

**THE RETIREMENT BOARD  
of the  
FIREMEN'S ANNUITY AND BENEFIT FUND  
OF CHICAGO**

Suite 1400  
20 S. Clark Street Chicago, IL 60603-1899  
(312) 726-5823 Fax (312) 726-2316  
Marshall Line 9261 <http://www.fabf.org>  
(800) 782-7425

**ELECTED TRUSTEES**

MICHAEL J. SHANAHAN, President  
TIMOTHY J. McPHILLIPS, Secretary  
PETER O'SULLIVAN, Active Trustee  
DANIEL A. FORTUNA, Annuitant Member

**EX-OFFICIO TRUSTEES**

Deputy Fire Commissioner, ANTHONY P. VASQUEZ, Vice-President  
City Treasurer, KURT A. SUMMERS JR.  
City Comptroller, ERIN KEANE  
City Clerk, ANNA VALENCIA

August 1, 2017

**In addition to the benefits granted to members and spouses each month, the Secretary will also be presenting, for informational purposes only, items of interest that may affect our members. Questions regarding any member's specific situation should be addressed directly to the Fund Office.**

**MONTHLY NEWS AND INFORMATION FROM THE FUND SECRETARY**

**3% COLA**

SB 42 was put in the recent budget bill that passed into law despite Governor Rauner's veto. SB 42, which became PA 100-0023, addressed the technical corrections required to properly grant the 3% COLA and retroactive calculations to all members born within the 11-year period before 1966. At the July monthly meeting, the Pension Board instructed staff to calculate the retroactive payments now due to these members. The Pension Board Trustees will vote to formally grant the benefits to the individual members, back to the January 1, 2017 date, at the August meeting. Assuming the vote is in the affirmative to grant the benefit, I anticipate the members will receive their increased benefits, back to the January 1, 2017 date, in connection with the September 1st benefit payment. In each check, there will be a letter explaining how the calculation was made so members can make sure they receive the proper amount. Although I cannot speak for the entire Board on this matter, I think anyone in attendance at recent Board meetings who heard the discussions amongst the Trustees, would reasonably expect the Board will be voting to grant the benefit and hopefully resolve this issue once and for all. It was imperative, for the Board as a whole, that there be clear language that supported this benefit before the Board granted it, otherwise the Board felt it would be diminishing the integrity of how the Fund is administered.

If you have been paying attention to this long, drawn-out process, it has been frustrating to watch. But I think the entire Board would agree that it was a necessary process to go through. The benefits members are entitled to should be legislatively enacted into the pension code in clear, concise language so that members, as well as your Board, can easily reference and understand what was intended. The members should have confidence that their pension fund is being administered honestly, efficiently and with integrity. It would not have been wise to simply grant benefits to members just because people were pushing for the benefit, unless the pension code clearly granted those benefits. Obviously, the Illinois Legislator agreed with the Board that the language needed to be clarified and, with Local 2's help, the new language makes clear who is entitled to what and how the benefit is to be determined.

I would like to commend Trustee Dan Fortuna, who represents the members that were affected by the poorly drafted language. It would have been easy for Dan to vote against his fellow Trustees to appease the retirees which he represents. But ultimately, Dan recognized the issues with the poorly written language and the long-term implications of not administering the Fund with integrity. It is Dan's

willingness to see the long-term ramifications over the short term political expediency that earns him respect as a long-term Local 2 member and former executive board member. Dan's willingness to remain steadfast on principle in this matter makes it apparent why he has been elected as the President of the National Conference of Public Employee Retirement Systems (NCPERS), an organization that fights for fiscal responsibility and sustainability of public pension funds.

