
MINUTES OF THE PROCEEDINGS
REGULAR MEETING
OF THE
RETIREMENT BOARD OF THE POLICEMEN'S
ANNUITY & BENEFIT FUND
HELD
TUESDAY – FEBRUARY 28, 2018

The regular meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund was held February 28, 2018, at 9:30 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, Hamburger, Hauser, Wodnicki, Wright 6.

ABSENT: Caldero, Summers 2.

PRESIDING: President Hauser

President Hauser called the meeting to order.

First order of business is a review of the Minutes of the Investment Committee meeting held February 26, 2018.

There were three recommendations requiring Board approval;

- 1) The Committee recommends that PIMCO be removed from the Fund's watch list.

It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve removal of PIMCO from the watch list.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

- 2) The Committee recommends redemptions of \$20 million, each, from the equity portfolios of Lazard, Earnest and William Blair International, effective as soon as possible upon approval of the Board.

It was moved by Trustee Beyna, seconded by Trustee Wright that the Board approve the redemptions as detailed.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

- 3) The Committee recommends that the Fund invest \$10 million in the Mesirow Financial Real Estate Value Fund III, subject to legal review, with the investment to be made from available cash.

It was moved by Trustee Wodnicki, seconded by Trustee Wright that the Board approve the investment as detailed.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

It was moved by Trustee Wright, seconded by Trustee Wodnicki that the Board approve the minutes of the February 26, 2018, Investment committee meeting as submitted.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

MINUTES CONTINUED

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Page 2.

Trustee Wodnicki made a motion from the floor;

I request the Board of Trustees approve payment of the line-of-duty death benefit of \$12,000.00, to the designated beneficiary of the late Commander Paul Bauer who was killed in the line of duty while serving the City of Chicago on February 13th of this year. I understand that his beneficiary is his wife, Erin Bauer, and I request that this payment be made as soon as administratively possible.

Motion seconded by Trustee Wright

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

The next order of business is review of the Minutes of the Regular Board meeting held January 30, 2018.

It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board approve the minutes of January 30, 2018, as submitted.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

The next order of business was review and adoption of a Board order as submitted by the Board's counsel.

In the matter of **Matthew Lipman**, "The Board finds that Lipman's medical condition is not now disabling as disability is defined in the Act. Payment of Lipman's duty disability benefits will therefore cease on February 28, 2018, and Lipman is directed to return to the CPD for assignment."

There was discussion prior to the vote concerning the benefits cease date.

It was moved by Trustee Wright, seconded by Trustee Wodnicki that the Board approve the order regarding Sergeant Matthew Lipman, with a modification of his termination date to reflect March 31, 2018, or sooner if reinstatement to the CPD occurs prior to March 31, 2018.

ROLL CALL

For: Beyna, Brown, Hauser, Wodnicki, Wright 5.

Absent: Caldero, Summers 2.

Against: Hamburger 1.

The President turned the meeting over to the Recording Secretary. Review of the agenda was as follows:

PAGE NO. REFERENCE

1 - 5 Incurred Expenses for the Month of February 2018.

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the Obligations as detailed on pages 1 through 5.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

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PAGE NO. REFERENCE

6 - 9 Refunds of Contributions; Withdrawal of Service, Widow's Annuity
Accumulations, and Exempt Rank.

It was moved by Trustee Brown, seconded by Trustee Hamburger that the Board approve the Refunds as detailed on page 6.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

It was moved by Trustee Hauser, seconded by Trustee Brown that the Board approve the Refunds as detailed on pages 7 through 9.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

10 - 11 Payment to Heirs of Deceased Annuitants

It was moved by Trustee Hauser, seconded by Trustee Hamburger that the Board approve payments to heirs of deceased annuitants as detailed on pages 10 and 11.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

12 Payment to Heirs of Deceased Annuitants – *Public Act 099-0905*

It was moved by Trustee Hauser, seconded by Trustee Hamburger that the Board approve retroactive payments to heirs of deceased annuitants as detailed on page 12.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

13 Refund of Unused Annuity Accumulations

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the refund of unused annuity accumulations as detailed on page 13.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

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Page 4.

