

* * * * *

MINUTES
REGULAR MEETING NO. 949
JANUARY 20, 2010

* * * * *

January 20, 2010
Regular Meeting No. 949
Agenda

1. Roll Call
2. Administrative Items
 - A. Approval of Minutes of Regular Meeting 948
 - B. Minimum Formula Annuities
 - C. Widow's and Children's Annuities
 - D. Refunds
 - E. Death Benefits
 - F. Partial Payments
 - G. Benefit Recalculations
 - H. Payments Pursuant to Court Order
 - I. Requests for Permission
 - i. Guardianship
 - ii. Reside Out of State
 - J. Gift Fund: (Information Only)
 - K. Removals
 - L. Expenditures
 - M. Executive Director's Report
 - i. Monthly Report
 - ii. 2009 Expenditures to Date/January 2010 Expenses (Information Only)
3. Legal Status
4. Committee Meeting Reports – January 19, 2009
 - A. Investment Committee, Fabrizio/Shanahan
 - B. Legal Committee, Lux/Martin
 - C. Budget Committee, Neely/Martin
 - D. Legislative Committee – Carlson/Fabrizio
 - E. Fund Office Organizational Committee – Martin/Neely
5. Board Physician Reviews of Disability Recipients
6. Hearings
 - A. Occupational Disease Disability
 - i. FF Bruce D. Parker , Engine 119..... 9:00 a.m.
 - B. Duty Disability
 - i. PM John P. Madden, Ambulance 19 Atty: Thomas W. Duda DEFERRED
 - ii. FF Herbert Lynch, Truck 59 9:45 a.m.
 - iii. EMT Eng. Steven Maxwell, Engine 62 DEFERRED

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

TRUSTEES PRESENT LATER: None

TRUSTEES ABSENT: Miguel del Valle

OTHERS PRESENT: Fund physician, George Motto, M.D.; Fund Attorneys, Mary Patricia Burns, Vincent Pinelli and Natalie Stegall; Assistant City Comptroller, Joe Conte; Deputy Treasurer, Mark Mitrovich, 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 Jackie McAllister were present for portions of the meeting.

2. ADMINISTRATIVE ITEMS:

A. APPROVAL OF MINUTES OF REGULAR MEETING 948, DECEMBER 16, 2009:

On motion of Martin, seconded by Carlson, the minutes of the regular meeting number 90, held on ---, 2006, 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:

10785 HERB R. GANT, Firefighter, Engine 119

Born:	08/06/1953	\$5,025.07	a month beginning February 1, 2009
Ent. CFD:	11/16/1978		based on 75%
Retired:	02/01/2009	\$150.75	annuity increment, 3%, begins March 1, 2010

- REFUND \$18.28 FOR 2006 ERRORS IN DEDUCTIONS

10270 GARY A LARSON, Lieutenant, O'Hare 6-5-5

Born:	12/11/1946	\$6,157.56	a month beginning December 11, 2009
Ent. CFD:	12/22/1973		based on 75%
Retired:	12/11/2009	\$184.73	annuity increment, 3%, begins January 1, 2011

- REFUND \$142.33 FOR 2006 AND 2009 ERRORS IN DEDUCTIONS

MINIMUM FORMULA ANNUITIES:

11340 GUY MCGOWAN, Firefighter, Truck 7

Born:	10/01/1953	\$5,101.56	a month beginning December 9, 2009
Ent. CFD:	02/18/1980		based on 75%
Retired:	12/09/2009	\$153.05	annuity increment, 3%, begins January 1, 2011

- REFUND \$14.06 FOR 2006 AND 2009 ERRORS IN DEDUCTIONS

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*

C. WIDOW'S AND CHILDREN'S ANNUITIES:

6719 MARY ELLEN KENNEDY, widow of Robert J. Kennedy, retired since May 25, 1984

Born:	05/24/1921	\$1,360.12	a month beginning December 25, 2009
Ent. CFD:	10/19/1954		
Deceased:	12/24/2009		

8823 BONNIE JEAN LABBE, widow of David R. Labbe, retired since September 18, 2004

Born:	09/18/1941	\$2,819.36	a month beginning November 20, 2009
Ent. CFD:	07/16/1965		
Deceased:	11/19/2009		

7915 MARY P. MCLAUGHLIN, widow of Dennis J. McLaughlin, retired since May 3, 1998

Born:	04/26/1935	\$2,867.36	a month beginning November 28, 2009
Ent. CFD:	04/16/1959		
Deceased:	11/27/2009		

10294 JOSEPHINE MEYER, widow of John W. Meyer, retired since May 18, 2004

Born:	05/18/1941	\$2,462.29	a month beginning November 10, 2009
Ent. CFD:	12/22/1973		
Deceased:	11/09/2009		