Trustee Fortuna asked on more than one occasion if we were going to help Local 2 get the technical corrections passed. So when Local 2 President Jim Tracy asked me to help draft language that the Pension Fund could accept to solve this issue I emailed him the language as soon as possible. For reasons that still aren't clear to me, Local 2 distributed a different draft to the Pension Board at the Fund's June monthly meeting that they said they intended to submit to the Legislature. There was some back and forth between the Pension Fund and Local 2, namely Rob Tebbens and myself. For the most part, we were in agreement and had the same goals, but something was getting lost in translation. I understand Rob was being rushed; legislation moves fast down in Springfield, especially in the environment of getting a budget bill passed. Nevertheless, any issues between Local 2 and the Pension Fund concerning the technical corrections were resolved when House Speaker Madigan's office reached out to the Pension Fund for clarification on the language submitted. Any issues that the Pension Fund had with Local 2's language were resolved because the language that I had emailed to Local 2 President Jim Tracy was included in the final legislation introduced by Speaker Madigan.

In short, the Pension Board's position is that we were presented with a bad situation due to the poor drafting of the language inserted into the pension code and we worked with stakeholders, particularly with Local 2, within our limited capacity, to rectify the situation. The process engaged in by the Pension Board was open, straightforward and clear, and as I mentioned above, it appears very probable that the benefit will be granted at the August meeting. As a pension fund member, looking at this entire situation in hindsight, I think you would be hard pressed to not agree that your Pension Board acted in an honest, transparent and prudent manner.

### **FUNDING**

As you may be aware the Pension Fund sent former Local 2 President Tom Ryan a letter urging the Union to consider a lawsuit against the City for adequate funding due to the current funding status of the Pension Fund. At the time, the funding level was 22.7%, as of the end of 2016 it is 20.2%.

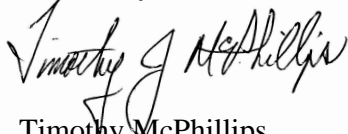
I have heard people ask how the funding level could go down when the City is giving us more money and the market has been doing well. One of the reasons is because from the time the actuaries calculated the 2015 figure until the 2016 figure, the pension code was changed, with a notable change providing additional COLA benefits for members born during the 11-year period before 1966. The additional money the City is providing is still woefully inadequate and does not cover the costs of these new benefits and certainly does not reduce the unfunded liability that continues to grow. This is exactly why the Pension Fund does not support new unfunded benefits; such increased benefits, if not properly paid for, harm the long-term solvency of the Fund and puts all of our pensions at risk. The Pension Fund has a long-term horizon and has to invest and be ready to fund the retirement of the firefighter jumping on the rig for the first time this year who won't start retirement for another 30 years. These members are just as important as the currently retired member or the one getting ready to retire this year. Nevertheless, the Pension Fund Trustees are not opposed to new benefits if they are properly funded.

I get criticism from some that say I spend too much time discussing funding because I have a background in finance and budgeting and formerly worked as a municipal finance director. But I contend funding is the most critical issue facing our long term financial security. I urge Local 2 to not ignore the Pension Fund's previous pleas to work on getting additional funding. As I have indicated in previous letters, the

Fund is considering suing the City for specific funding for the "Brass Bill". Prior to the Local 2 supported legislation, known as SB777 (Casino Bill), the City paid the entire amount statutorily required in the pension code, including the "Brass Bill." Since the implementation of SB777, supported by Local 2, the City has not complied with the funding required by the pension code. Nevertheless, if the current Local 2 executive board is serious about addressing funding, I would be willing to personally work with Local 2 to help them understand the intricacies of the funding mechanisms found in the pension code. Some Local 2 candidates in the last election reached out to me about funding; I walked them through the cash flows, legislative implications and actuarial process as they relate to our Fund. I would be more than willing to continue doing that for any Local 2 executive board member that requests it.

It is important that members understand this is a public pension fund, there are many differing stakeholders involved that may have different views on how our Fund is administered, benefits are granted and funding is obtained. There will be disagreements. But if the process is respected and stakeholders bring their concerns in good faith, I think members will be well served and gain comfort that the critical issues facing our poorly funded plan can be addressed in a non-political, non-self serving manner.

