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MINUTES
REGULAR MEETING NO. 945
SEPTEMBER 16, 2009

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September 16, 2009
Regular Meeting No. 945
Proposed Agenda

1. Roll Call
2. Administrative Items
 - A. Approval of Minutes of Regular Meeting 944
 - 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 (None)
 - 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 – September 14, 2009
 - A. Investment Committee, Fabrizio/Jackson
 - B. Legal Committee, Lux/Martin
 - C. Legislative Committee – Carlson/Fabrizio
 - D. Election Committee – Martin/del Valle
5. Board Physician Reviews of Disability Recipients
6. Hearings
 - A. Occupational Disease Disability
 - i. FF Joseph Alonzo, Air Mask9:00 a.m.
 - ii. FF Joe Dipasquo, Truck 179:15 a.m.
 - iii. Eng. Michael Sullivan, Engine 1069:30 a.m.
 - iv. Lt. John Chwarzynski, 2nd District Relief Atty: Martin Holland10:30 a.m.
 - B. Duty Disability
 - i. FF Paul O'Donnell, Engine 1199:45 a.m.
 - ii. PIC Kathrin W. Bender, Ambulance 511:00 a.m.
 - iii. FF Paul Serwatka, Engine 5411:30 a.m.
7. Miscellaneous
 - A. Legacy Partners, 12/31/08 Final Audit Report
 - B. 12/31/08 Agreed Upon Procedures Report

1. ROLL CALL: President Derrick Jackson, Vice-President Dan Fabrizio, Treasurer Stephanie Neely, Trustees Miguel del Valle, Steve Lux and Michael Shanahan.

TRUSTEES PRESENT LATER: Trustee Walter Carlson and Secretary Anthony Martin

TRUSTEES ABSENT: None

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 Fund Comptroller Jacklyn McAllister were present for a portion of the meeting.

Secretary Martin not being present at the start of the meeting, the Board requested that Trustee Lux sit in as acting Secretary to present the following motions.

2. ADMINISTRATIVE ITEMS:

A. APPROVAL OF MINUTES OF REGULAR MEETING 944, AUGUST 19, 2009:

On motion of Lux, seconded by Neely, the minutes of the regular meeting number 944, held on August 19, 2009, were accepted and approved without reading, each member having been previously furnished with a copy. The vote was:

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

B. MINIMUM FORMULA ANNUITIES:

11501 DAVID A. CALES, Firefighter, Engine 8, Duty Disability since April 9, 1984

Born: 06/01/1956	\$5,083.87	a month beginning September 10, 2009
Ent. CFD: 02/19/1980		based on 75%
Retired: 09/10/2009	\$76.26	annuity increment, 1.5%, begins
		July 1, 2016, last one on January 1, 2035

- REFUND \$2,928.00 SPOUSE CONTRIBUTIONS

9887 WAYNE W. DERTZ, EMT Lieutenant, Engine 54

Born: 07/12/1946	\$6,427.00	a month beginning July 12, 2009
Ent. CFD: 12/16/1970		based on 75% of Final Salary
Retired: 07/12/2009	\$192.81	annuity increment, 3%, begins
		August 1, 2010

- REFUND \$1,349.62 FOR 2006 AND 2009 ERRORS IN DEDUCTIONS

MINIMUM FORMULA ANNUITIES:

10809 MICHAEL A. LOVERO, Lieutenant, 1st District Relief, Duty Disability since
March 21, 2004

Born: 09/23/1946	\$5,964.44	a month beginning September 23, 2009
Ent. CFD: 11/16/1978		based on 75%
Retired: 09/23/2009	\$178.93	annuity increment, 3%, begins October 1, 2010

- COLLECT \$146.21 FOR 2003 ERRORS IN DEDUCTIONS
- REFUND \$26,085.34 SPOUSE CONTRIBUTIONS

11953 ARTHUR T. NOONAN, Firefighter, Squad 1, Occupational Disease Disability since
December 24, 2005

Born: 09/05/1946	\$5,083.87	a month beginning September 5, 2009
Ent. CFD: 02/27/1980		based on 75%
Retired: 09/05/2009	\$152.52	annuity increment, 3%, begins October 1, 2010