WIDOW'S AND CHILDREN'S ANNUITIES:

8465 MARIE L. RONSTADT, widow of Elmer C. Ronstadt, retired since November 30, 1996

Born: 11/03/1933 \$2,263.27 a month beginning December 8, 2009
 Ent. CFD: 05/16/1962
 Deceased: 12/07/2009

On motion of Martin, second by Neely, 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:

17763 JOSHUA A. HOFFMAN, Firefighter, Academy

Born: 07/23/1985 \$1,143.02 Refund of Contributions
 Ent. CFD: 08/17/2009 \$10.87 Refund 2009 Errors in Deductions
 Discharged: 11/21/2009

17489 DOUGLAS L. MISCH, Firefighter, Academy

Born: 10/03/1974 \$2,701.63 Refund of Contributions
 Ent. CFD: 03/03/2009
 Discharged: 10/16/2009

On motion of Martin, second by Fabrizio 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:

7153 EDWARD A. DAUPHINAIS, retired since March 20, 1979

Born: 12/25/1921 \$6,000.00 to Jay Phillip Dauphinais, son
 Ent. CFD: 01/16/1956
 Deceased: 11/23/2009

DEATH BENEFITS:

7901 JOSEPH J. KECSEG, retired since May 26, 1991

Born: 05/26/1928 \$6,000.00 to Michael Kecseg, son
 Ent. CFD: 04/16/1959
 Deceased: 11/28/2009

6719 ROBERT J. KENNEDY, retired since May 25, 1984

Born: 05/24/1921 \$6,000.00 to Mary Ellen Kennedy, widow
 Ent. CFD: 10/19/1954
 Deceased: 12/24/2009

8823 DAVID R. LABBE, retired since September 18, 2004

Born: 09/18/1941 \$6,000.00 to Bonnie Jean Labbe, widow
 Ent. CFD: 07/16/1965
 Deceased: 11/19/2009

4442 DANIEL J. LYNCH, retired since August 1, 1984

Born: 07/01/1921 \$6,000.00 to Thomas M. Lynch, son
 Ent. CFD: 01/10/1944
 Deceased: 11/21/2009

7915 DENNIS J. MCLAUGHLIN, retired since May 3, 1998

Born: 04/26/1935 \$6,000.00 to Mary P. McLaughlin, widow
 Ent. CFD: 04/16/1959
 Deceased: 11/27/2009

10294 JOHN W. MEYER, retired since May 18, 2004

Born: 05/18/1941 \$6,000.00 to Josephine Meyer, widow
 Ent. CFD: 12/22/1973
 Deceased: 11/09/2009

8465 ELMER C. RONSTADT, retired since November 30, 1996

Born: 11/03/1933 \$6,000.00 to Marie Lois Ronstadt, widow
 Ent. CFD: 05/16/1962
 Deceased: 12/07/2009

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:

- 8502 GEORGE GAROZZO, retired, deceased March 16, 2009; \$13,943.08 to Tricia Bravo, Executrix
- 10252 DIANE L. HUGHES, widow, deceased November 10, 2009; \$333.33 to Cynthia Sifuentes, daughter
- 6719 ROBERT J. KENNEDY, retired, deceased December 24, 2009; \$2,105.99 to Mary Ellen Kennedy, widow
- 8823 DAVID R. LABBE, retired, deceased November 19, 2009; \$3,571.19 to Bonnie Jean Labbe, widow
- 8102 JOHN F. LYNCH, retired, deceased November 18, 2009; \$1,767.91 to Joseph M. Lynch, brother
- 7059 ANN R. MAXWELL, widow, deceased October 24, 2009; \$1,535.56 to Patty Barr, daughter
- 10294 JOHN W. MEYER, retired, deceased November 9, 2009; \$1,477.37 to Josephine Meyer, widow
- 5566 ROBERT H. PANGBURN, retired, deceased September 24, 2009; \$2,696.94 to Robert P. Pangburn, son
- 8466 ELMER C. RONSTADT, retired, deceased December 7, 2009; \$1,022.12 to Marie Lois Ronstadt, widow
- 6396 ROSLYN J. WALL, widow, deceased November 8, 2009; \$447.49 to Thomas Wall, son
- 6875 MAYNARD ZYLSTRA, retired, deceased October 14, 2009; \$1,952.69 to Michele Serpe, step-daughter

The foregoing pro rata payments on account of the death of annuitants, pensioners and beneficiaries on motion of Martin, second by Carlson, 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:i. REFUND ERRORS IN DEDUCTIONS:

- 9887 WAYNE DERTZ, Minimum Formula Annuity since 7/12/09. Refund \$44.41
17665 EDGAR RAMIEREZ, Discharged 11/21/09. Refund \$11.39

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

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

BENEFIT RECALCULATIONS:

ii. COLLECT ERROR IN DEDUCTIONS:

14714 RAYMOND KROL, Minimum Formula Annuity since 10/12/09. Collect \$14.25

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. PAYMENTS PURSUANT TO COURT ORDER:

i. WITHHOLDING ORDERS:

10487 LEON ALEXANDER, retired since October 15, 2999. Modification of Uniform Order for Support, 99 D 9523 entered in the Circuit Court of Cook County, January 11, 2010 reduces child support on behalf of minor children Prince R. and Princess Kiya Alexander from \$1800.00 per month to \$891.19 per month. Order terminates June 30, 2013.

11986 MICHAEL J. JAKAITIS, retired since October 31, 2009. Modification of Uniform Order for Support, 01 D 1517 entered in the Circuit Court of Cook County, December 16, 2009 requires withholding in the amount of \$657.00 per month on behalf of minor child, Joseph M. Jakaitis. Order terminates June 15, 2011.

On motion of Martin, second by Lux, and by unanimous vote, the foregoing Payments Pursuant to Court Order were approved. The vote was:

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

Nays: None

ii. QILDRO ORDER:

11340 GUY MCGOWAN, retired since December 9, 2009. Application for Minimum Formula Annuity presented in this meeting. QILDRO Order 00 D 15371 entered November 13, 2002 requires distributions to the Alternate Payee, Joan M. McGowan in the amount of \$1,274.47 per month, to include future cost of living increases.

On motion of Martin, second by Fabrizio, and by unanimous vote, the foregoing Payment Pursuant to Court Order was approved. The vote was:

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

Nays: None

PAYMENTS PURSUANT TO COURT ORDER:iii. PAYMENT OF ATTORNEY FEES AND COSTS:

16125 MARCUS R. SOMOGYI, Duty Disability, pursuant to order of the Appellate Court, beginning December 13, 2004. Order entered in the Circuit Court of Cook County, 05CH12796, January 6, 2010 requires payment of attorney's fees and costs (for defense of Board's appeal) in the amount of \$4,946.32.

On motion of Martin, second by Shanahan, and by unanimous vote, the foregoing Payment Pursuant to Court Order was approved. The vote was:

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

iv. PAYMENT OF 6-140 WIDOW'S BENEFITS:

Pursuant to Order entered in the Circuit Court of Cook Count, November 18, 2009 awards payment of 6-140 widow's benefits from date of death to June 29, 2004 (Bertucci decision) for Patricia Doyle (Jelinek) and Jamie O'Callaghan and 6-140 widow's benefits from date of death to date of widow's death to the Estate of Kathleen Barry:

9227 KATHLEEN BARRY, widow of Edward Barry, deceased October 19, 1998. Kathleen Barry deceased May 6, 2003. Per Court Order from the Circuit Court of Cook County, Illinois in the case of "Estate of Kathleen Barry, et al. v. Retirement Board" (case #01 CH 5566, consolidated with case #01 CH 13589 & #01 CH 5564), payment in the amount of \$155,655.05 (\$152,865.06 in principal and \$2,789.99 in interest) to be made to the Estate of Kathleen Barry, Patrick Barry, Executor, for the difference between the monthly widow's benefit under Sections 6-140 and 6-141.1(b) of the code for the period October 19, 1998 through May 6, 2003.

7319 PATRICIA DOYLE, widow of Ronald Jelinek, deceased December 25, 1999. Per Court Order from the Circuit Court of Cook County, Illinois in the case of "Estate of Kathleen Barry, et al. v. Retirement Board" (case #01 CH 5566, consolidated with case #01 CH 13589 & #01 CH 5564), payment in the amount of \$137,498.03 (\$135,033.45 in principal and \$2,464.58 in interest) to be made to Patricia Doyle for the difference between the monthly widow's benefit under Sections 6-140 and 6-141.1(b) of the code for the period December 25, 1999 through June 28, 2004.

14731 JAMIE O'CALLAGHAN, widow of Emmett O'Callaghan, deceased July 18, 2000. Per Court Order from the Circuit Court of Cook County, Illinois in the case of "Estate of Kathleen Barry, et al. v. Retirement Board" (case #01 CH 5566, consolidated with case #01 CH 13589 & #01 CH 5564), payment in the amount of \$108,588.00 (\$106,641.97 in principal and \$1,946.03 in interest) to be made to Jamie O'Callaghan for the difference between the monthly widow's benefit under Sections 6-140 and 6-141.1(b) of the code for the period July 18, 2000 through June 28, 2004.