PAGE NO. REFERENCE

14 - 17 Annuities [Summary pg. 18]

It was moved by Trustee Hauser, seconded by Trustee Beyna that the Board approve the Annuities as detailed on pages 14 - 17.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

It was moved by Trustee Wodnicki, seconded by Trustee Hamburger that the Board approve a refund of \$20,000.00, without interest, to Donna Miller (page 16) which was a partial payment she previously made towards a prior service purchase relating to a refund of prior CPD service.

ROLL CALL

For: Beyna, Brown, Hamburger, Wodnicki, Wright 5.

Absent: Caldero, Summers 2.

Against: Hauser 1.

19 - 20 Annuities to Widows [Summary pg. 21]

It was moved by Trustee Beyna, seconded by Trustee Hauser that the Board approve the Annuities to Widows as detailed on pages 19 and 20.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

22 Annuities to Children

23 Annuities to Children - Revised

It was moved by Trustee Beyna, seconded by Trustee Brown that the Board approve the Annuities to Children as listed on page 22 and Annuities to Children – revised as listed on page 23.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

24 - 26 Payment of Death Benefits [Summary pg. 27]

It was moved by Trustee Hamburger, seconded by Trustee Brown that the Board approve the Death Benefits as detailed on pages 24 through 26.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

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PAGE NO. REFERENCE

LEAVES

28 - 29 REQUESTS FOR PENSION CREDIT FOR LEAVE OF ABSENCE MILITARY
SERVICE USERRA 5/5-212

Documentation verified, it was moved by Trustee Brown, seconded by Trustee Hauser that the Board approve the requests to purchase leave of absence military service as detailed on pages 28 and 29.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

MISCELLANEOUS

30 REQUESTS FOR PENSION CREDIT FOR PRIOR MILITARY
SERVICE UNDER 5-214.3

Documentation verified, it was moved by Trustee Hamburger, seconded by Trustee Hauser that the Board approve the requests to purchase prior military service as detailed on page 30.

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 Beyna that the Board enter into executive session per 2 (c)(11).

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 Wodnicki that the Board exit the executive session.

ROLL CALL

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

Absent: Caldero, Summers 3.

Against: 0.

PAGE NO. REFERENCE

HEARINGS

31 REQUEST TO PURCHASE PENSION CREDIT FOR LEAVE OF ABSENCE SERVICE

Holt, Ronald M.

Ronald Holt appeared, as a continuation of the hearing held January 30, 2018, before the Board without counsel, on his petition to purchase pension credit while on a leave of absence. Board counsel again reviewed with Ronald Holt the procedures of an administrative hearing, along with his right to have an attorney represent him. Ronald Holt agreed to proceed without legal representation. After hearing additional testimony from Ronald Holt and reviewing additional documents submitted *it was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board enter into executive session per 2 (c)(11).*

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 Wright that the Board exit the 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 grant credit for other service in accordance with the Pension Act.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

DISABILITY HEARINGS

DISABILITY STATUS REVIEW

32 **Enderle, Diana M.**

Diana Enderle again appeared, without counsel, before the Board on a status review of her duty disability. A disability status hearing in this matter commenced at the December 2017, Board meeting. At that time the matter was continued under advisement in order for Officer Enderle to have a medical procedure completed.

After hearing testimony from Officer Enderle, *it was moved by Trustee Wright, seconded by Trustee Beyna that based upon the medical information submitted, the Board continue this matter to the March 2018, Board meeting.*

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

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33 DUTY DISABILITY CLAIMS

Berka, Brian P.

Brian P. Berka appeared before the Board, with counsel, on his claim for a duty disability benefit. After hearing testimony from Officer Berka, the Board's consulting physician, Dr. Peter Orris, and reviewing the records submitted in this matter, *it was moved by Trustee Wright, seconded by Trustee Hamburger that the Board award Officer Brian P. Berka a duty disability benefit.*

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board grant the duty award at 75% of salary as defined in the Pension Act.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

Dybas, Ronald P.

Attorney for Officer Dybas appeared before the Board requesting another continuance in order to obtain additional medical reports.