Fraternally,



Timothy McPhillips  
Fund Secretary

**REQUIRED DISCLAIMER**

*The information set forth herein is believed to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of the Firemen's Annuity & Benefit Fund of Chicago, the Retirement Board (the "Board") or any member of the Board except the Secretary. The information and expressions of opinion contained herein are subject to change without notice. All expressions of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact. Financial information contained in this newsletter is as of a certain date, is unaudited and should not be relied on.*

***Firemen's Annuity & Benefit Fund of Chicago  
Summary of Regular Meeting dated 07/19/2017***

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**\* PLEASE POST \* \* PLEASE POST \* \* PLEASE POST \* \* PLEASE POST \***

To All Members:

Listed below are the names of individuals who have applied for a 75% Duty Disability benefit from the Pension Board. Their applications will be presented before this Board at the 08/16/2017 meeting.

Rank, Name, Assignment: (No Duty Applications for August 16, 2017 Meeting) Date of Injury:

Please contact the Pension Fund's Secretary, in writing, using the attached form, if you have any information could assist the Board in its investigation of whether or not it should grant a 75% disability benefit to any of the above individuals.

The Board can subpoena witnesses (Illinois Revised Statutes, Article 6-189) and compel them to attend and before it upon any matter concerning the Fund. Your cooperation will help maintain the integrity of this Fund.  
Timothy McPhillips  
Secretary

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NAME \_\_\_\_\_ ADDRESS \_\_\_\_\_  
PHONE \_\_\_\_\_ COMPANY ASSIGNMENT \_\_\_\_\_  
NAME OF APPLICANT \_\_\_\_\_  
NAME(S) OF WITNESS(ES) \_\_\_\_\_

FORWARD TO: Secretary  
Firemen's Annuity & Benefit Fund  
20 South Clark Street, Suite 1400  
Chicago, IL 60603

***Firemen's Annuity & Benefit Fund of Chicago***  
***Summary of Regular Meeting dated 07/19/2017***

MINIMUM FORMULA ANNUITIES:

015469 VINCENT A FARRIS, EMT LIEUTENANT, TRUCK 62  
 Ent CFD: 06/02/1996 **\$5,137.73** beginning 06/19/2017  
 Retired: 06/19/2017 based on 55% of Final Average Salary  
**\$154.13** annuity increment, 3%, begins 07/01/2018

014081 KIRKLAND J FLOWERS, FIREFIGHTER, PUBLIC EDUCATION  
 Ent CFD: 05/01/1990 **\$5,588.45** beginning 06/14/2017  
 Retired: 06/14/2017 based on 70% of Final Average Salary  
**\$167.65** annuity increment, 3%, begins 07/01/2018

- REFUND \$37,245.02 FOR SPOUSE CONTRIBUTIONS

011574 BRUCE A KIEL, EMT CAPTAIN, ENGINE 14  
 Ent CFD: 02/19/1980 **\$8,435.36** beginning 06/18/2017  
 Retired: 06/18/2017 based on 75% of Final Average Salary  
**\$253.06** annuity increment, 3%, begins 07/01/2018

012015 MARK R PIEMONTE, BATTALION CHIEF, BATTALION 11, Occupational Disability since 03/10/2008.  
 Ent CFD: 03/05/1980 **\$8,729.75** beginning 07/15/2017  
 Retired: 07/15/2017 based on 75% of Final Average Salary  
**\$261.89** annuity increment, 3%, begins 08/01/2018

- COLLECT \$66.61 FOR 2008 EID
- REFUND \$176.13 FOR 2006 & 2011 EID

011142 LARRY D WILDER, LIEUTENANT, ENGINE 122, Duty Disability since 02/17/1998.  
 Ent CFD: 02/15/1980 **\$7,152.00** beginning 07/02/2017  
 Retired: 07/02/2017 based on 75% of Final Average Salary  
**\$214.56** annuity increment, 3%, begins 08/01/2018

- REFUND \$21,722.77 FOR NO SPOUSE SPOUSE CONTRIBUTIONS

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WIDOW'S AND CHILDREN'S ANNUITIES:

912380 ROBERTA FIELDS, widow of CLINTON B FIELDS, Retired since 11/16/2012.  
 Ent CFD: 01/17/1978 **\$3,690.77** beginning 05/18/2017  
 Deceased: 05/17/2017