- COLLECT \$116.00 FOR 1980 and 2005 ERRORS IN DEDUCTIONS

11709 KENNETH J RUTKA, Firefighter, Truck 29, Duty Disability since September 12, 1991

Born: 09/20/1949	\$5,083.87	a month beginning September 21, 2009
Ent. CFD: 02/19/1980		based on 75%
Retired: 09/21/2009	\$152.52	annuity increment, 3%, begins October 1, 2010

- REFUND \$9,735.90 SPOUSE CONTRIBUTIONS

10130 RAYMOND WEIHER, EMT Battalion Chief, 16th Battalion

Born: 08/28/1946	\$7,698.02	a month beginning August 27, 2009
Ent. CFD: 02/01/1973		based on 75%
Retired: 08/27/2009	\$230.94	annuity increment, 3%, begins September 1, 2010

- REFUND \$399.11 FOR 2006 AND 2009 ERRORS IN DEDUCTIONS

On motion of Lux, second by Shanahan, 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, del Valle, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan

Nays: None

C. WIDOW'S AND CHILDREN'S ANNUITIES:

5243 WILLIE MAE BROWN, widow of Clarence J. Brown, retired since February 7, 1977

Born: 11/20/1920 \$1,000.00 a month beginning August 9, 2009
 Ent. CFD: 05/10/1948
 Deceased: 08/08/2009

6762 DONNA C HERRITY, widow of John P. Herrity, retired since December 11, 1986

Born: 06/08/1932 \$1,609.24 a month beginning August 25, 2009
 Ent. CFD: 11/01/1954
 Deceased: 08/24/2009

9654 MARLENE O'SHAUGHNESSY, widow of Hilery O'Shaughnessy, retired since
November 30, 2001

Born: 03/22/1943 \$2,629.99 a month beginning August 10, 2009
 Ent. CFD: 02/16/1969
 Deceased: 08/09/2009

On motion of Lux, second by delValle, 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, del Valle, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
 Nays: None*

D. REFUND OF CONTRIBUTIONS: (NONE)E. DEATH BENEFITS:

5243 CLARENCE J. BROWN, retired since February 7, 1977

Born: 11/20/1920 \$6,000.00 to Willie Mae Brown, widow
 Ent. CFD: 05/10/1948
 Deceased: 08/08/2009

6762 JOHN P. HERRITY, retired since December 11, 1986

Born: 06/08/1932 \$6,000.00 to Donna C. Herrity, widow
 Ent. CFD: 11/01/1954
 Deceased: 08/24/2009

DEATH BENEFITS:

4354 GEORGE A. HUNTINGTON, retired since October 29, 1978

Born: 10/28/1915 \$6,000.00 to Elaine M. Thomas, daughter
 Ent. CFD: 08/30/1943
 Deceased: 04/18/2009

13618 SCOTT R. LIETZ, Firefighter, Tower Ladder 54, Duty Disability since
May 10, 2006

Born: 01/22/1962 \$12,000.00 to Justine Lietz, widow
 Ent. CFD: 07/18/1988
 Deceased: 08/26/2009

8185 LEO R. STEFANOWSKI, retired since December 1, 1989

Born: 12/01/1926 \$6,000.00 to Mary Hanchar, friend
 Ent. CFD: 03/13/1961
 Deceased: 07/26/2009

On motion of Lux, second by Fabrizio, 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, del Valle, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
 Nays: None*

F. PARTIAL PAYMENTS:5243 CLARENCE J. BROWN, retired, deceased August 8, 2009; \$462.52 to
Willie Mae Brown, widow8065 BENNIE L. CRANE, retired, deceased July 4, 2009; \$927.45 to
Lois G. Crane, widow8649 ARTHUR C. HANSEN, retired, deceased June 26, 2009; 3,468.76 to
Arthur C. Hansen, Jr., son6762 JOHN P. HERRITY, retired, deceased August 24, 2009; \$2,491.73 to
Donna C. Herrity, widow5178 MARY A. KANE, widow, deceased July 13, 2009; \$419.35 to
Mary Ann Furlong, daughter13618 SCOTT R. LIETZ, Duty Disability since May 10, 2006; \$3,910.58 to
Justine Lietz, widow5768 DORA M. MAAS, widow, deceased August 5, 2009; \$161.59 to
Renee Demey, daughter

PARTIAL PAYMENTS:

9654 HILERY O'SHAUGHNESSY, retired, deceased August 9, 2009; \$1,527.09 to
Marlene O'Shaughnessy, widow

6339 WARREN SMITH, JR., retired, deceased May 15, 2009; \$1,366.29 to
Mable Rhay, sister

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

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

Nays: None

G. BENEFIT RECALCULATIONS:i. CHILD'S DISABILITY BENEFIT:

13864 DONALD COX – Duty Disability since June 29, 2009. Child's Disability benefit in the amount of \$30.00 per month for minor children, Kahlea Cox and Kendra Cox beginning June 29, 2009.

