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MINUTES
REGULAR MEETING NO. 947
NOVEMBER 18, 2009

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November 18, 2009
Regular Meeting No. 947
Agenda

1. Roll Call
2. Administrative Items
 - A. Approval of Minutes of Regular Meeting 946 and Special Meeting 946A
 - 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. Guardianship
 - ii. Reside Out of State
 - I. Gift Fund: (Information Only)
 - J. Removals
 - K. Expenditures
 - L. Executive Director's Report
 - i. Monthly Report
 - ii. 2009 Expenditures to Date (Information Only)
3. Legal Status
4. Committee Meeting Reports – November 16, 2009
 - A. Investment Committee, Fabrizio/Jackson
 - B. Legal Committee, Lux/Martin
 - Approval of Proposed Policies
 - i. Ethics Policy (Deferred)
 - ii. Travel Policy
 - iii. Policy Regarding Business Enterprises Owed by Minorities, Females And Persons with Disabilities
 - iv. Diversity Policy for Fiduciaries, Consultants and Senior Staff
 - v. Revision to Disability Procedures
 - C. Budget Committee – Shanahan/Neely
5. Board Physician Reviews of Disability Recipients
6. Hearings
 - A. Occupational Disease Disability
 - i. FF Vincent Urso, Engine 949:00 a.m.
 - ii. EMT Capt. Patrick Joyce, Engine 749:15 a.m.
 - B. Duty Disability
 - i. BC Patrick Knightly, Battalion 15.....DEFERRED
 - ii. FF Diane Bozeman, Fire Prevention Underground9:30 a.m.
7. Miscellaneous
 - A. Proposed 2010 Meeting Dates
 - B. Gift Fund Reserve Distribution
 - C. Response to Guardianship Issues

1. ROLL CALL: President Derrick Jackson, Vice-President Dan Fabrizio, Secretary Anthony Martin, Trustees Wally Carlson, Steve Lux and Michael Shanahan.

TRUSTEES PRESENT LATER: Treasurer Stephanie Neely

TRUSTEES ABSENT: Trustee Miguel del Valle

OTHERS PRESENT: Fund physician, George Motto, M.D.; Fund Attorneys, Mary Patricia Burns and Vincent Pinelli; Assistant City Comptroller, Joe Conte; Deputy Treasurer, Mark Mitrovich, Assistant to the City Clerk, Patrick O'Malley, Executive Director Kenneth Kaczmarz, Deputy Director of Benefits Janet Pelech, Administrative Coordinator Lori Lund, and Assistant Administrative Coordinator Kristy Maufas. Chief Investment Officer Michael Moran and Comptroller Jaclyn McAllister present for regular business.

2. ADMINISTRATIVE ITEMS:

A. APPROVAL OF MINUTES OF REGULAR MEETING 946, OCTOBER 21, 2009 AND SPECIAL MEETING NO. 946A, OCTOBER 28, 2009:

On motion of Martin, seconded by Carlson, the minutes of the Regular Meeting number 946, held on October 21, 2009 and Special Meeting number 946A, held on October 28, 2009, were accepted and approved without reading, each member having been previously furnished with a copy. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

B. MINIMUM FORMULA ANNUITIES:

10357 ROBERT E. ADAMS, Lieutenant, Truck 62, Occupational Disease Disability since February 25, 1999

Born:	12/09/1948	\$5,977.25	a month beginning November 8, 2009
Ent CFD:	02/16/1977		based on 75%
Retired:	11/08/2009	\$179.32	annuity increment, 3%, begins December 1, 2010

12073 BENNIE CAPLES, Firefighter, Fire Prevention Bureau-South, Occupational Disease Disability since February 27, 2004

Born:	11/27/1949	\$4,705.27	a month beginning November 27, 2009
Ent CFD:	02/01/1982		based on 70%
Retired:	11/27/2009	\$141.16	annuity increment, 3%, begins December 1, 2010

- REFUND \$15.73 FOR 1994 ERRORS IN DEDUCTIONS AND \$21,645.21 SPOUSE CONTRIBUTION

MINIMUM FORMULA ANNUITIES:

12346 MICHAEL D. CRONIN, Ambulance Commander, Ambulance 29

Born:	04/08/1958	\$6,613.71	a month beginning October 12, 2009
Ent CFD:	02/01/1979		based on 75%
Retired:	10/12/2009	\$99.21	annuity increment, 1.5%, begins May 1, 2018, last one on January 1, 2037

- REFUND \$445.62 FOR 1995, 1997, 2006 AND 2009 ERRORS IN DEDUCTIONS

10968 ARTHUR DIX, Firefighter, Engine 4

Born:	03/17/1953	\$5,089.76	a month beginning October 8, 2009
Ent CFD:	01/02/1980		based on 75%
Retired:	10/08/2009	\$152.69	annuity increment, 3%, begins November 1, 2010

10786 FRANK GILLIE JR., Firefighter, Air Mask Services, Occupational Disease Disability
Since May 1, 2001

Born:	01/16/1947	\$5,095.67	a month beginning November 17, 2009
Ent CFD:	11/16/1978		based on 75%
Retired:	11/17/2009	\$152.87	annuity increment, 3%, begins December 1, 2010

