
MINUTES

Meeting of the Retirement Board of Trustees of the
FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO
20 S. Clark Street, Suite 1400, Chicago, IL 60603

Regular Meeting No. 1060
Monday, April 22, 2019
8:00 a.m.

Firemen's Annuity and Benefit Fund of Chicago
Board Meeting No. 1060
April 22, 2019, 8:00 a.m.
20 S. Clark Street, Suite 1400, Chicago IL 60603
Agenda

1. Roll Call
 - A. Request from Members of the Public to Address the Board
2. Approval of Administrative Items * **
 - A. Approval of Minutes
 - Regular Meeting – March 18, 2019
 - Executive Sessions – March 18, 2019
 - Review and Approval of February 20, 2019 Meeting Transcript
 - B. Minimum Formula Annuities
 - C. Widow's and Children's Annuities
 - D. Refunds
 - E. Death Benefits
 - F. Partial Payments
 - G. Benefit Recalculations
 - H. Requests for Permission
 - I. Removals
3. Request for Approval of Payments Pursuant to Administrative and Court Order *
4. Consideration for Approval of the Following Matters * **
 - A. Duty Disability
 - i. EMT FF Victor Houston, Engine 818:30 a.m.
5. Approval of Board Physician Reviews of Disability Recipients *
6. Expenditures
 - A. Administrative Expenses for Board Review and Approval *
 - B. Expenditures to Date
 - C. Request for Expenditure within Budget (None)
 - D. Request for Expenditure for Travel and Education *
 - i. 2019 Annual Pomona Capital Meeting to be held June 6, 2019 in New York, New York
 - ii. NCPERS 2019 Annual Conference and Exhibition to be held May 19, 2019 through May 22, 2019 in Austin, Texas.
7. Executive Director's Report
 - A. Monthly Report
8. Other Business
 - A. Investment
 - i. Approval of Investment Committee Minutes – March 15, 2019
 - Regular Meeting
 - Executive Session
 - ii. Fund Summary Report: March 2019
 - iii. Performance Report by Asset Class: March 2019
 - iv. Investment Manager Performance Report: March 2019
 - v. Cash Needs and Rebalancing: April 2019
 - a. Cash Needs
 - b. Approval of Rebalancing Template*
 - vi. MWDBE Brokers: March 2019
 - vii. Security Lending Review
 - viii. 2018 Investment Management Fees
 - ix. Callan – Liquid Alternative
 - a. Education
 - b. Consideration and Approval of RFP for Liquid Diversifying Strategy *
 - x. Consideration and Possible Action Regarding Core Real Estate Finalist * **
 - B. Legal
 - i. Legal Status Report * **
 - ii. Consideration of City Request in Connection with 6-165 Litigation * **
 - C. Legislative
 - i. Legislative Report * **
9. Miscellaneous
 - A. Old Business/New Business

Note: All times are approximate

** Denotes Action Item*

*** Matters Discussed May Require Executive Session in Accordance with the Open Meetings Act.*

1. ROLL CALL: President Daniel Fortuna, Secretary Anthony Martin and Trustees Annette Nance-Holt, Timothy McPhillips and Peter O'Sullivan

TRUSTEES PRESENT AFTER ROLL CALL: Vice-President Anna Valencia and Trustee Erin Keane

TRUSTEES ABSENT: Trustee Kurt Summers

OTHERS PRESENT: Fund Attorneys Mary Pat Burns and Vincent Pinelli, Executive Director Steve Swanson, Deputy Director Lori Lund. Fund Staff Lorna Scott, Matthew Clark, Marc Torres were also present. Fund physician Michael Peters was present for disability hearings. Others in attendance were Brady O'Connell, Mike Davis and Dan Sheehan.

A. REQUEST FROM MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD:

No public comment was requested by any members of the public.

2. ADMINISTRATIVE ITEMS:

A. APPROVAL OF MINUTES:

REGULAR MEETING 1059 – MARCH 18, 2019:

EXECUTIVE SESSION MINUTES – MARCH 18, 2019:

REVIEW AND APPROVAL OF THE FEBRUARY 20, 2019 MEETING TRANSCRIPT:

On motion by Martin, seconded by O'Sullivan, that the minutes of the Regular Meeting held March 18, 2019, were approved. The vote was:

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

Consideration and Approval of the Executive Session Minutes from the March 18, 2019 meeting and the Review and Approval of the February 20, 2019 meeting transcript were deferred to the May meeting.