On motion of Martin, second by Carlson, and by unanimous vote, the foregoing Payments Pursuant to Court Order were approved. The vote was:

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

I. REQUESTS FOR PERMISSION:i. GUARDIANSHIP:

6042 ANNA MAY MCGUIRE BY MARIANN STEPHENS, daughter. Widow's Annuity since September 10, 2009. 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 Lux, 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*

ii. RESIDE OUT OF STATE: (NONE)J. GIFT FUND: (INFORMATION ONLY)

(See Gift Fund Addendum)

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

James W. Banks, Sr.	Annuity	Died December 31, 2009
Claude Combs	Annuity	Died December 31, 2009
Kenneth R. Eskildsen	Annuity	Died January 08, 2010
Robert L. Haas	Annuity	Died January 04, 2010
Tommy F. Harrell	Annuity	Died December 06, 2009
Frank A. Johnson	Annuity	Died January 07, 2010
Robert J. Kennedy	Annuity	Died December 24, 2009
John F. Kerechek	Annuity	Died December 24, 2009
Isabella Kool	Annuity	Died December 23, 2009
James M. Lyons	Annuity	Died January 06, 2010
Frank Majewski	Annuity	Died January 09, 2010
Jack Mischo	Annuity	Died December 25, 2009
Peter Petrouski	Annuity	Died January 11, 2010
Beverly H. Sutherlin	Annuity	Died December 31, 2009
William C. Tracy	Annuity	Died January 04, 2010
Patricia R. Carlson	Widow's Annuity	Died December 30, 2009
Theresa C. Collins	Widow's Annuity	Died December 11, 2009

REMOVALS:

Johanne Depeder	Widow's Annuity	Died December 08, 2009
Rose Ruth Panozzo	Widow's Annuity	Died January 11, 2010
Eileen Rapp	Widow's Annuity	Died November 26, 2009
Anna M. Siebert	Widow's Annuity	Died December 24, 2009
Anne Yourg	Widow's Annuity	Died January 03, 2010
Elliot Hough	Child's Disability Benefit	Age 18 on January 05, 2010

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

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

Nays: None

L. 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 Martin, seconded by Fabrizio, 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 Shanahan, to pay the bills. The vote was:

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

Nays: None

EXPENDITURES:

iv. REQUEST FOR EXPENDITURES: (NONE)

v. PHONE POLLS:

(1/12/2010)

On motion of Martin, second by Jackson to distribute language and corresponding impact statement as a Phone Poll motion, to have the proposed Reversionary Annuity Amendment entered into the Legislative system by the Fund's Legislative Liaison, John McCabe. The vote was:

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

Nays: None

Abstain: Lux

Unavailable: del Valle

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

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

Nays: None

M. EXECUTIVE DIRECTOR'S REPORT:

i. MONTHLY REPORT:

ii. 2009 EXPENDITURES TO DATE/JANUARY 2010 EXPENSES:
(INFORMATION ONLY)

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

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

Nays: None

On motion of Martin, second by Carlson to suspend the annuity payments to the 12 individuals listed on the sheet, as none responsive to multiple Jurat letter requests, provided to the Trustees until such time as those individuals contact the office of the Fund. The vote was:

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

Nays: None

On motion of Martin, second by Neely, constant with the changes in the FOIA Act, to appoint Executive Director Ken Kaczmarz as the FOIZ Officer for the Fund. The vote was:

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

Nays: None

3. LEGAL STATUS:

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

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

Nays: None

4. COMMITTEE REPORT/S:A. INVESTMENT COMMITTEE – FABRIZIO/SHANAHAN:

*INVESTMENT COMMITTEE MINUTES
January 19, 2009*

The Investment Committee of the Firemen's Annuity and Benefit Fund of Chicago held its monthly meeting on January 19, 2009. Present at the meeting were Investment Co-Chairmen Dan Fabrizio and Mike Shanahan and Trustees Anthony Martin, Walter Carlson, Steve Lux, Stephanie Neely and Derrick Jackson. 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 Mike Moran, Ken Kaczmarz and Jaclyn McAllister.

Northern Trust Performance Flash at December 31, 2009

The Committee examined the monthly performance report as of December 31, 2009. For the month, the Fund rose 2.8% while the S&P 500 gained 1.9%. The Fund's 2009 gain of 27.8% exceeded the S&P 500's increase of 26.5%. Total Fund performance for the one, three and five year time periods continued to significantly exceed all equity benchmarks.