11297 MICHAEL J JACKSON, Captain, Truck 42

Born:	04/03/1948	\$6,682.43	a month beginning October 20, 2009
Ent CFD:	02/18/1980		based on 75%
Retired:	10/20/2009	\$200.47	annuity increment, 3%, begins November 1, 2010

- REFUND \$27.48 FOR 2006 ERRORS IN DEDUCTIONS

11986 MICHAEL J. JAKAITIS, Fire Engineer, Engine 18

Born:	04/15/1957	\$5,421.33	a month beginning October 31, 2009
Ent CFD:	03/01/1980		based on 75%
Retired:	10/31/2009	\$81.32	annuity increment, 1.5%, begins May 1, 2017, last one on January 1, 2036

- REFUND \$24.45 FOR 2006 ERRORS IN DEDUCTIONS

12471 EILEEN KEIPER-KNAPP, Ambulance Commander, Ambulance 1

Born:	11/13/1955	\$6,083.84	a month beginning October 31, 2009
Ent CFD:	10/18/1982		based on 70%
Retired:	10/31/2009	\$91.26	annuity increment, 1.5%, begins December 1, 2015, last one on January 1, 2034

- REFUND \$33.60 FOR 2006 ERRORS IN DEDUCTIONS

MINIMUM FORMULA ANNUITIES:

10022 JAMES R. KOENIG, Fire Engineer, Engine 124, Duty Disability since July 1, 2003

Born:	12/31/1946	\$5,642.12	a month beginning November 30, 2009
Ent CFD:	06/16/1971		based on 75% of final salary
Retired:	11/30/2009	\$169.26	annuity increment, 3%, begins December 1, 2010

- REFUND \$575.60 FOR 2003 ERRORS IN DEDUCTIONS

12495 KENNETH S. KOSMOSKI, Paramedic Field Officer, 4-5-4

Born:	07/28/1949	\$7,222.62	a month beginning October 9, 2009
Ent CFD:	12/01/1976		based on 75%
Retired:	10/09/2009	\$216.78	annuity increment, 3%, begins November 1, 2010

- REFUND \$46.32 FOR 2006 ERRORS IN DEDUCITONS
- COLLECT \$24.45 1998 ERRORS IN DEDUCTIONS

10107 WILLIAM LYNCH, Firefighter, Truck 60, Occupational Disease Disability since
November 17, 2000

Born:	10/21/1947	\$5,268.25	a month beginning November 21, 2009
Ent CFD:	02/01/1973		based on 75%
Retired:	11/21/2009	\$158.05	annuity increment, 3%, begins December 1, 2010

10037 GERALD P MCKEE, EMT Battalion Chief, Battalion 14

Born:	10/04/1946	\$7,774.75	a month beginning October 3, 2009
Ent CFD:	06/16/1971		based on 75%
Retired:	10/03/2009	\$233.24	annuity increment, 3%, begins November 1, 2010

- REFUND \$57.00 FOR 2006 AND 2009 ERRORS IN DEDUCTIONS

9820 JAMES T. MCCORMICK, Lieutenant, Engine 39, Occupational Disease Disability
Since February 22, 2003

Born:	11/23/1946	\$6,187.00	a month beginning November 23, 2009
Ent CFD:	04/16/1970		based on 75% of final salary
Retired:	11/23/2009	\$185.61	annuity increment, 3%, begins December 1, 2010

MINIMUM FORMULA ANNUITIES:

12014 MARK PECOR, Firefighter, Engine 62

Born:	01/21/1957	\$5,089.76	a month beginning October 3, 2009
Ent CFD:	03/01/1980		based on 75%
Retired:	10/03/2009	\$76.35	annuity increment, 1.5% begins February 1, 2017, last one on January 1, 2036

- REFUND \$145.75 FOR 1980 AND 2006 ERRORS IN DEDUCTIONS AND \$30,585.25 SPOUSE CONTRIBUTIONS

11931 JOSEPH PESCE, Fire Engineer, Engine 7

Born:	10/10/1946	\$5,421.33	a month beginning October 9, 2009
Ent CFD:	02/20/1980		based on 75%
Retired:	10/09/2009	\$162.64	annuity increment 3%, begins November 1, 2010

- REFUND \$24.69 FOR 2006 AND 2009 ERRORS IN DEDUCTIONS
- COLLECT \$7.85 FOR 1980 ERRORS IN DEDUCTIONS

10320 DONALD J. ROUSSEAU JR., Firefighter Engine 97, Occupational Disease Disability since February 18, 1993

Born:	03/02/1947	\$5,268.25	a month beginning November 2, 2009
Ent CFD:	12/22/1973		based on 75%
Retired:	11/02/2009	\$158.05	annuity increment, 3% begins December 1, 2010

11729 JOSEPH F. SIPIORA, Firefighter, Command 2-7-8

Born:	10/19/1946	\$5,089.76	a month beginning October 18, 2009
Ent CFD:	02/19/1980		based on 75%
Retired:	10/18/2009	\$152.69	annuity increment, 3%, begins November 1, 2010

