was not timely brought. Accordingly, the Board finds your application for police pension service credit prior to your appointment as a CPD officer for all or part of the period requested is thereby denied.

It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board adopt the order on Peter Kochanny as submitted.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

In the matter of **Jennifer McClendon**, McClendon still suffers from a disability a disability and her duty disability benefits as granted to her on March 24th, 2015, should resume effective October 7th, 2017.

It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board adopt the order on Jennifer McClendon as submitted.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: Wodnicki 1.

In the matter of **Dawn Peter**, Her application for a duty disability benefit, 75%, is granted for the period July 18, 2017, through December 31, 2017. She is thereafter directed to return to the Chicago Police Department for assignment.

It was moved by Trustee Beyna, seconded by Trustee Wright that the Board adopt the order on Dawn Peter as submitted.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

President Hauser turned the meeting over to the Recording Secretary, Trustee Wright.

PAGE NO. REFERENCE

1 - 4 Incurred Expenses for the Month of December 2017.

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the Obligations as detailed on pages 1 through 4.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

5 - 6 Refunds of Contributions; Withdrawal of Service and Widow's Annuity Accumulations

It was moved by Trustee Caldero, seconded by Trustee Beyna that the Board approve the Refunds as detailed on pages 5 and 6.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

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PAGE NO. REFERENCE

7 - 8 Payment to Heirs of Deceased Annuitants

It was moved by Trustee Hauser, seconded by Trustee Caldero that the Board approve the Refunds as detailed on pages 7 and 8.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

9 Payment to Heirs of Deceased Annuitants – *Retroactive amounts due*

It was moved by Trustee Hauser, seconded by Trustee Caldero that the Board approve the Retroactive Refunds as detailed on page 9.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

10 Refund of Unused Annuity Accumulations

It was moved by Trustee Hauser, seconded by Trustee Hamburger that the Board approve the Refunds as detailed on page 10.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

11 - 12 Annuities [Summary pg. 13]

It was moved by Trustee Hauser, seconded by Trustee Caldero that the Board approve the Annuities as detailed on pages 11 and 12.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

14 Annuities to Widows [Summary pg. 15]

It was moved by Trustee Hauser, seconded by Trustee Hamburger that the Board approve the Annuities to Widows as detailed on page 14.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

16 Annuities to Children

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the Annuities to Children as detailed on page 16.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

PAGE NO. REFERENCE

17 - 18 Payments of Death Benefits [Summary pg. 19]

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the Death Benefits as detailed on page 17 and 18.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

MISCELLANEOUS

20 GUARDIANSHIP APPOINTMENT

Griffin, James J.

Documentation verified; *it was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board acknowledge the guardianship appointment as detailed on page 20.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

21 GUARDIANSHIP APPOINTMENT

Jurkiewicz, Roman

Documentation verified; *it was moved by Trustee Hauser, seconded by Trustee Beyna that the Board acknowledge the guardianship appointment as detailed on page 21.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

22 REQUEST TO PURCHASE PENSION CREDIT FOR PRIOR COOK COUNTY SERVICE UNDER 5-214 (c)

Documentation verified; *it was moved by Trustee Hauser, seconded by Trustee Hamburger that the Board approve the prior service requests as detailed on page 22.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

23 REQUESTS TO PURCHASE PENSION CREDIT FOR PRIOR MILITARY SERVICE UNDER 5-214.3

Documentation verified; *it was moved by Trustee Beyna, seconded by Trustee Caldero that the Board approve the prior military service requests as detailed on page 23.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

GENERAL AGENDA COMPLETED.

The Executive Director requested that the Board move to investment topics before proceeding with the schedule hearings.

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The Fund's Chief Investment Officer discussed investment matters with the Board.

- An update regarding the cash flow expected position as of December 31, 2017.
- An updated figure of monies received from the City.
- Proposed for the next meeting in January present a log of all statistics, which shall indicate the number of managers appointed, how much the Fund has grown, performance relative to the benchmark.
- November performance was discussed. A need to revisit and close the loop on a search that was initiated in the middle of last year, a review of the equity portfolio. A review of the portfolio; contributors to performance and style, the style of every manager to ensure that we are still maintaining the balance between value and growth of large cap, mid cap, small cap that we had put in place originally.
- There were thirty-one responses. A presentation of a list of SMID value and invite those managers, including the incumbent, back to a meeting early in the next year to present and have a final re-underwriting process conducted. After lengthily review a list of six managers was determined; Chicago Equity, Denali, Wedge & Wellington, Fisher, Smith-Graham, and Arial.