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

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

Nays: None

ii. SENATE BILL 358:

12032 WALSH, RICHARD – (Firefighter) Occupational disease disability since 9/27/99. Effective 9/27/09 increase monthly benefit from \$3082.30 to \$3168.17 (50% of salary for a 15 year Firefighter).

12543 MCCURRIE, MARY – (Ambulance Commander) Duty disability since 9/11/99. Effective 9/11/09 increase monthly benefit from \$4260.38 to \$4349.42 (50% of salary for a 20 year Ambulance Commander).

On motion of Lux, second by Shanahan, and by unanimous vote, the foregoing Benefit Recalculations were approved. The vote was:

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

Nays: None

BENEFIT RECALCULATIONS:

iii. UNIFORM ORDER FOR SUPPORT:

11321 BRUCE LANHAM, Retired since April 10, 2009. Modification of Uniform Order for Support. 97 D 30123 entered in the Circuit Court of Cook County, August 26, 2009. Requires monthly withholding in the amount of \$500.00 beginning September 1, 2009 for minor child, Ashley Lanham. Order terminates June 20, 2012.

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

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

H. REQUESTS FOR PERMISSION:

i. GUARDIANSHIP:

4890 ANNE B. CREIGHTON BY EILEEN M. SIEGLER, daughter. Widow's Annuity since April 16, 1999. 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 Lux to grant guardianship, second by del Valle, 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, del Valle, Fabrizio, Jackson, Lux, Martin, Neely, Shanahan
Nays: None*

ii. RESIDE OUT OF STATE: (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:*

Conrad Heimberg	Annuity	Died August 24, 2009
John P. Herrity	Annuity	Died August 24, 2009
Valerie Dunn	Widow's Annuity	Died August 01, 2009
Mae Felber	Widow's Annuity	Died July 26, 2009
Jean M. Kelso	Widow's Annuity	Died September 08, 2009
Sharon F. O'Donovan	Compensation Widow's Annuity	Died September 02, 2009
John E. Lederer	Duty Disability	Retired August 10, 2009
Scott R. Lietz	Duty Disability	Died August 26, 2009
William E. Meyer	Duty Disability	Retired August 09, 2009
David E. Stack	Occupational Disease Disability	Retired August 30, 2009
Salvatore Greco	Child's Disability Benefit	Age 18 on September 21, 2009
Thomas Sullivan	Child's Disability Benefit	Age 18 on September 08, 2009
Mathew Williams	Child's Disability Benefit	Age 18 on September 22, 2009
Ryan J. Blackmon	Child's Annuity	Age 18 on September 19, 2009
Tamira S. Smith	Child's Annuity	Age 18 on September 18, 2009
Jasmine K. Williams	Child's Annuity	Age 18 on September 01, 2009

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

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

Nays: None

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

K. EXPENDITURES:

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

(See Expenditure Addendum)

ii. INVOICES PRESENTED FOR PAYMENT - BUDGETED OPERATING EXPENSES:

(See Expenditure Addendum)

On motion of Lux, seconded by Fabrizio, to pay the foregoing invoices presented for payment of budgeted operating expense.. The vote was:

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

Nays: None

EXPENDITURES: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 Lux, seconded by Carlson, to pay the bills. The vote was:

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

iv. REQUEST FOR EXPENDITURES: (NONE)v. PHONE POLL: (8/20/09)