- REFUND \$34.32 FOR 2006 ERRORS IN DEDUCTIONS

13480 DARRIEN E. THOMAS, Fire Engineer, Engine 86

Born:	11/19/1959	\$3,780.18	a month beginning November 19, 2009
Ent. CFD:	08/03/1987		based on 55%
Resigned:	06/02/2009	\$56.70	annuity increment, 1.5%, begins December 1, 2019, last one on January 1, 2038
Age 50:	11/19/2009		

- REFUND \$19.04 FOR 2006 ERRORS IN DEDUCTIONS AND \$23,893.13 SPOUSE CONTRIBUTION

MINIMUM FORMULA ANNUITIES:

10658 RICHARD L. ZAPER, Fire Engineer, Fire Prevention Bureau, Occupational Disease
Disability since October 25, 2001

Born:	12/20/1946	\$5,426.54	a month beginning November 2, 2009
Ent CFD:	10/10/1978		based on 75%
Retired:	11/02/2009	\$162.80	annuity increment, 3%, begins December 1, 2010

On motion of Martin, second by Lux, and by unanimous vote, the foregoing applications for minimum formula annuities accompanied by staff accountant's letters as to amounts and all necessary records were approved and granted to those applicants under provisions of the Code in the amounts and under the terms set forth. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

EARNED ANNUITY:

14714 RAYMOND KROL, Firefighter, Engine 92

Born:	10/13/1946	\$2,435.78	a month beginning October 12, 2009
Ent CFD:	12/01/1994		based on 40%
Retired:	10/12/2009	\$73.07	annuity increment, 3%, begins November 1, 2010

- REFUND \$36.90 FOR 2006 AND 2009 ERRORS IN DEDUCTIONS AND \$15,461.96 SPOUSE CONTRIBUTIONS

On motion of Martin, second by Shanahan, and by unanimous vote, the foregoing application for earned annuity accompanied by staff accountant's letters as to amounts and all necessary records was approved and granted to the applicant under provisions of the Code in the amounts and under the terms set forth. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

C. WIDOW'S AND CHILDREN'S ANNUITIES:

6640 JEANETTE BENZ, widow of Martin J. Benz, retired since July 13, 1988

Born:	08/14/1929	\$1,836.99	a month beginning October 11, 2009
Ent CFD:	10/18/1954		
Deceased:	10/10/2009		

WIDOW'S AND CHILDREN'S ANNUITIES:

7978 JOAN M. DIETERLE, widow of John J. Dieterle, retired since November 28, 1986

Born: 07/26/1928 \$1,504.04 a month beginning October 18, 2009
 Ent CFD: 06/16/1960
 Deceased: 10/17/2009

7184 WILMA HEIMBERG, widow of Conrad Heimberg, retired since April 30, 1986

Born: 11/25/1930 \$1,521.82 a month beginning October 28, 2009,
 Ent CFD: 01/16/1956 date of application, repaid No Spouse
 Deceased: 08/24/2009 Refund

8660 NANCY J. KARSTRAND, widow of David L. Karstrand, retired since June 10, 1995

Born: 11/14/1934 \$2,092.06 a month beginning October 15, 2009
 Ent CFD: 06/01/1964
 Deceased: 10/14/2009

On motion of Martin, second by Fabrizio, and by unanimous vote, the foregoing applications for widows' and childrens' annuities accompanied by staff accountant's letters as to amounts and all necessary records were approved and granted to those applicants under provisions of the Code in the amounts and under the terms set forth. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

D. REFUND OF CONTRIBUTIONS:

17533 RONY AGUIRRE, Firefighter, Academy

Born: (unavailable) \$2,540.09 Refund of Contributions
 Ent. CFD: 03/03/2009
 Discharged: 10/02/2009

16140 JULIE A CORKILL, Firefighter/Paramedic, Engine 113

Born: 05/03/1961 \$5,437.30 Refund of Contributions
 Ent. CFD: 10/16/2001
 Discharged: 07/23/2005

15542 RENEE L. PERRY, Paramedic, Ambulance 23

Born: 01/27/1968 \$55,068.78 Refund of Contributions
 Ent. CFD: 09/16/1998 \$21.33 Refund 2006 Errors in Deductions
 Resigned: 04/24/2008

REFUND OF CONTRIBUTIONS:

17314 GABINO VAZQUEZ, EMT Firefighter, Academy

Born: (unavailable)	\$159.69	Refund of Contributions
Ent. CFD: 07/01/2008	\$11.59	Refund 2008 Errors in Deductions
Resigned: 07/15/2008		

17647 DEANNA L. WATSON, Paramedic, Academy

Born: 01/20/1970	\$429.24	Refund of Contributions
Ent. CFD: 07/16/2009		
Discharged: 08/25/2009		

On motion of Martin, second by Lux and by unanimous vote, the foregoing refund of contributions were granted under provisions of the Code in the amounts and under the terms set forth. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