It was moved by Trustee Beyna, seconded by Trustee Wright that the Board grant a continuance to the April meeting date.

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 Wright that the Board enter into executive session per 2 (c)(11).

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

It was moved by Trustee Wright, 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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It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board approve the medical procedures on disability recipients as follows:

Margaret Grazer – Functional Capacity Evaluation

Frank Ranieri – Functional Capacity Evaluation

Michael Scali – Functional Capacity Evaluation

John Kubik – Independent Medical Evaluation

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

It was moved by Trustee Wright, seconded by Trustee Brown that the Board approve other procedures on disability recipients as discussed.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

The Executive Director reviewed with the Board the following matters.

- Ms. Tuczak indicated that Mr. Joe Miller, a House Democratic staff member, contacted the Executive Director concerning pending legislation. Mr. Miller works on research and appropriations on pension matters. Synopses of three separate bills were distributed to the Trustees for review and discussion. The first 2 bills concern the Cost Of Living Adjustments (COLA) to members of the Fund. One bill removes the birth date restriction; one bill provides for compounding COLAs after a retiree attains age seventy-five. The third bill relates to Credit for Other Service. After much discussion and review concerning the unknown financial costs to the Fund

It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the preparation of two impact statements, subsequent to the Executive Director's fee negotiation with the Fund's actuary, GRS, on each of the two COLA pending legislative bills.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

- The next item was lengthy discussion concerning the Lieutenants' grievance settlement regarding pensionable salary increases effective July 1, 2016, and timing of any retroactive pension increases for those Lieutenants that retired after July 1, 2016. Discussion on this matter will continue at a subsequent meeting.
- Ms. Tuczak next discussed the timing of the upcoming Trustee elections in October of 2018. In order to accommodate the Election Rules, this year's election shall be held on Thursday, October 25, 2018, which conflicts with the scheduled October Board meeting. After discussion, it was with mutual agreement to move the October Board meeting to Friday – October 26, 2018.

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- While on the topic of Trustee Election, Ms. Tuczak discussed the procedures concerning returned ballots for bad or insufficient addresses. Procedures were discussed and it was agreed to continue the procedures used in the previous elections.
- Ms. Tuczak provided an update on the matter of the widow of **Chester Hornowski**. The Executive Director contacted Mrs. Hornowski, as the Board directed, to recapture the \$15,177.00 overpayment of annuity received by her late husband, Chester Hornowski. The widow suggested an offer to forfeit the \$6,000 death benefit and settle the overpayment. After discussion, the Trustees did not accept the offer and suggested that if the death benefit be forfeited a reasonable payment plan be developed to extinguish the remaining indebtedness.
- The Executive Director provided a draft letter to be sent to members that are or were in receipt of duty disability benefits, who have made inquiry concerning their disability calculation. Such members are interested in whether duty availability was included in the calculation. Previously, the Board approved a letter, which was directed to the Fraternal Order of Police on this matter. The Board approved the drafted response to be directed to members who inquire about the specifics of their calculations.

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

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 Beyna that the Board exit the 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 Wright that the Board enter into executive session per 2 (c)(1).

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 Wright 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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President Hauser reviewed with the Trustees, that previously the Board heard five finalist presentations from securities litigation firms in response to the Fund's published Request for Proposals for Securities Litigation Counsel. The firms providing finalist presentations were Berman Tobacco, Grant & Eisenhofer, Kehoe Law Firm, P.C. and Bleichmar Fonti & Auld LLP, Labaton Sucharow and Saxena White. Discussion ensued and *it was moved by Trustee Wright, seconded by Trustee Brown that the Board retain Berman Tobacco, Kehoe Law Firm and Bleichmar Fonti & Auld LLP, and Saxena White as Securities Litigation Counsel for the Fund.*

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

It was then moved by Trustee Wright, seconded by Trustee Hamburger that the Board acknowledge that the following securities litigation firms will no longer be retained by the Fund; Barrack, Rodos & Bacine; Spector; Roseman, Kodroff & Willis; and Wolf Popper.

ROLL CALL

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

Absent: Caldero, Summers 2.

Against: 0.

All business concluded for this date, February 28, 2018, *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.