909523 MARY T FITZGERALD, widow of JOHN L FITZGERALD, Retired since 02/03/2006.  
 Ent CFD: 11/01/1968 **\$4,466.36** beginning 05/28/2017  
 Deceased: 05/27/2017

907306 BARBARA A HALEY, widow of RUSSELL J HALEY, Retired since 07/03/1988.  
 Ent CFD: 02/16/1956 **\$2,086.60** beginning 05/26/2017  
 Deceased: 05/25/2017

915137 SARAH MURPHY, widow of MICHAEL V MURPHY, Widow since 05/08/2017.  
 Ent CFD: 10/01/1996 **\$2,431.65** beginning 05/08/2017  
 Deceased: 05/07/2017

- REFUND \$11,023.39 FOR 2006 EID&2015-17 EXEMPT EID EID

906979 LORI OCONNELL, widow of JOHN F SKAGERBERG, Retired since 10/19/1990.  
 Ent CFD: 08/16/1955 **\$2,359.96** beginning 05/31/2017  
 Deceased: 05/30/2017

908032 MARGARET QUINN, widow of DANIEL D QUINN, Retired since 01/01/1989.  
 Ent CFD: 06/16/1960 **\$1,775.38** beginning 06/09/2017  
 Deceased: 06/08/2017

909835 SHARON RYAN, widow of JAMES J RYAN, Retired since 02/19/2004.  
 Ent CFD: 04/16/1970 **\$3,047.61** beginning 06/03/2017  
 Deceased: 06/02/2017

908942 JEANNE M UHLAR, widow of ROBERT J UHLAR, Retired since 06/01/1986.  
 Ent CFD: 12/16/1965 **\$1,421.78** beginning 05/13/2017  
 Deceased: 05/12/2017

907389 BEATRICE WILLIAMS, widow of LEROY WILLIAMS, Retired since 04/14/1986.  
 Ent CFD: 02/16/1956 **\$1,854.14** beginning 06/18/2017  
 Deceased: 06/17/2017

718595 JAXON JOSEPH SPOON, child of ROBERT D SPOON, PARAMEDIC, AMBULANCE 30  
 BY HALEY MARIE HOJEK  
 Ent CFD: 12/16/2014 **\$841.55** Child's Annuity beginning 06/02/2017  
 Deceased: 06/01/2017

***Firemen's Annuity & Benefit Fund of Chicago  
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REFUNDS TO ESTATE:

018010 TIMOTHY C GIBSON, PARAMEDIC, AMBULANCE 52

Ent CFD: 10/01/2012 **\$6,929.51** Refund of Unpaid Contributions in Account of Deceased FF  
to KIM GRICE-GIBSON, WIFE

Deceased: 02/19/2014

013679 PETER M KELLY, LIEUTENANT, 6 DISTRICT RELIEF, Retired since 10/10/2015.  
BY ANNE M SCHEURICH

Ent CFD: 11/01/1988 **\$63,021.04** Refund of Unpaid Contributions in Account of Deceased FF  
to ANNE M SCHEURICH, EX-SPOUSE  
\$63,021.04 to ANNE M SCHEURICH, QILDRO Portion

Deceased: 03/03/2017

***Firemen's Annuity & Benefit Fund of Chicago***  
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DEATH BENEFITS:

007583 HENRY BORGARDT, FIREFIGHTER, HOOK & LADDER 23, Retired since 10/18/1987.  
 Ent CFD: 04/16/1957 **\$6,000.00** to RENEE POKVITIS, DAUGHTER  
 Deceased: 03/23/2017

007872 JOSEPH M CARSO, FIRE ENGINEER, ENGINE 18, Retired since 07/20/1987.  
 Ent CFD: 04/16/1959 **\$6,000.00** to MICHAEL J CARSO, SON  
 Deceased: 03/20/2017