Strong relative 2009 performance was noted of Boston Company, Evergreen, Logan, Blair, LSV, PIMCO commodity and each of the Fund's fixed income managers. Investment managers that continue to lag their benchmark include Marvin & Palmer, Neuberger Berman, both Globeflex mandates and Brandes.

Investment consultant Mercer informed the Committee that a detailed analysis of Marvin & Palmer and Globeflex International SMID would be prepared for the February meeting.

The Committee was again informed that the underperformance of the illiquid private equity and real estate accounts should begin to reverse as updated third quarter results are received for these investments.

A review of equity performance by decades was provided to the Committee, illustrating that the 2000's were the first decade in modern market history to have a substantial negative return. An additional schedule highlighting the Fund's significant annual and cumulative outperformance since 1990 was given to the Committee.

COMMITTEE REPORT/S:INVESTMENT COMMITTEE:*Statement of Asset Allocation at January 14, 2010*

The Committee reviewed the Statement of Fund Asset Allocation, currently valued at approximately \$965 million. The Fund continues to be overweight in its large cap domestic equities and fixed income allocations. The Committee was informed that overweight portfolio positions will be used to fund upcoming portfolio rebalancings, pay benefit and expense payments and increase the Fund's liquidity capabilities.

The initial transfer of \$5 million from the overweighted LSV emerging markets mandate to the underweighted Blair international growth mandate took place on January 12, 2010. The timing of additional transfers to the Blair account are being discussed between the Fund and the manager.

Statement of Cash Needs

The Committee considered its cash requirements for January 31, 2010. Due to property tax receipts, no drawdown from investment managers will be required to fund the January benefit payments.

In order to establish a cash liquidity pool for future benefit payments, a motion was made by Trustee Lux, seconded by Trustee Jackson to draw down \$2.3 million from EARNEST Partners, \$3.1 million from WAMCo and \$3.6 million from Loomis Sayles. The vote was:

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

Nays: None

Statement of Cash Needs-continued

A schedule outlining potential future drawdowns from the Fund's fixed income managers through June 2010 was provided to the Committee. The Fund's Chief Investment Officer was directed by the Committee to inform the Fund's fixed income managers of these anticipated preliminary drawdown dates and amounts.

Target Brokers Report

The Target Brokerage report was reviewed by the Committee. As of the end of 2009, the Fund paid a total of \$241 thousand (30.6%) in commissions to 26 MFDBE broker-dealers during the year. Special note was made of the high MFDBE utilization rates by most of the Fund's managers.

A discussion regarding the payment of soft dollar commissions ensued. The Fund's investment consultant was instructed to conduct a survey of Illinois state pension funds regarding their current soft dollar brokerage policy and report the findings back to the Committee.

Capital Calls

The Committee was informed that approximately \$1.3 million of capital calls were paid since the December Committee meeting. A report detailing the Fund's investments in illiquid assets, prepared by the Fund's investment consultant and Fund staff, will be presented to the Committee in February.

Manager Updates

The Committee and Fund counsel were made aware of an amendment to the Limited Partnership Agreement by PPIP manager Alliance Bernstein.

COMMITTEE REPORT/S:INVESTMENT COMMITTEE:

The Committee was informed that Bank of America private equity senior officer Daniel O'Donnell left the firm for new employment.

The Committee was also informed that the Fund's Opportunistic fixed income manager, Loomis Sayles, was named Morningstar's Fixed Income Manager for 2009.

Public Act 096-0006 Implementation

The Committee was advised that all investment related tasks necessary to comply with Public Act 96-0006 were completed by December 31, 2009. Exhibits of all investment related disclosures from the Fund's website were presented to the Committee. Special recognition for their efforts in aiding in the completion of the Public Act requirements was given to Mercer staff and Fund staff Jaclyn McAllister and Eileen Doherty.

Roadmap 2010

An updated Roadmap 2010 was provided to the Committee. The Committee was made aware that four Roadmap priorities, including consultant RFP, revised Statement of Investment Policy and increasing international allocations to growth equity and fixed income, were at various stages of implementation or completion.

The Committee asked that an updated Roadmap be provided to the Committee every few months so as to monitor the progress towards achieving the Committee's 2010 investment goals.

Statement of Investment Policy

The Committee was provided with excerpts of the significant revisions made to the Statement of Investment Policy by Fund counsel, investment consultant and Chief Investment Officer. Specific excerpts included revised investment consulting responsibilities, securities lending guidelines, increased flexibility regarding cash levels, enhanced MFDBE brokerage and MFDBE investment managers policies and revised investment manager watch list and termination language.

Statement of Investment Policy-continued

Complete copies of the red-lined version of the revised Statement of Investment Policy were made available to the Committee. Review of the documents, discussion and potential adoption of the revised Statement of Investment Policy would occur at the February Committee meeting.