On motion of Martin, second by Fabrizio to that, given the positive risk reward characteristics and the unique, opportunistic nature of the U.S. Treasury's Public-Private Investment Program ("PPIP"), along with the accelerated decision making timeframe required, and based on the recommendation by Mercer that such an investment is consistent with the Fund's Investment Policy and its current asset allocation, and further based on the understanding that this specific investment falls outside the Fund's procurement policy for the reason that the US Government has already procured and identified the investment managers available for PPIP, the Board authorizes its Chief Investment Officer and Mercer, as its investment consultant, to make **no more than a \$20 million dollar investment, in total, in no more than two US Treasury approved investment managers**, subject to (i) complete and satisfactory due diligence as to the selected PPIP investment managers, (ii) satisfactory contract negotiations, including any selected investment managers' compliance with Public Act 96-0006, and (iii) legal review and approval as to form by Fund counsel. Mercer and the Fund's Chief Investment Officer shall report all decisions back to the Board on or before its September Committee meeting, for ratification of all actions consistent with this resolution. The vote was:

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

On motion of Lux, second by Neely, to spread the foregoing phone poll upon the record. The vote was:

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

L. EXECUTIVE DIRECTOR'S REPORT:i. MONTHLY REPORT:ii. 2009 EXPENDITURES TO DATE: (INFORMATION ONLY)

On motion of Shanahan, second by Lux to spread the Executive Director's Report upon the record. The vote was:

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

Nays: None

3. LEGAL STATUS:

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

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

Nays: None

Trustee Martin 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
September 14, 2009*

The Investment Committee of the Firemen's Annuity and Benefit Fund of Chicago held its monthly meeting on September 14, 2009. Present at the meeting were Investment Co-Chairmen Derrick Jackson and Dan Fabrizio and Trustees Anthony Martin, Walter Carlson, Steve Lux, Stephanie Neely and Mike Shanahan. Also present were Assistant to the City Clerk Patrick O'Malley, Assistant City Comptroller Joe Conte and 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.

Northern Trust Performance Flash at August 31, 2009

The Committee reviewed the monthly performance report as of August 31, 2009. For the month, the Fund gained 2.7% while the S&P 500 rose 3.6%. Every equity and fixed income investment manager registered positive returns for the month. The Fund's 2009 year to date performance is a positive 16.8% compared to the S&P 500's gain of 15.0%. Total Fund performance for the one, three and five year time periods continued to exceed all equity benchmarks.

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

COMMITTEE REPORT/S:INVESTMENT COMMITTEE:**Statement of Asset Allocation at September 10, 2009**

The Committee examined the Statement of Fund Asset Allocation. The Fund is currently valued at approximately \$921 million, a post-crash high. 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 September 30, 2009. In order to meet September benefit payments and expenditures, \$12,700,000 must be drawn down. A motion was made by Trustee Lux, seconded by Trustee Martin, to draw \$1.2 million from EARNEST Partners, \$1.6 million from Western Asset, \$1.7 million from Loomis Sayles and \$8.2 million from the Fund Office account. The vote was:

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

Nays: None

Target Brokers Report

The Target Brokerage report was reviewed by the Committee. As of August 31, 2009, the Fund paid a total of \$165 thousand (29.2%) in commissions to 21 MWBE broker-dealers during the year.

Capital Calls

The Committee was informed that \$755 thousand of capital calls were paid since the August Committee meeting.

US Treasury PPIP Plan

The Committee was provided with an update regarding the Fund's investment in the US Treasury Public Private Investment Program (PPIP), including the selection of Alliance Bernstein and Wellington as investment managers and the status of side letter negotiations. The Committee requested that Mercer provide a summary of the criteria used in the selection of managers at the October Committee meeting.

Securities Lending Update

The Committee was apprised of several measures the Northern Trust would be implementing regarding the securities lending program, including the reimbursement of realized losses and the reduction in the securities lending deficiency payable. The Committee opted to defer payment to Northern Trust until later in the year.

Senate Committee on Pensions and Investments

The Committee was informed that Fund staff will be appearing before the Senate Committee on Pensions and Investments on Monday September 21, 2009. The Committee was also provided with a copy of the Fund's reply to the Senate Committee's inquiries.

Public Act 096-6 Implementation

The Committee was provided with a detailed framework of items which require resolution prior to the implementation of Public Act 096-6. Continued discussion will occur at the October Committee meeting.