B. MINIMUM FORMULA ANNUITIES:

*On motion by Martin, second by Nance-Holt that the Minimum Formula Annuities under Item 2-B of the Board materials was approved (**Exhibit 1**). The vote was:*

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

ADMINISTRATIVE ITEMS:

C. WIDOW'S ANNUITIES:

*On motion by Martin, second by McPhillips that the Widow's Annuities under Item 2-C of the Board materials are approved (**Exhibit 1**). The vote was:*

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

D. REFUNDS OF CONTRIBUTIONS:

*On motion by Martin, second by O'Sullivan that the Refunds of Contribution under Item 2-D of the Board materials was approved (**Exhibit 1**). The vote was:*

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

E. DEATH BENEFITS:

*On motion by Martin, second by Nance-Holt that the Death Benefits under Item 2-E of the Board materials are approved (**Exhibit 1**). The vote was:*

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

F. PARTIAL PAYMENTS:

*On motion by Martin, second by McPhillips, that the Partial Payments under Item 2-F of the Board materials are approved (**Exhibit 1**). The vote was:*

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

G. BENEFIT RECALCULATIONS:

*On motion by Martin, second by O'Sullivan, that the Benefit Recalculations under Item 2-F of the Board materials are approved (**Exhibit 1**). The vote was:*

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

ADMINISTRATIVE ITEMS:

H. REQUEST FOR PERMISSION:

GUARDIANSHIP:

*On motion by Martin, second by Nance-Holt, that the Request for Permission of Guardianships under Item 2-H of the Board materials be approved based on the representation by staff that all required paperwork was on file (**Exhibit 1**). The vote was:*

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

I. REMOVALS:

*On motion by Martin, seconded by McPhillips, that the Removals under Item 2-I of the Board materials are approved (**Exhibit 1**). The vote was:*

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

3. PAYMENTS PURSUANT TO ADMINISTRATIVE AND COURT ORDERS:

QILDRO ORDERS:

On motion by Martin, seconded by O'Sullivan, that the Payment Pursuant to Administrative and Court Order, QILDRO Orders under Item 3 of the Board materials are approved. The vote was:

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

SDU CHILD SUPPORT ORDERS:

On motion by Martin, seconded by McPhillips, that the Payment Pursuant to Administrative and Court Order, SDU Child Support Orders under Item 3 of the Board materials are approved. The vote was:

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

ADMINISTRATIVE ITEMS:

6. EXPENDITURES:

A. ADMINISTRATIVE EXPENSES FOR BOARD REVIEW AND APPROVAL:

*On motion by Martin, seconded by Nance-Holt, that the Expenditures for Administrative Expenses under Item 6-A of the Board materials are approved (**Exhibit 2**). The vote was:*

Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan

Nays: None

B. EXPENDITURES TO DATE:

*On motion by Martin, seconded by O'Sullivan, that the Expenditures to Date under Item 6-B of the Board materials are approved (**Exhibit 2**). The vote was:*

Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan

Nays: None

C. REQUEST FOR EXPENDITURES WITHIN BUDGET: (NONE)

D. REQUEST FOR EXPENDITURES FOR TRAVEL AND EDUCATION:

i. 2019 Annual Pomona Capital Meeting to be held June 6, 2019 in
New York, New York

ii. NCPERS 2019 Annual Conference and Exhibition to be held May 22, 2019
through May 29, 2019 in Austin, Texas

The foregoing Requests for Expenditures for Travel and Education was deferred to later in the meeting.

7. EXECUTIVE DIRECTOR'S REPORT:

A. MONTHLY REPORT:

Executive Director Steve Swanson reviewed his monthly report.

Trustee Valencia entered the meeting.

EXECUTIVE DIRECTOR'S REPORT:

MONTHLY REPORT:

On motion by McPhillips, second by Nance-Holt to direct the Executive Director to provide monthly reporting of active contributions vs. benefits owed with and without interest and identify staff members who will be responsible for this reporting. The vote was:

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None*

On motion of Martin, second by Nance-Holt to spread the Executive Director's Report upon the record. The vote was:

*Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None*

4. HEARINGS:

A. DUTY DISABILITY APPLICATION:

17194 VICTOR V. HOUSTON, EMT Firefighter, Engine 81

And witnessed in the office of the Fund, accompanied by staff accountant's letter as to amounts and all necessary records. After review of the relevant records by the Board and its Physician, a hearing having been held and after due deliberation, on motion by Martin, second by Nance-Holt to grant duty disability benefits.

*By roll call vote **duty disability benefits were granted** pursuant to Illinois Compiled Statutes, 40 ILCS 5/6-151 and the express findings of the Board, in the amount of **\$5,992.13 a month, beginning March 9, 2019.***

*The vote was:
Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None
Not Present: Keane, Summers*

HEARINGS:

DUTY DISABILITY APPLICATION:

On motion by Martin, second by Valencia to schedule a reexamination of Mr. Houston disability status consistent with the Board's policy.

The vote was:

Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia

Nays: None

Not Present: Keane, Summers

After review of the Findings of Fact prepared by Fund counsel, on motion by Martin, second by O'Sullivan to adopt the Findings in the Houston matter.