It was moved by Trustee Wodnicki, seconded by Trustee Hamburger that the Board approve six identified firms for presentations to the Fund.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

- The next item was discussion and review on the issuance of a microcap RFP.

It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board issue a RFP for a Microcap Manager beginning of January 2018.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board enter into Executive session per 2 (c)(11).

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

WHEREUPON, Trustee Brown entered the proceedings

It was moved by Trustee Wright, seconded by Trustee Beyna, that the Board exit the Executive Session.

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Brown, Summers 2.

Against: 0.

PAGE NO. REFERENCE

HEARINGS

24 REQUEST TO PURCHASE PENSION CREDIT FOR PRIOR LAW ENFORCEMENT
SERVICE UNDER 5-214.2

Jacobo, Carolina

Officer Jacobo, having been provided with a Notice of Hearing on her petition for prior service, acknowledged said Notice and relayed that she would not be present for the Board's consideration on her petition and understands the Board would make a determination, the results of which would be directed to her.

After reviewing the Pension Act, the applicable section and this petition, it was moved by Trustee Wright, seconded by Trustee Wodnicki that the Board deny this petition in accordance with the guidelines set forth in the Pension Act.

ROLL CALL

For: Beyna, Brown, Caldero, Hamburger, Hauser, Wodnicki, Wright 7.
Absent: Summers 1.
Against: 0.

DISABILITY HEARINGS

DISABILITY STATUS REVIEWS

25 **Enderle, Diana**

Diana Enderle appeared, without counsel, before the board on a status review of her disability. Board counsel reviewed with Officer Enderle the procedures of an administrative hearing, along with her right to have an attorney represent her. Officer Enderle agreed to proceed without legal representation. After hearing testimony from Officer Enderle, and reviewing the medical reports and documents submitted, this matter was deferred for 60 days, on the recommendations of the Board's physician, Dr. Peter Orris, to determine her status after a scheduled medical procedure. WHEREUPON proceedings on this review were continued.

26 **Rufus, James**

James Rufus appeared, without counsel, before the board on a status review of his disability. Board counsel reviewed with Officer Rufus the procedures of an administrative hearing, along with his right to have an attorney represent him. Officer Rufus agreed to proceed without legal representation. After hearing testimony from Officer Rufus, Sergeant Kemper from the Chicago Police Department-Medical Services Section, and reviewing the medical reports and documents submitted, *it was moved by Trustee Wright, seconded by Trustee Brown that the Board terminate Officer Rufus' duty disability benefits effective February 28, 2018.*

ROLL CALL

For: Beyna, Brown, Caldero, Hamburger, Hauser, Wodnicki, Wright 7.
Absent: Summers 1.
Against: 0.

WHEREUPON proceedings on this review were concluded.

PAGE NO. REFERENCE

27 **Ward, Helena**

Helena Ward appeared, without counsel, before the board on a status review of her disability. Board counsel reviewed with Officer Ward the procedures of an administrative hearing, along with her right to have an attorney represent her. Officer Ward agreed to proceed without legal representation. After hearing testimony from Officer Ward and the Board's physician Dr. Peter Orris, and reviewing the medical reports and documents submitted, *It was moved by Trustee Hamburger, seconded by Trustee Wodnicki, that the Board terminate Helena Ward's duty disability benefits effective January 31, 2018.*

ROLL CALL

For: Beyna, Brown, Caldero, Hamburger, Hauser, Wodnicki, Wright 7.

Absent: Summers 1.

Against: 0.

WHEREUPON proceedings on this review were concluded.

28 OCCUPATIONAL DISEASE DISABILITY CLAIM

Dybas, Ronald

Attorney representing Officer Dybas appeared before the Board to request a continuance in this matter to obtain the complete medical record.

It was moved by Trustee Wright, seconded by Trustee Brown, that the Board continue this claim for 60 days per request.

ROLL CALL

For: Beyna, Brown, Caldero, Hamburger, Hauser, Wodnicki, Wright 7.

Absent: Summers 1.

Against: 0.

WHEREUPON proceedings on this review were continued.