COMMITTEE REPORT/S:INVESTMENT COMMITTEE:***Equity Protection Strategies***

Members of Credit Suisse's Volaris Volatility Management firm presented equity option strategies to the Committee that are designed to mitigate losses to the portfolio during periods of market disruption. The Committee asked staff and Mercer to further research such strategies, identify opportunities for potential investment and to develop a plan for implementation.

Fund Assets
September 10, 2009

<u>Asset Class</u>	<u>Dollars</u>	<u>Percent</u>
Large Cap Equity	\$313,998,076	34.1%
Small to Mid Cap Equity	\$147,698,108	16.1%
Intl & Emerging Equity	\$168,611,548	18.3%
Core Bonds	\$61,078,802	6.6%
Core Plus Bonds	\$83,855,668	9.1%
Opportunistic Bonds	\$92,305,417	10.0%
Commodities	\$19,691,839	2.2%
Hedge Funds	\$0	0.0%
Private Equity	\$15,597,670	1.6%
Real Estate	\$6,244,770	0.7%
Cash Equivalents	\$12,358,323	1.3%
TOTAL FUND	\$921,440,221	100.0%

[End September 14, 2009 Investment Committee Report]

On motion of Lux, second by Martin to spread the report of the Investment Committee on the record. The vote was:

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

Nays: None

B. LEGAL COMMITTEE – LUX/MARTIN:

LEGAL COMMITTEE MINUTES
SEPTEMBER 14, 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, September 14, 2009. Present at the meeting were Committee Chair, Steve Lux and Trustees Anthony Martin, Wally Carlson, Stephanie Neely, Michael Shanahan, Dan Fabrizio and Derrick Jackson. Also present were Fund Attorney Mary Pat Burns, Assistant City Comptroller Joe Conte, Deputy Treasurer Mark Mitrovich, Assistant to the City Clerk Patrick O'Malley and Fund Staff Ken Kaczmarz, Janet Pelech, Michel Moran, Tom Kulbida, Jaclyn McAllister, Kristy Maufas and Lori Lund. Also present for a portion of the meetings were the Fund's actuaries.

COMMITTEE REPORT/S:LEGAL COMMITTEE:

Fund Attorney Mary Pat Burns reviewed the monthly Legal Status report.

Ms. Burns reported that she continues to work with staff to make revisions to the Fund's Ethics, Travel and Investment policies in response to the requirements of SB 364 (PA96-0006).

The Committee discussed the implementation HB 1291 (PA 96-0260) which amends Section 6-210-4 – Credit for pre-employment military service. This amendment now provides service credit for pre-employment military service. When Fund Actuaries Mike Kivi and Alex Revera of Gabriel Roeder Smith joined the meeting they reported that after their review of the language they believe that the calculations are straight forward and there should be only minor administrative issues implementing this amendment.

The Committee discussed the Implementation of SB 1705 (PA 96-0727) which affect the following sections of the statute:

- *Section 6-159 – Refund re-entry into service*
- *Section 6-210.1 Credit for former employment with the Fire Department*
- *Section 6-210.2 – City contributions for paramedics*
- *Section 6-227 – Transfer of creditable service from Article 4*
- *Section 6-153 – Physical examination*

Mr. Rivera explained that, similar to the Police Fund, the implementation of the new language of Section 6-227 would cause the most difficulties. The language requires that the Fund is to have no actuarial impact. Because the calculations associated with the purchase of Downstate Service credits is based on several assumptions, The Actual Value of these credits would not be known until the date of retirement. Some members may be entitled to a possible refund of all or a portion of these contributions and interest at the time of retirement.

With regard to 6-159 and the review of a member's request for benefits related to the new language of SB 1705 the Committee discussed the specifics of the case and determined that based on the effective date of the legislation the member was not eligible for benefits due to a prior unpaid refund.

Staff reported that a Court Order has been received in the Slawson Child Support matter allowing for the distribution of a portion of the refund monies to the former spouse. Checks will be distributed at the end of the month.