Fixed Income Target Allocation Maximum

The Committee considered its current 35% maximum target allocation to fixed income. A motion was made by Trustee Martin, seconded by Trustee Carlson, to extend the recommendation made by the Fund's Chief Investment Officer and the Fund's investment consultant to continue the maximum 35% target allocation to fixed income through June 2010, to be reviewed again in July 2010. The vote was:

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

Nays: None

COMMITTEE REPORT/S:INVESTMENT COMMITTEE:*Equity Portfolio Analysis*

As previously discussed by the Committee at its November 2009 meeting, Mercer provided the Committee with the requested, detailed portfolio analysis of each of the Fund's domestic equity managers. Findings from the analysis include the Fund being overweight midcap stocks and underweight large cap stocks, the Fund's domestic equity portfolio having a growth bias and that the Fund is significantly overweighted industrials and underweighted consumer staples.

Mercer will provide the Committee with an updated analysis using December 31, 2009 data at the Committee's March 2010 meeting.

Investment Consultant RFP

A timeline for the Consultant RFP process was provided to the Committee. The Committee was informed that responses were due by Friday January 22, 2010. The Committee asked that a matrix of responses by each qualifying respondent, to significant items of interest, be provided to the Committee at its next meeting. Copies of a draft proposed matrix will be circulated to each Committee member for their input well in advance of the February meeting.

*Fund Assets**As of JANUARY 14, 2010*

<i>Asset Class</i>	<i>Dollars</i>	<i>Percent</i>
<i>Large Cap Equity</i>	<i>\$344,057,348</i>	<i>35.5%</i>
<i>Small to Mid Cap Equity</i>	<i>\$163,483,876</i>	<i>16.9%</i>
<i>Intl & Emerging Equity</i>	<i>\$182,606,114</i>	<i>18.9%</i>
<i>Core Bonds</i>	<i>\$53,918,375</i>	<i>5.6%</i>
<i>Core Plus Bonds</i>	<i>\$77,960,015</i>	<i>8.1%</i>
<i>Opportunistic Bonds</i>	<i>\$90,524,114</i>	<i>9.4%</i>
<i>Commodities</i>	<i>\$22,231,854</i>	<i>2.3%</i>
<i>Hedge Funds</i>	<i>\$0</i>	<i>0.0%</i>
<i>Private Equity</i>	<i>\$16,705,097</i>	<i>1.7%</i>
<i>Real Estate</i>	<i>\$9,774,067</i>	<i>1.0%</i>
<i>Cash Equivalents</i>	<i>\$5,482,843</i>	<i>0.6%</i>
<i>TOTAL FUND</i>	<i>\$966,743,703</i>	<i>100.0%</i>

There being no further business, the Investment Committee adjourned.

[End January 19, 2010 Investment Committee Meeting]

On motion of Martin, second by Carlson to accept the Investment Committee report and recommendations. The vote was:

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

Nays: None

B. LEGAL COMMITTEE – LUX/MARTIN:**LEGAL COMMITTEE MINUTES
JANUARY 19, 2010**

The Legal Committee of the Firemen's Annuity and Benefit Fund of Chicago held its monthly meeting in the office of the Fund on Tuesday, January 19, 2010. Present at the meeting were Committee Chair Steve Lux, Co-Chair Anthony Martin and Trustees Walter Carlson, Stephanie Neely, Dan Fabrizio, Michael Shanahan and Derrick Jackson. Also present were Fund Attorneys Mary Pat Burns, Vincent Pinelli and Natalie Stegall, 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, Tom Kulbida and Lori Lund.

Fund Attorney Mary Pat Burns reviewed the Legal Status Report and after discussion by the Committee the following motions were made.

On motion of Neely, second by Martin to have Burke, Burns and Pinelli file for leave to appeal to the Supreme Court in the Sylvia Bell matter. The vote was:

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

On motion of Shanahan, second by Martin to appoint Burke, Burns and Pinelli to represent the Fund in the Serwatka Administrative Review matter. The vote was:

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

On motion of Neely, second by Carlson to go into executive session pursuant to Section 2 C-11 of the Open Meetings Act to discuss pending litigation involving pending Bertucci issues. The vote was:

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

The Committee came out of executive session.

The Committee reviewed the completed certifications of educational requirements by Board trustees as required by PA 96006.

On motion of Martin, second by Carlson that based on the documentation provided by the Executive Director that the certification of educational requirements are complete and ready for the Board President's signature the documentation to then be submitted to the State Department of Insurance. The vote was:

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

With regard to Military Reserve Time under SB 1705, there was no new business to discuss.