The vote was:

Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia

Nays: None

Not Present: Keane, Summers

8. OTHER BUSINESS:

A. INVESTMENT:

- i. Approval of Investment Committee Minutes – March 15, 2019
Regular Meeting
Executive Session
- ii. Fund Summary Report: March 2019
- iii. Performance Report by Asset Class: March 2019
- iv. Investment Manager Performance Report: March 2019
- v. Cash Needs and Rebalancing: April 2019
 - a. Cash Needs
 - b. Approval of Rebalancing Template*
- vi. MWDBE Brokers: March 2019
- vii. Security Lending Review
- viii. 2018 Investment Management Fees
- ix. Callan – Liquid Alternative
 - a. Education
 - b. Consideration and Approval of RFP for Liquid Diversifying Strategy *
- x. Consideration and Possible Action Regarding Core Real Estate Finalist * **

OTHER BUSINESS:

INVESTMENT:

On motion of Valencia, second by Nance-Holt to approve the Investment Committee Minutes from the March 15, 2019 meeting. The vote was:

Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None

On motion of Martin, second by Nance-Holt to approve the Investment Committee Executive Session Minutes from the March 15, 2019 meeting. The vote was:

Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None

There was an educational presentation on Liquid Alternatives presented by the Fund's Investment Consultant, Brady O'Connell from Callan.

On motion of Fortuna, second by Martin to approve a RFP for Liquid Alternatives consistent with the recommendations of the CIO and Investment Consultant. The vote was:

Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None

5. APPROVAL OF BOARD PHYSICIAN REVIEWS OF DISABILITY RECIPIENTS:

On motion by Martin, second by Nance-Holt to approve the Board Physician's recommendations for Reexamination scheduling. The vote was:

Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None

OTHER BUSINESS:

INVESTMENT:

The Fund's CIO reviewed the current status of the Core Real Estate finalist contract and requested additional time to pursue a contract.

On motion of Martin, second by Valencia that the CIO continue to work with Heitman until the end of the week and if unsuccessful to pursue a contract with Clarion. The vote was:

Yeas: Fortuna, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None

OTHER BUSINESS:

INVESTMENT:

Trustee Keane entered the meeting.

On motion of Martin, second by Valencia to spread the Investment report upon the record. The vote was:

*Yeas: Fortuna, Keane, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None*

D. LEGAL:

- i. Legal Status Report
- ii. Consideration of City Request in Connection with 6-165 Litigation

On motion by McPhillips, second by O'Sullivan, regarding the 6-165 litigation and the City's request that the Fund voluntarily cease its intercept action, the Board moved to deny the City's request and direct Fund Counsel to respond accordingly. The vote was:

*Yeas: Fortuna, Keane, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None*

On motion by Martin, second by Keane to spread the Legal report upon the record. The vote was:

*Yeas: Fortuna, Keane, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None*

ADMINISTRATIVE ITEMS:

EXPENDITURES:

D. REQUEST FOR EXPENDITURES FOR TRAVEL AND EDUCATION:

- i. 2019 Annual Pomona Capital Meeting to be held June 6, 2019 in New York, New York

On motion by Martin, second by McPhillips to approve the foregoing Request for Expenditure for Travel and Education for the Fund's CIO. The vote was:

*Yeas: Fortuna, Keane, Martin, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None*

- ii. NCPERS 2019 Annual Conference and Exhibition to be held May 22, 2019 through May 29, 2019 in Austin, Texas

On motion by Martin, second by Nance-Holt to approve the foregoing Request for Expenditure for Travel and Education for the Fund's Executive Director after discussion. The vote was:

*Yeas: Fortuna, Keane, Martin, Nance-Holt, O'Sullivan, Valencia
Nays: McPhillips*

Trustee Martin left the meeting.

On motion by Valencia, second by Nance-Holt, the Board went into Executive Session pursuant to ILCS 120/2 (c) 1 to discuss a personnel matter. The vote was:

*Yeas: Fortuna, Keane, McPhillips, Nance-Holt, O'Sullivan, Valencia
Nays: None*

Trustee Valencia left the meeting during the Executive Session

On motion by Keane, second by Nance-Holt, the Board come out of Executive Session.

C. LEGISLATIVE:

- i. Legislative Report

On motion by O'Sullivan, second by Nance-Holt to accept Legislative Report. The vote was:

*The vote was:
Yeas: Fortuna, Keane, McPhillips, Nance-Holt, O'Sullivan
Nays: None*

9. MISCELLANEOUS:

A. OLD BUSINESS/NEW BUSINESS:

Review and Approval of the February 20, 2019 Meeting Transcript was deferred to the May meeting.

There being no further business to discuss, on motion by Nance-Holt, second by O'Sullivan, and by unanimous vote, the meeting was adjourned.