Ms. Burns reported that based on a conversation with the attorney for the Municipal Fund, the Retirement Board of that Fund no longer believes that its governing statute will allow the Fund to accept contributions from this Fund for our member with prior municipal system service. Ms. Burns also reiterated that there is a reasonable basis for interpretation that Section 210 of Article 6 of the Pension Code, which governs this pension system, requires this Fund to offset from any pension received from the Fund, any pension amounts received from any other pension system

COMMITTEE REPORT/S:LEGAL COMMITTEE:

created under the Pension Code. Under this interpretation, the Fund could allow the member a pension based on his service, but that pension would be offset by any amounts received from the Municipal Fund. In response to a trustee's inquiry as to whether the Fund should file some action for clarification, Ms Burns advised that the member may find a resolution to this issue through a declaratory judgment.

There was a motion by Carlson, second by Shanahan to appoint Burke, Burns and Pinelli to represent the Fund in the Kozminski Administrative Review matter. The vote was:

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

Nays: None

The Fund's Actuaries Mike Kivi and Alex Rivera of Gabriel Roeder Smith were presented to discuss the calculations for the various legislative amendments and the actuarial impact of those calculations. The Fund's Actuaries indicated that each member's contribution would be required to be calculated on an individual basis. The Board discussed how to notify members of these requirements and how best to apprise them of the calculation that will be used should a member desire to purchase service time.

Ms. Burns informed the Committee that the Fund had received notification from Muller and Monroe regarding a subpoena that Muller and Monroe had received regarding a SEC investigation unrelated to the Fire pension system's investments.

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

[End September 14, 2009 Investment Committee Report]

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

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

Nays: None

C. LEGISLATIVE COMMITTEE – CARLSON/FABRIZIO:

Committee Chair Dan Fabrizio reviewed recently passed legislative changes.

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

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

Nays: None

COMMITTEE REPORT/S:D. ELECTION COMMITTEE – MARTIN/DEL VALLE:

Committee Chair Anthony Martin presented a review of the candidates for the Annuitant and Active election. The candidates in ballot order are as follows:

Annuitant

*Harry G. Hughes Jr.
Albert L. Braggs
Dennis R. Rokita
Donald W. Walsh
Walter M. Carlson
John A. Griffin II*

Active

*Michael Shanahan
Arnell Pugh*

Annuitant member Norman S. Holland, who registered as a candidate has withdrawn.

On motion of Carlson, second by Lux to accept the Election Committee Report. The vote was:

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

Nays: None

On motion of Martin, second by Shanahan to allow any trustee to attend the IPPFA Conference in Geneva, Illinois, October 6, 2009 to October 9, 2009. The vote was:

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

Nays: None

5. BOARD PHYSICIAN REVIEWS OF DISABILITY RECIPIENTS: (NONE)6. HEARINGS:A. OCCUPATIONAL DISEASE DISABILITY APPLICATIONS:

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

12087 JOE N. DIPASQUO, Firefighter, Truck 17

Born: 05/15/1948
Ent. CFD: 02/01/1982

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 Shanahan to grant occupational disease disability benefits.

HEARINGS:

OCCUPATIONAL DISEASE DISABILITY APPLICATIONS:

12087 JOE N. DIPASQUO, Firefighter, Truck 17

*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 **\$4,442.31 a month beginning August 8, 2009**, the day of removal from the Fire Department payroll and no longer receiving salary. The vote was:*

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

Nays: None

On motion of Martin, second by Carlson to schedule a reexamination for Mr. DiPasquo in 12 months. The vote was:

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

Nays: None

On motion of Martin, second by Carlson to go into executive session.

On motion of Martin, second by Neely, the Board came out of executive session.

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

11065 JOSEPH ALONZO, Firefighter, Air Mask

Born: 10/19/1951
Ent. CFD: 02/15/1980

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 **\$4,442.31 a month beginning August 18, 2009**, the day of removal from the Fire Department payroll and no longer receiving salary. The vote was:*

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

Nays: None

On motion of Martin, second by Neely to schedule a reexamination for Mr. Alonzo in 12 months. The vote was:

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

Nays: None

HEARINGS:

B. DUTY DISABILITY APPLICATIONS:

15767 PAUL D. SERWATKA, Firefighter, Engine 54

Born: 01/24/1968 \$4,448.87 a month beginning December 20, 2007
Ent. CFD: 12/01/1999

On motion of Martin, second by Neely to defer the foregoing matter and to issue a personally served notice to Mr. Serwatka for the October 28, 2009 meeting, this being the final notice in this matter. The vote was:

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

OCCUPATIONAL DISEASE DISABILITY APPLICATIONS:

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

12810 MICHAEL J. SULLIVAN, Fire Engineer, Engine 106

Born: 08/10/1958 \$4,600.26 a month beginning August 18, 2009
Ent. CFD: 02/16/1985

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 Neely, to grant occupational disease disability benefits.