E. DEATH BENEFITS:

6640 MARTIN J. BENZ, retired since July 13, 1988

Born: 08/14/1929	\$6,000.00	to Jeanette Benz, widow.
Ent CFD: 10/18/1954		
Deceased: 10/10/2009		

7978 JOHN K. DIETERLE, retired since November 28, 1986

Born: 07/26/1928	\$6,000.00	to Joan M. Dieterle, widow
Ent CFD: 06/16/1960		
Deceased: 10/17/2009		

5566 ROBERT H. PANGBURN, retired since November 24, 1985

Born: 11/04/1923	\$6,000.00	to Robert P. Pangburn, son
Ent. CFD: 03/01/1949		
Deceased: 09/24/2009		

7245 JOHN P. STRAKA, retired since October 15, 2009

Born: 02/21/1920	\$6,000.00	to Patricia McLean, daughter
Ent. CFD: 01/16/1956		
Deceased: 10/15/2009		

DEATH BENEFITS:

On motion of Martin, second by Shanahan, and by unanimous vote, the foregoing ordinary death benefits were granted under provisions of the Code in the amounts and under the terms set forth. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

F. PARTIAL PAYMENTS:

- 6640 MARTIN J. BENZ, retired, deceased October 10, 2009; \$1,185.15 to
Jeanette Benz, widow
- 4890 ANNE B. CREIGHTON, widow, deceased September 9, 2009; \$306.36 to
Eileen M. Sielger, daughter
- 7978 JOHN J. DIETERLE, retired, deceased October 17, 2009; \$1,649.59 to
Joan M. Dieterle, widow
- 6031 LORRAINE M. EGAN, widow, deceased April 10, 2009; \$333.33 to
Debra Lynn, daughter
- 4354 GEORGE A. HUNGTINGTON, retired, deceased April 18, 2009; \$1,955.97 to
Jennifer Smith, POA
- 8660 DAVID L. KARSTRAND, retired, deceased October 14, 2009; \$1,889.60 to
Nancy J. Karstrand, widow
- 6374 JOHANNA PERFETTO, widow, deceased September 13, 2009; \$655.05 to
Bertha Sterenberg, daughter
- 7245 JOHN P. STRAKA, retired, deceased October 15, 2009; \$1,246.65 to
Patricia McLean, daughter

The foregoing pro rata payments on account of the death of annuitants, pensioners and beneficiaries on motion of Martin, second by Fabrizio, were granted under the provisions of the Code in the amounts and under the terms set forth. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

G. BENEFIT RECALCULATIONS:

11123 ROBERT J. PENTEK, Duty Disability since February 12, 1997. Notice to Withhold Income for Child/Spousal Support, 07D331, entered September 28, 2009 increases child support \$100.00 per month for past due amount of \$1,200.00 and requires an additional withholding in the amount of \$300.00 per month for maintenance. All withholding to be distributed to the State Disbursement Unit.

On motion of Martin, second by Lux, and by unanimous vote, the foregoing Benefit Recalculation was approved. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

H. REQUESTS FOR PERMISSION:i. GUARDIANSHIP:

11194 ALBERT C. BLISSITT BY PATRICIA BLISSITT, wife. Occupational Disease Disability since July 15, 2003. Power of Attorney and Doctor's Letter on file.

The Secretary presented request for permission to receive, receipt for, endorse and cash monthly annuity payments on behalf of the foregoing annuitants, as they are no longer able to do so personally. Physician's statements confirming disability, Letters of Guardianship or Powers of Attorney accompanied the requests. On motion of Martin to grant guardianship, second by Fabrizio, and by unanimous vote, guardianship and conservatorship proceedings were waived under provisions of Illinois Compiled Statutes, 40 ILCS 5/6-213. The Secretary was directed to forward the monthly annuity checks to the guardian-in-fact until further action of the Board. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

REQUESTS FOR PERMISSION:ii. RESIDE OUT OF STATE:

11516 RANDY CLAY, Occupational Disease Disability since September 18, 2009

On motion of Martin, second by Carlson to approve the foregoing Request to Reside out of State. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

I. GIFT FUND: (INFORMATION ONLY)

(See Gift Fund Addendum)

J. REMOVALS: The following changes in the rolls of annuitants and beneficiaries since the last regular meeting were directed to be recorded:

Daniel T. Bednarek	Annuity	Died October 06, 2009
John J. Dieterle	Annuity	Died October 17, 2009
Timothy J. Donovan	Annuity	Died October 22, 2009
Albert L. Hull	Annuity	Died October 04, 2009
David L. Karstrand	Annuity	Died October 14, 2009
James P. McGuire	Annuity	Died September 09, 2009
John W. Meyer	Annuity	Died November 09, 2009
Joseph G. Scavone, Sr.	Annuity	Died October 22, 2009
John P. Straka	Annuity	Died October 15, 2009
Alfonso Virzi	Annuity	Died November 01, 2009
Maynard Zylstra	Annuity	Died October 14, 2009
Mary J. Brabec	Widow's Annuity	Died October 08, 2009
Margaret Braschler	Widow's Annuity	Died November 02, 2009
Mary Jane Brown	Widow's Annuity	Died October 31, 2009
Frances Hanlon	Widow's Annuity	Died October 03, 2009
Ann R. Maxwell	Widow's Annuity	Died October 24, 2009
Jacqueline M. Murphy	Widow's Annuity	Died October 22, 2009
Ruth Oechsle	Widow's Annuity	Died October 11, 2009
Gloria Qualizza	Widow's Annuity	Died October 19, 2009
Matthew F. Gobac	Duty Disability	Retired October 06, 2009
William D. Reddy	Duty Disability	Retired October 05, 2009
Lawrence T. Koscianski	Occupational Disease Disability	Retired October 02, 2009
David G. Sutton	Child's Disability Benefit	Age 18 on November 18, 2009
Judith Baranowsky	Child's Annuity	Age 18 on November 10, 2009

On motion of Martin, seconded by Lux, the foregoing additions and removals were accepted. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

K. EXPENDITURES:

- i. INVOICES PAID - BUDGETED OPERATING EXPENSES REQUIRING IMMEDIATE PAYMENT: (INFORMATION ONLY)

(See Expenditure Addendum)

EXPENDITURES:

ii. INVOICES PRESENTED FOR PAYMENT - BUDGETED OPERATING EXPENSES:

(See Expenditure Addendum)

On motion of Martin, seconded by Shanahan, to pay the foregoing invoices presented for payment of budgeted operating expenses. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

iii. SECRETARY'S MOTION FOR PREPAYMENT OF MONTHLY OPERATING EXPENSES:

It is hereby moved that the following monthly expenditures for the next succeeding month for which invoices have not been received as of this date and the exact amounts not yet determined, that are due and payable prior to the next month's Board meeting be and the same are hereby authorized and approved to be paid upon receipt of the respective invoices which such expenses by creditor are hereinafter set forth as follows:

Rent
Electric
Telephone
Postage for Benefit Checks
Petty Cash - \$700
Brinks

On motion of Martin, seconded by Fabrizio, to pay the bills. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

iv. REQUEST FOR EXPENDITURES: (NONE)

EXPENDITURES:

v. PHONE POLLS:

10/29/09

On motion of Martin, second by Jackson to pay a \$6000 death benefit to Nancy Karstrand, widow of retired member David L. Karstrand. The vote was:

Yeas: Martin, Jackson, Lux, Shanahan, Fabrizio, Carlson
Nays: None
Unavailable: del Valle, Neely

8660 DAVID L. KARSTRAND, retired since June 10, 1995

Born: 11/14/1934 \$6,000.00 to Nancy Karstrand, widow
Ent CFD: 06/01/1964
Deceased: 10/14/2009

Note: Paid pursuant to phone poll on October 29, 2009

On motion of Martin, second by Jackson to have a holiday dinner on Thursday, December 10, 2009 not to exceed \$2,500 for staff and trustees. The vote was:

Yeas: Martin, Jackson, Shanahan, Fabrizio, Carlson
Nays: del Valle, Neely, Lux

The foregoing phone polls were spread upon the record.

3. LEGAL STATUS:

On motion of Martin, second by Lux to spread the Legal Status Report upon the record. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

Trustee Neely entered the meeting and was granted leave to be added in the affirmative on previous rolls taken.

4. COMMITTEE REPORT/S:A. INVESTMENT COMMITTEE – FABRIZIO/JACKSON:INVESTMENT COMMITTEE MINUTES
November 16, 2009

The Investment Committee of the Firemen's Annuity and Benefit Fund of Chicago held its monthly meeting on November 16, 2009. Present at the meeting were Investment Co-Chairmen Derrick Jackson and Trustees Anthony Martin, Walter Carlson, Stephanie Neely and Mike Shanahan. Also present were Assistant to the City Clerk Patrick O'Malley, Assistant City Comptroller Joe Conte, Deputy City Treasurer Mark Mitrovich, Investment Consultants Doug Kryscio, Jason Palmer and Andrew Shafer, Fund Attorney Mary Pat Burns and Fund staff Ken Kaczmarz, Mike Moran and Jaclyn McAllister.

Mercer 3rd Quarter 2009 Review

Investment consultant Mercer provided a recap of Fund and market performance during the third quarter of 2009. The Fund's returns rank in the top quartile for the third quarter and nine months of 2009. Longer period returns continue to lag most of the Fund's peer group. The Fund's relative performance versus its reference index was mixed, underperforming for the one and three year rolling time periods, while outperforming the reference index for longer periods. For the first nine months of 2009, the Fund outperformed the reference index by 170 basis points.

Mercer provided the Committee with a portfolio style analysis by individual manager. Further research will be conducted on the Neuberger Berman portfolio regarding potential style drift and on the Logan portfolio regarding capitalization compression. Other items of note included discussions of fund manager correlations, fund manager downside volatility and fund manager compliance with investment guidelines.