COMMITTEE REPORT/S:LEGAL COMMITTEE:

The Committee discussed the outstanding Jurat letter responses. There are approximately 10 annuitants who have not responded to the Fund's letters. The Committee requested that a list of names be provided to the full Board at their January 20, 2010 meeting for consideration of suspension of benefits.

The Fund's proposed Ethic's Policy which was distributed at the December meeting, absent any substantive changes will be presented for adoption at the January 20, 2010 Board meeting.

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

[End January 19, 2010 Legal Committee Meeting]

On motion of Martin, second by Carlson to accept the Legal Committee report and recommendations. The vote was:

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

C. BUDGET COMMITTEE – NEELY/MARTIN:

*BUDGET COMMITTEE MINUTES
JANUARY 19, 2010*

The Budget Committee of the Firemen's Annuity and Benefit Fund of Chicago met in the office of the Fund on Tuesday, January 19, 2010. Present at the meeting were Committee Chair Stephanie Neely, Co-Chair Anthony Martin, and Trustees Steve Lux, Walter Carlson, Dan Fabrizio, Michael Shanahan and Derrick Jackson. Also present were Fund Attorneys Mary Pat Burns and Natalie Stegall, Assistant City Comptroller Joe Conte, Deputy Treasurer Mark Mitrovich, Assistant to the City Clerk Patrick O'Malley and Fund Staff Ken Kaczmarz, Michael Moran and Jaclyn McAllister.

Trustee Lux requested further information pertaining to the budgeted amount requested for Fund paid medical evaluations. Trustee Martin indicated that the total budgeted expense included amounts for a possible back-up for Doctor Motto in his role evaluating und disability cases.

The Committee decided that any further discussion would be brought to the full board meeting scheduled for Wednesday January 20, 2010. A motion to approve the budget would be heard at the meeting.

There being no further business, the Committee was adjourned.

[End January 19, 2010 Budget Committee Meeting]

COMMITTEE REPORT/S:BUDGET COMMITTEE:

The Trustees reviewed several areas of the proposed 2010 budget and the following motion was made.

On motion of Martin, second by Carlson to approve the 2010 budget. The vote was:

Yeas: Carlson, Fabrizio, Jackson, Martin, Shanahan

Nays: Lux, Neely

D. LEGISLATIVE COMMITTEE – CARLSON/FABRIZIO:

*LEGISLATIVE COMMITTEE MINUTES
JANUARY 19, 2010*

The Legislative Committee of the Firemen's Annuity and Benefit Fund of Chicago met in the office of the Fund on Tuesday, January 19, 2010. Present at the meeting were Committee Chair, Walter Carlson, Co-Chair Dan Fabrizio and Trustees Stephanie Neely, Anthony Martin, Steve Lux, Michael Shanahan and Derrick Jackson. Also present were the Fund's Legislative Liaison John McCabe, Fund Attorneys Mary Pat Burns and Natalie Stegall, Assistant City Comptroller Joe Conte, Deputy Treasurer Mark Mitrovich, Assistant to the City Clerk Patrick O'Malley and Fund Staff Ken Kaczmarz, Michael Moran and Jaclyn McAllister.

Mr. McCabe reported that he had delivered the Fund's requested language concerning a possible Reversionary Annuity to the Legislative Reference Bureau prior to the deadline. Additional Fund proposed amendments may be forthcoming.

Trustee Fabrizio reported that the Firefighter's Union Local 2 has entered proposed amendments pertaining to the following:

- *A proposed increase of \$50 annually for the next 4 years for the minimum widows at the current minimum of \$1,000*
- *A proposed increase of \$50 annually for the next 4 years for retirees with at least 20 years at the current minimum annuity of \$1050*
- *To grant the automatic annual increase of 3% simple to those firefighters born before 1960*
- *To grant the automatic annual increase of 3% simple to all firefighters without any birthdate restriction .*

Mr. McCabe noted that it was an election year for many statewide offices and that would limit the probability for movement on a lot of bills.

There being no further business, the Legislative Committee was adjourned.