*By roll call vote, **occupational disease disability benefits were not granted**, pursuant to Illinois Compiled Statutes, 40 ILCS 5/6-151.1 and the express findings of the Board. The vote was:*

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

Mike Lazzaro of the Police Pension Board was present to observe the proceedings.

HEARINGS:

DUTY DISABILITY APPLICATIONS:

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

12590 PAUL J. O'DONNELL, Firefighter (per arbitrators award), Engine 119

Born: 08/09/1956
Ent. CFD: 07/01/1983

Witnesses: Capt. Michael Mark, Engine 119 (unavailable)
FF Scott W. Triptow, Engine 102
PM Vincent J. Chisesi, ALS Ambulance 16
PIC Jason Kasper, EMS North Relief

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 Neely to grant duty disability benefits.

*By roll call vote, **duty disability benefits were granted**, pursuant to Illinois Compiled Statutes, 40 ILCS 5/640 ILCS 5/6-151 and the express findings of the Board, in the amount of **\$5,457.62 a month beginning September 1, 2009**, the day of removal from the Fire Department payroll and no longer receiving salary. The vote was:*

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

On motion of martin, second by Lux to schedule a reexamination for Mr. O'Donnell in 12 months. The vote was:

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

On motion of Martin, second by Carlson to go out of the regular order of business to consider the following motion. The vote was:

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

MINIMUM FORMULA ANNUITY:

12810 MICHAEL J. SULLIVAN, Fire Engineer, Engine 106

Born: 08/10/1958	\$4,382.96	a month beginning August 18, 2009
Ent. CFD: 02/16/1985		based on 62.5%
Retired: 08/18/2009	\$65.74	annuity increment, 1.5% begins
		September 1, 2018 last one on
		January 1, 2037

On motion of Martin, second by Carlson to grant Minimum Formula Annuity benefits to member 12810, Michael J. Sullivan, payment to be made upon receipt of properly executed CFD exit interview. The vote was:

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

OCCUPATIONAL DISEASE DISABILITY APPLICATIONS:

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

13225 JOHN W. CHWARZYNSKI, Lieutenant, 2nd District Relief

Born: 06/29/1963	\$5,052.01	a month beginning November 13, 2008
Ent. CFD: 02/17/1987	\$30.00	a month for minor child, Jennifer

Attorney: Martin Holland

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 Neely, to grant occupational disease disability benefits.

*By roll call vote, **occupational disease disability benefits were not granted**, pursuant to Illinois Compiled Statutes, 40 ILCS 5/6-151.1 and the express findings of the Board. The vote was:*

Yeas: None

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

HEARINGS:

DUTY DISABILITY APPLICATIONS:

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

14786 KATHRIN W. BENDER, Paramedic In Charge, Ambulance 5

Born: 08/24/1967 \$4,949.87 a month beginning June 25, 2009
Ent. CFD: 03/16/1995

Witnesses: Thelma Bell, Secretary (Civilian) (not present)

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 Neely, to grant duty disability benefits.

*By roll call vote, **duty disability benefits were not granted**, pursuant to Illinois Compiled Statutes, 40 ILCS 5/6-151 and the express findings of the Board. The vote was:*

Yeas: Neely, delValle, Fabrizio

Nays: Carlson, Jackson, Lux, Martin, Shanahan

On motion of Martin, second by Carlson to grant the following refunds to member Michael Sullivan.

12810 MICHAEL J. SULLIVAN, Fire Engineer, Engine 106. Minimum Formula annuity presented in this meeting, beginning August 18, 2009.

- *REFUND \$26,044.63 SPOUSE CONTRIBUTIONS AND \$10.76 2006 ERRORS IN DEDUCTIONS*

The vote was:

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

Nays: None

7. MISCELLANEOUS:

A. LEGACY PARTNERS, 12/31/08 FINAL AUDIT REPORT:

B. 12/31/08 AGREED UPON PROCEDURES REPORT:

The Board requested a deferral of all Miscellaneous agenda items.

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