Mercer Research Notes

Mercer reviewed recent research notes regarding Adams Street Partners, Brandes Investment Partners and Marvin and Palmer Associates. Mercer research has reaffirmed its current ratings for Adams Street (A-) and Brandes (A-), while expressing concerns regarding Marvin & Palmers domestic equity strategy. Due to the strategies extended underperformance and loss of clients, Marvin & Palmer's rating has been downgraded to (B) from (A-). Mercer's rating downgrade of Marvin and Palmer confirmed the Fund's August 2009 decision to place them on the Fund's watch list.

Northern Trust Performance Flash at October 31, 2009

The Committee reviewed the monthly performance report as of October 31, 2009. For the month, the Fund declined by 1.1% as the S&P 500 fell by 1.9%. The Fund's 2009 year to date gain of 20.2% bested the S&P 500's gain of 17.1%. Total Fund performance for the one, three and five year time periods continued to significantly exceed all equity benchmarks.

Strong relative year to date performance was noted of Boston Company, Evergreen, Logan, Blair, LSV, PIMCO commodity fund and each of the Fund's fixed income managers.

COMMITTEE REPORT/S:INVESTMENT COMMITTEE:

Statement of Asset Allocation at November 12, 2009

The Committee examined the Statement of Fund Asset Allocation. The Fund is currently valued at approximately \$929 million. The Fund continues to be overweight in its large cap domestic equities and fixed income allocations. The Committee expects that overweight portfolio positions will be used to fund upcoming benefit and expense payments and increase the Fund's liquidity capabilities.

Statement of Cash Needs

The Committee considered its cash requirements for November 30, 2009. In order to meet November benefit payments and expenditures, fund capital calls and maintain liquidity, \$15,000,000 must be drawn down. A motion was made by Trustee Martin, seconded by Trustee Carlson, to draw \$4.1 million from EARNEST Partners, \$5.3 million from Western Asset and \$5.6 million from Loomis Sayles. The vote was:

Ayes: Martin, Carlson, Neely, Shanahan, Jackson

Nays: None

Target Brokers Report

The Target Brokerage report was reviewed by the Committee. As of October 31, 2009, the Fund paid a total of \$204 thousand (29.8%) in commissions to 25 MFDBE broker-dealers during the year.

Capital Calls

The Committee was informed that approximately \$1.1 million of capital calls were paid since the October Committee meeting. The Committee was made aware that anticipated capitals calls for the first six months of 2010 is estimated to be \$18 million.

Securities Lending Update

The Committee was informed that payment for the realized losses attributable to Lehman Bros. bonds held in the Northern Trust securities lending program is due by December 15, 2009. A motion was made by Trustee Martin, seconded by Trustee Carlson, to authorize payment of \$265,109 to Northern Trust for security lending losses. The vote was:

Ayes: Martin, Carlson, Neely, Shanahan, Jackson

Nays: None

The Committee asked Fund counsel and its Chief Investment Officer to review the securities lending program with Northern Trust and report its findings to the Board.

Public Act 096-6 Implementation

The Committee reviewed the Fund's recently enacted goals for MFDBE emerging investment managers and MFDBE broker/dealers.

COMMITTEE REPORT/S:INVESTMENT COMMITTEE:

Fund Assets		
As of November 12, 2009		
<u>Asset Class</u>	<u>Dollars</u>	<u>Percent</u>
Large Cap Equity	\$324,552,781	34.9%
Small to Mid Cap Equity	\$143,557,000	15.5%
Intl & Emerging Equity	\$181,334,577	19.5%
Core Bonds	\$57,601,299	6.2%
Core Plus Bonds	\$80,696,903	8.7%
Opportunistic Bonds	\$91,393,215	9.8%
Commodities	\$21,231,889	2.3%
Hedge Funds	\$0	0.0%
Private Equity	\$16,112,441	1.8%
Real Estate	\$8,915,227	1.0%
Cash Equivalents	\$3,121,641	0.3%
TOTAL FUND	\$928,516,973	100.0%

[End November 16, 2009 Investment Committee Meeting]

On motion of Martin, second by Carlson to approve the Investment Committee Meeting. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

B. LEGAL COMMITTEE – LUX/MARTIN:

LEGAL COMMITTEE MINUTES
NOVEMBER 16, 2009

The Legal Committee of the Firemen's Annuity and Benefit Fund of Chicago held its monthly meeting in the office of the Fund on Monday, November 16, 2009. Present at the meeting were Committee Chair, Steve Lux and Trustees Anthony Martin, Wally Carlson, Stephanie Neely, Michael Shanahan and Derrick Jackson. Also present were Fund Attorneys Mary Pat Burns and Vincent Pinelli, Assistant City Comptroller Joe Conte, Deputy Treasurer Mark Mitrovich, Assistant to the City Clerk Patrick O'Malley and Fund Staff Ken Kaczmarz, Janet Pelech, Michael Moran, Jaclyn McAllister, Kristy Maufas and Lori Lund.

Fund Attorney Mary Pat Burns reviewed the monthly Legal Status report and recent legal decisions and the following motion was made.