[End January 19, 2010 Legislative Committee Meeting]

COMMITTEE REPORT/S:LEGISLATIVE COMMITTEE:

On motion of Martin, second by Carlson to spread the Legislative Report upon the record. The vote was:

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

Nays: None

E. FUND OFFICE ORGANIZATIONAL AND TECHNICAL REVIEW COMMITTEE –
MARTIN/NEELY:

*FUND OFFICE ORGANIZATIONAL COMMITTEE MINUTES
JANUARY 19, 2010*

The Fund Office Organizational Committee of the Firemen's Annuity and Benefit Fund of Chicago met in the office of the Fund on Tuesday, January 19, 2010. Present at the meeting were Committee Chair, Anthony Martin, Co-Chair Stephanie Neely, and Trustees Steve Lux, Walter Carlson, Dan Fabrizio, Michael Shanahan and Derrick Jackson. Also present were the Fund's Legislative Liaison John McCabe, Fund Attorneys Mary Pat Burns and Natalie Stegall, Assistant City Comptroller Joe Conte, Deputy Treasurer Mark Mitrovich, Assistant to the City Clerk Patrick O'Malley and Fund Staff Ken Kaczmarz, Michael Moran and Jaclyn McAllister.

Trustee Martin reported the following:

The Fund Secretary met with the Executive Director, Fund Comptroller and Chief Investment Officer on 01/05/10 and 01/12/10. Discussions centered around the anticipated goals and time table for the Committee. The Committee would be taking an overall view of the Fund Office organizational structure, operations and potential for any external management analysis.

The two meetings focused on the overall operations of the Fund, initially divided into the following three categories.

- 1) administrative*
- 2) accounting*
- 3) investment*

With respect to all three areas; the existing organizational structure, work flow, accountability and technological capabilities were among the issues discussed. All agreed that separation of duties in the context of Internal Control is a significant factor in analyzing the flows and reporting within the Organizational structure.

The Executive Director, Comptroller and Chief Investment Officer were requested to compile a listing of their individual desires and concerns for the continued discussions of these categories. All agreed that an examination of the internal structures, workflows and technologies of other pension Funds would be beneficial to this Committee's discussions and the Executive Director would coordinate a few such meetings in the future.

COMMITTEE REPORT/S:

FUND OFFICE ORGANIZATIONAL AND TECHNICAL REVIEW COMMITTEE:

This is very early in our evaluation and is scheduled to meet on January 26, 2010. There are currently no issues to be resolved by the Board at this time.

There being no further business, the Committee was adjourned.

[End January 19, 2010 Fund Office Organizational and Technical Review Committee meeting]

On motion of Martin, second by Shanahan to spread the report of the Fund Office Organizational and Technical Review Committee on the record. The vote was:

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

Nays: None

5. BOARD PHYSICIAN REVIEWS OF DISABILITY RECIPIENTS:

(See Re-Examination Addendum)

On motion of Martin, second by Carlson to accept the Board Physician's recommendations with regard to reexamination scheduling. The vote was:

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

Nays: None

6. HEARINGS:

A. OCCUPATIONAL DISEASE DISABILITY APPLICATIONS:

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

12607 BRUCE D. PARKER, Firefighter (Per Arbitrator's Award), Engine 119

Born: 11/01/1954
Ent. CFD: 05/20/1981

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 grant occupational disease disability benefits.

HEARINGS:A. OCCUPATIONAL DISEASE DISABILITY APPLICATIONS:

12607 BRUCE D. PARKER, Firefighter (Per Arbitrator's Award), Engine 119

*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 **\$4,729.94 a month beginning December 8, 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

Absent: del Valle

On motion of Martin, second by Lux to request future review of Mr. Parker's disability status consistent with Fund policy and the Fund Physician's recommendations. The vote was:

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

Nays: None

Absent: del Valle

On motion of Martin, second Neely to go into executive session as allowed under 5 ILCS 120/2 © 11 to discuss potential litigation. The vote was:

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

Nays: None

On motion of Martin, second by Lux the board came out of executive session.

B. DUTY DISABILITY APPLICATIONS:

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

15739 HERBERT H. LYNCH, Firefighter, Truck 59

Born: 02/27/1968

Ent. CFD: 12/01/1999

Witnesses: Lt. Charles W. Maes, Truck 59
Lt. James Basile, Truck 31
BC/EMT Joseph F. Carroll, 20th Battalion
FF Gary Buckhalter, Engine 15

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 Fabrizio to grant duty disability benefits.

HEARINGS:

DUTY DISABILITY APPLICATIONS:

15739 HERBERT H. LYNCH, Firefighter, Truck 59

*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 **\$4,598.50 a month and \$30.00 a month each for minor children, Laila and Hayden beginning December 27, 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

Absent: del Valle

On motion of Martin, second by Shanahan for Continued Case Management of Mr. Lynch's disability status. The vote was:

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

Nays: None

Absent: del Valle

On motion of Fabrizio, second by Carlson to allow Trustee Martin and any other trustee to attend, consistent with the Fund's travel policy, to meet their education requirements, the 2010 Plan Sponsor Education Institute conference to be held in Key West, Florida, January 31, 2010 through February 3, 2010. The vote was:

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

Nays: None

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