012380 CLINTON B FIELDS, LIEUTENANT PARAMEDIC, ENGINE 80, Retired since 11/16/2012.  
 Ent CFD: 01/17/1978 **\$6,000.00** to ROBERTA U FIELDS, WIFE  
 Deceased: 05/16/2017

009523 JOHN L FITZGERALD, EMT BATTALION CHIEF, BATTALION 15, Retired since 02/03/2006.  
 Ent CFD: 11/01/1968 **\$6,000.00** to MARY T FITZGERALD, WIFE  
 Deceased: 05/26/2017

007306 RUSSELL J HALEY, FIRE ENGINEER, ENGINE 65, Retired since 07/03/1988.  
 Ent CFD: 02/16/1956 **\$6,000.00** to BARBARA HALEY, WIFE  
 Deceased: 05/24/2017

012446 WALTER G HUBER, PARAMEDIC IN CHARGE, AMBULANCE 52, Retired since 02/26/2001.  
 Ent CFD: 07/01/1983 **\$6,000.00** to WALTER D HUBER, SON  
 Deceased: 05/25/2017

008032 DANIEL D QUINN, FIREFIGHTER, ENGINE 39, Retired since 01/01/1989.  
 Ent CFD: 06/16/1960 **\$6,000.00** to MARGARET E QUINN, WIFE  
 Deceased: 06/07/2017

009835 JAMES J RYAN, FIREFIGHTER, ENGINE 47, Retired since 02/19/2004.  
 Ent CFD: 04/16/1970 **\$6,000.00** to SHARON RYAN, WIFE  
 Deceased: 06/01/2017

006979 JOHN F SKAGERBERG, FIRE ENGINEER, ENGINE 120, Retired since 10/19/1990.  
 Ent CFD: 08/16/1955 **\$6,000.00** to LORI A O'CONNELL, WIFE  
 Deceased: 05/29/2017

008280 JAMES R SKALA, LIEUTENANT, TRUCK 26, Retired since 06/04/1995.  
 Ent CFD: 07/01/1961 **\$6,000.00** \$2,040.00 to RICHARD SKALA, SON  
 \$1,980.00 to MARK SKALA, SON  
 \$1,980.00 to SUSAN SKALA, DAUGHTER  
 Deceased: 05/24/2017



***Firemen's Annuity & Benefit Fund of Chicago  
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DEATH BENEFITS:

008942 ROBERT J UHLAR, LIEUTENANT, ENGINE 25, Retired since 06/01/1986.

Ent CFD: 12/16/1965 **\$6,000.00** to JEANNE M UHLAR, WIFE

Deceased: 05/11/2017

007389 LEROY WILLIAMS, FIRE ENGINEER, ENGINE 73, Retired since 04/14/1986.

Ent CFD: 02/16/1956 **\$6,000.00** to BEATRICE WILLIAMS, WIFE

Deceased: 06/16/2017

***Firemen's Annuity & Benefit Fund of Chicago  
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BENEFIT RECALCULATIONS:

017635	RICHARD J CHAMPLAIN, PARAMEDIC IN CHARGE, AMBULANCE 49		
	EID Recalculation	<b>\$54.00</b>	Refund for DAP Contributions Received after Resignation and Refund of Contributions

***Firemen's Annuity & Benefit Fund of Chicago  
Summary of Regular Meeting dated 07/19/2017***

HEARINGS:**THE FOLLOWING APPLICATION FOR OCCUPATIONAL DISEASE DISABILITY WAS GRANTED:**

016738 ROBERT POKLACKI, EMT FIREFIGHTER, ENGINE 11  
Ent CFD: 05/02/2005 **\$5,193.18** beginning 06/28/2017

The vote was:

Nays: (None)

Yeas: FORTUNA KEANE McPHILLIPS O'SULLIVAN SHANAHAN SUMMERS JR VALENCIA VASQUEZ

**THE FOLLOWING APPLICATION FOR OCCUPATIONAL DISEASE DISABILITY WAS DEFERRED:**

016946 EDTISMOND JOHNSON, FIREFIGHTER, TRUCK 40  
Ent CFD: 02/01/2006

**THE FOLLOWING APPLICATION FOR ORDINARY DISABILITY WAS GRANTED:**

017329 RYAN DUFFY, EMT FIREFIGHTER, ENGINE 56  
Ent CFD: 07/01/2008 **\$2,986.14** beginning 06/16/2017  
**\$30.00** a month for 1 minor child, GAVIN