All scheduled cases were heard.

The next item on the agenda was discussion and approval of the 2018 operating budget for the Fund.

It was moved by Trustee Wright, seconded by Trustee Brown that the Board enter into executive session.

ROLL CALL

For: Beyna, Brown, Caldero, Hamburger, Hauser, Wodnicki, Wright 7.

Absent: Summers 1.

Against: 0.

It was moved by Trustee Wright, seconded by Trustee Beyna that the Board exit the executive session.

ROLL CALL

For: Beyna, Brown, Caldero, Hamburger, Hauser, Wodnicki, Wright 7.

Absent: Summers 1.

Against: 0.

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The Executive Director distributed the latest copy of the budget to all Board members. There were some changes throughout the course of the meetings that are reflected herein, but the numbers have stayed the same. It is now presented for approval.

It was moved by Trustee Brown, seconded by Trustee Wodnicki that the Board enter into executive session per 2 (c)(1).

ROLL CALL

For: Beyna, Brown, Caldero, Hamburger, Hauser, Wodnicki, Wright 7.

Absent: Summers 1.

Against: 0.

It was moved by Trustee Wright, seconded by Trustee Brown that the Board exit the executive session.

ROLL CALL

For: Beyna, Brown, Caldero, Hamburger, Hauser, Wodnicki, Wright 7.

Absent: Summers 1.

Against: 0.

Board President Hauser requested page 26 of the submitted Budget referring to Conferences and Seminars that it read as \$33,000 for everybody, no separation.

It was moved by Trustee Caldero, seconded by Trustee Wright that the Board approve the 2018 operating budget for the Fund with noted amendment.

ROLL CALL

For: Beyna, Brown, Caldero, Hamburger, Hauser, Wodnicki, Wright 7.

Absent: Summers 1.

Against: 0.

WHEREUPON, Trustee Caldero left the proceedings.

The Executive Director discussed with the Board of Trustees various matters pending review and/or Board approval.

- Meeting dates for 2018, were reviewed, adjusted and finalized.
- Discussion concerning a letter from the Fraternal Order of Police concerning duty availability and disability benefits. Their inquiry is whether or not duty availability is included in their duty disability calculation. The answer is; the practice of this Fund has been that duty availability is included in an officer's duty disability calculation if their last day on IOD medical was the 15th of the month or after. If their last day on IOD medical was prior to the 15th, then it does not include it.

It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board enter into executive session.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board exit the executive session.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

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- A Trustee requested to attend the Opal conference in January 2018.

It was moved by Trustee Wright, seconded by Trustee Brown that the Board approve Trustee Beyna's attendance at the Opal Conference.

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.

- Discussion concerning **William Lerch** was held concerning the termination of his disability benefit, his return to duty date, his mandatory retirement date and the effect these dates have on his retirement benefit. It was determined that Board counsel is to direct correspondence to Mr. Lerch requesting more information.
- The Executive Director discussed with the Board members a letter from a widow, **Janina Ahern**. Mrs. Ahern's deceased police officer husband (John J. Ahern, Jr.) retired April 15, 2011, was born August 1955. At the time of his retirement he was entitled to his COLA of 1½ % at age 60 in 2015. He died February 15, 2015, at age 59, and prior to January 1, 2017, the date of new legislation, (PA99-0905) which changed the COLA date of birth from prior to 1/1/1955 to prior to 1/1/1966. Therefore, as he died prior to the date of new legislation, he did not receive the COLA based on the guidelines of Public Act 99-0905. It was the direction of the Board to communicate another letter to Mrs. Ahern, re-stating the details outlined and include the 35-day language, so she may file an Administrative Review if she believes necessary.
- The Executive Director discussed with the Board members a letter from a **Gail McPherson**. This woman claims she lived with retired police officer and wanted to about benefits for her, even though she never married the police officer member. It was the direction of the Board to communicate a letter to Gail McPherson, outlined the provision of the Pension Act and include the 35-day language, so she may file an Administrative Review if she believes necessary.

All business concluded for this date, December 18, 2017, *it was moved by Trustee Brown, seconded by Trustee Wright that this meeting be adjourned.*

ROLL CALL

For: Beyna, Brown, Hamburger, Hauser, Wodnicki, Wright 6.

Absent: Caldero, Summers 2.

Against: 0.