COMMITTEE REPORT/S:LEGAL COMMITTEE:

On motion of Martin, second by Neely to appoint Burke, Burn, & Pinelli to represent the Fund in the Sullivan matter. The vote was:

Yeas: Martin, Carlson, Lux, Neely, Shanahan, Jackson
Nays: None

On motion of Martin, second by Shanahan to accept the Legal Status Report. The vote was:

Yeas: Martin, Carlson, Lux, Neely, Shanahan, Jackson
Nays: None

Pursuant to the ongoing implementation of SB 364 requirements (PA96-0006) the Committee reviewed revisions to the Fund's Ethics and Travel policies. Additionally, a draft Policy Regarding Business Enterprises Owned by Minorities, Females and Persons With Disabilities as well as a Diversity Policy for Fiduciaries, Consultants and Senior Staff were distributed for review. The Committee requested that Fund staff provide a current percentage review of the Women, Minority and Person With Disabilities owned service providers currently doing business with the Fund.

The Committee reviewed proposed Re-examination Guidelines pursuant to recent amendments to ILCS 5/6-154. The Committee requested a draft policy regarding this issue. Fund counsel suggested that language should be added to the Fund's existing Disability Policy regarding these changes. Draft language will be presented to the full Board on November 18, 2009 for approval.

The Committee requested that all discussions regarding Coventry be deferred to a later time.

There being no further business to discuss, the meeting was adjourned.

[End November 16, 2009 Legal Committee Meeting]

On motion of Martin, second by Neely to approve the Legal Committee Report. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

APPROVAL OF PROPOSED POLICIES:

- i. Ethics Policy (Deferred)
- ii. Travel Policy

On motion of Martin, second by Lux to approve the revised Travel Policy. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

APPROVAL OF PROPOSED POLICIES:

- iii. Policy Regarding Business Enterprises Owed by Minorities, Females
And Persons with Disabilities

The foregoing policy was approved with a target goal of 15%-20%, on motion of Martin, second by Neely. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

- iv. Diversity Policy for Fiduciaries, Consultants and Senior Staff

On motion of Martin, second by Carlson to approve the foregoing Diversity Policy. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

- v. Revision to Disability Procedures

On motion of Martin, second by Carlson to approve the revisions to the Disability Procedures regarding reexaminations. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

C. BUDGET COMMITTEE – SHANAHAN/NEELY

On motion of Martin, second by Carlson to approve the Proposed Budget as amended.

On motion of Martin, second by Lux the Board went into executive session. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

Out of executive session the foregoing motion was withdrawn the approval of the 2010 Budget was deferred to the December meeting. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

5. BOARD PHYSICIAN REVIEWS OF DISABILITY RECIPIENTS: (DEFERRED)

6. HEARINGS:A. OCCUPATIONAL DISEASE DISABILITY APPLICATIONS:

The Secretary presented the application for occupational disease benefits made to and sworn by:

14661 VINCENT URSO, Firefighter, Engine 94

Born: 10/30/1947
Ent. CFD: 07/16/1994

and witnessed in the office of the Fund, accompanied by staff accountant's letter as to amounts and all necessary records. Applicant had been examined in the office of the Fund by the Board's physician. After reviewing the relevant records, a hearing having been held and after due deliberation, on motion of Martin, seconded by Carlson to grant occupational disease disability benefits.

*By roll call vote, **occupational disease disability benefits were granted** pursuant to Illinois Compiled Statutes, 40 ILCS 5/6-151.1 and the express findings of the Board, in the amount of **\$4,118.61 a month beginning October 31, 2009**, the day of removal from the Fire Department payroll and no longer receiving salary. The vote was:*

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

On motion of Martin, second by Neely to schedule a reexamination of Mr. Urso's disability status consistent with Board policy. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

The Secretary presented the application for occupational disease benefits made to and sworn by:

11926 PATRICK J. JOYCE, EMT Captain, Engine 74

Born: 05/02/1958
Ent. CFD: 02/20/1980

and witnessed in the office of the Fund, accompanied by staff accountant's letter as to amounts and all necessary records. Applicant had been examined in the office of the Fund by the Board's physician. After reviewing the relevant records, a hearing having been held and after due deliberation, on motion of Martin, seconded by Fabrizio to grant occupational disease disability benefits.

*By roll call vote, **occupational disease disability benefits were granted** pursuant to Illinois Compiled Statutes, 40 ILCS 5/6-151.1 and the express findings of the Board, in the amount of **\$6,058.54 a month beginning October 22, 2009**, the day of removal from the Fire Department payroll and no longer receiving salary. The vote was:*

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

HEARINGS:

OCCUPATIONAL DISEASE DISABILITY APPLICATIONS:

On motion of Martin, second by Shanahan to schedule a reexamination of Mr. Joyce's disability status consistent with Board policy. The vote was:

*Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

B. DUTY DISABILITY APPLICATIONS:

The Secretary presented the application for duty disability benefits made to and sworn by:

14334 DIANE D. BOZEMAN, Firefighter, Fire Prevention Bureau Underground S

Born: 11/26/1953 \$4,752.25 a month beginning October 23, 2009
Ent. CFD: 10/01/1991

Witnesses: Capt. LaGrant Davis, Fire Prevention Bureau – West (unavailable)
Rita Daniels (civilian)
William Pett (civilian) (unavailable)
Laina Alexander (civilian) (unavailable)

Testimony was heard in the forgoing matter.