The vote was:

Yeas: FORTUNA McPHILLIPS O'SULLIVAN SHANAHAN VALENCIA VASQUEZ

Nays: SUMMERS JR

Abstentions: KEANE

Calculation based on actual salary received (monthly career service salary reduced by 6% for failure to renew his EMT-B license) on advice of Fund counsel

**THE FOLLOWING APPLICATION FOR COMPENSATION WIDOW'S ANNUITY WAS DEFERRED:**

915137 SARAH MURPHY, widow of MICHAEL V MURPHY, Widow since 05/08/2017.  
Ent CFD: 10/01/1996  
Deceased: 05/07/2017

**THE BOARD ADOPTED THE FINDINGS IN THE DENIAL OF DUTY DISABILITY BENEFITS:**

017574 THOMAS J FLANAGAN, EMT FIREFIGHTER, ENGINE 10  
Ent CFD: 03/03/2009

The vote was:

Nays: (None)

Yeas: FORTUNA KEANE McPHILLIPS O'SULLIVAN SHANAHAN VASQUEZ

***Firemen's Annuity & Benefit Fund of Chicago  
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The following annuitants have passed away since the last regular meeting of the Board:

HEIDI J BAYLESS-JONES	Widow's Annuity	Died 06/16/2017
RALPH JOHNSON	Annuity	Died 06/15/2017
ORA GEORGE ROBINSON	Widow's Annuity	Died 08/24/2015
RICHARD O STERLING	Annuity	Died 06/18/2017
LEROY WILLIAMS	Annuity	Died 06/17/2017
JOAN OBRIEN	Widow's Annuity	Died 06/20/2017
ELEANOR WAGNER	Widow's Annuity	Died 06/28/2017
DAVID DEPEDER	Annuity	Died 06/30/2017
LEEMON E BOATNER	Annuity	Died 07/05/2017
JAMES K DOWNING	Annuity	Died 07/11/2017
GEORGE K KIRWAN	Annuity	Died 04/08/2017

***Firemen's Annuity & Benefit Fund of Chicago***  
***Summary of Regular Meeting dated 07/19/2017***

**ANNUITIES GRANTED**

<u>Resigned From:</u>	<u>Month:</u>	<u>Year to Date:</u>
Active Duty	3	49
Duty Disability	1	4
Occupational Disease Disability	1	6
Ordinary Disability	0	0
<b>Total Minimum Formula Annuities Granted</b>	<b>5</b>	<b>59</b>
<b>Total Earned Annuities Granted</b>	<b>0</b>	<b>0</b>
<b>Total Annuities Granted</b>	<b>5</b>	<b>59</b>

**DISABILITIES GRANTED**

<u>Type:</u>	<u>Month:</u>	<u>Year to Date:</u>
Duty Disability	0	5
Occupational Disease Disability	1	2
Ordinary Disability	1	3
<b>Total Disabilities Granted</b>	<b>2</b>	<b>10</b>
<b>Total Disabilities Denied</b>	<b>0</b>	<b>1</b>

**WIDOW'S ANNUITIES GRANTED**

<u>Type:</u>	<u>Month:</u>	<u>Year to Date:</u>
Regular Widow's Annuity	9	54
Compensation Widow's Annuity	0	0
<b>Total Widow's Annuities Granted</b>	<b>9</b>	<b>54</b>

**CHILD'S ANNUITIES GRANTED**

<u>Type:</u>	<u>Month:</u>	<u>Year to Date:</u>
Full Child's Annuity	0	0
Child of Duty Death Annuity	0	0
Child of Ordinary Death Annuity	1	3
<b>Total Children Annuities Granted</b>	<b>1</b>	<b>3</b>