The application was witnessed in the office of the Fund, and is accompanied by staff accountant's letter as to amounts and all necessary records. Applicant had been examined in the office of the Fund by the Board's physician. After reviewing the relevant records, a hearing having been held and after due deliberation, on motion of Martin, seconded by Shanahan to grant duty disability benefits.

On motion of Martin, second by Fabrizio, and by unanimous vote, the Board went into executive session.

Out of executive session, the foregoing matter was deferred to later in the meeting and the Board went out of the regular order of business.

7. MISCELLANEOUS:

A. PROPOSED 2010 MEETING DATES:

On motion of Neely, second by Shanahan to approve the proposed 2010 meeting dates.

MISCELLANEOUS:B. GIFT FUND RESERVE DISTRIBUTION:

On motion of Carlson, second by Martin,

BE IT HEREBY RESOLVED; To recognize that the Ende Menzer Walsh & Quinn Retirees' Widows' and Children's Assistance Fund has been established for the sole purpose of providing assistance to the neediest widows and orphans of the Firemen's Annuity and Benefit Fund of Chicago,

And Whereas; the Internal Revenue Service (the "IRS") has granted tax exempt 501(c)(3) status to the Ende Menzer Walsh & Quinn Retirees' Widows' and Children's Assistance Fund in April of 2007 which requires, among other things, that the Ende Menzer Walsh & Quinn Retirees' Widows' and Children's Assistance Fund comply with IRS rules and regulations relating to record keeping associated with the receipt and distribution of all funds and the requirement for an independent annual audit of its records,

And Whereas; the directors of the Ende Menzer Walsh & Quinn Retirees' Widows' and Children's Assistance Fund include current and former participants and members of the administration of the Firemen's Annuity and Benefit Fund of Chicago and the Chicago Fire Department;

Therefore; Be it resolved that the Trustees of the Firemen's Annuity and Benefit Fund of Chicago, utilizing the discretionary authority granted under ILCS 40: Act 5 Section 6-202, hereby direct that a distribution from the Gift Reserve Account be made for calendar year 2009 in the amount of \$400,000 to the Ende Menzer Walsh & Quinn, Retirees' Widows' and Children's Assistance Fund as a partial contribution towards the Ende Menzer Walsh & Quinn Retirees' Widows' and Children's Assistance Fund's stated intention to distribute gift check of \$600 to 636 widows receiving \$1200 or less per month and to the 91 children annuitants of the Firemen's Annuity and Benefit Fund of Chicago, in or about November 27, 2009; and,

Further; Be it further resolved that the administrative staff of the Firemen's Annuity and Benefit Fund of Chicago, is hereby directed to provide such additional administrative assistance as is needed to accomplish the purposes of these resolutions and to facilitate the distribution by the Ende Menzer Walsh & Quinn Retirees' Widows' and Children's Assistance Fund of gift checks contemplated for November 2009 to the neediest widows and orphan beneficiaries of the Firemen's Annuity and Benefit Fund of Chicago; including, without limitation, supplying names and addresses for those individuals who are to receive the gift checks; and

Further; Be it resolved that the distribution from the Gift Reserve Account is contingent upon the Ende Menzer Walsh & Quinn Retirees' Widows' and Children's Assistance Fund's agreement to provide the Firemen's Annuity and Benefit Fund of Chicago with adequate documentation supporting the distribution of the aforementioned gift checks by January 15, 2010 or such later date as may be mutually agreed upon.

The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

C. RESPONSE TO GUARDIANSHIP ISSUES:

The Board reviewed guardianship issues regarding our member Raymond Gwinnup and the following motion was made.

On motion of Martin, second by Carlson to hold distribution of the November benefit check and request that Fund staff investigate the matter and report back to the Board. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

The Board reviewed guardianship issues regarding our member Fred Celestine and the following motion was made.

On motion of Lux, second by Martin to hold distribution of the November benefit check and request that Fund staff investigate the matter and report back to the Board. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

Regarding Gift Fund distributions it was recommended that the issue of distribution for child beneficiaries be based on need for future distributions. Additionally, it was requested that staff review tax issues regarding these distributions.

B. DUTY DISABILITY APPLICATIONS:

The Secretary presented the application for duty disability benefits made to and sworn by:

14334 DIANE D. BOZEMAN, Firefighter, Fire Prevention Bureau Underground S

Born: 11/26/1953 \$4,752.25 a month beginning October 23, 2009
Ent. CFD: 10/01/1991

The board reconvened the foregoing hearing. The prior motion by Martin, second by Shanahan to grant was withdrawn and the following motion was made.

On motion of Martin, second by Neely to defer this matter to the December meeting at the request of the applicant so that she may seek legal counsel. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

There being no further business to discuss, the meeting was adjourned.