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MINUTES  
REGULAR MEETING NO. 953  
MAY 19, 2010

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May 19, 2010  
Regular Meeting No. 953  
Proposed Agenda

1. Roll Call
  - A. Election of Officers
2. Administrative Items
  - A. Approval of Minutes of Regular Meeting 952
  - 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. 2010 Expenditures to Date (Information Only)
3. Legal Status
4. Committee Meeting Report/s – May 17, 2010
  - A. Investment Committee - Fabrizio/Shanahan
  - B. Legal Committee - Lux/Martin
  - C. Legislative Committee – Carlson/Fabrizio
  - D. Office Organizational Committee – Martin/Neely
5. Board Physician Reviews of Disability Recipients
6. Hearings
  - A. Occupational Disease Disability (NONE)
  - B. Duty Disability
    - i. FF Roy Cherry, Truck 61 ..... 9:00 a.m.
    - ii. EMT FF David White, 5-1-2 Atty. Stephen Horwitx ..... 9:30 a.m.
    - iii. Lt. Michael D. Pool, Engine 69, Atty. Svetlana Kaplina..... 10:15 a.m.
    - iv. FF Thomas McDonough, 2<sup>nd</sup> Dist. Rel Atty: Catherine Postilion. .... DEFERRED
    - v. PM Todd Czarnecki, Ambulance 57 ..... DEFERRED
7. Miscellaneous
  - A. 2009 Actuarial Report
  - B. 2009 Audit Report
  - C. Additions to IME Physician List

1. ROLL CALL: Vice-President Michael Shanahan, Secretary Anthony Martin, Treasurer Stephanie Neely, Trustees Wally Carlson, Miguel del Valle, and Steve Lux.

TRUSTEES PRESENT LATER: Trustee Dan Fabrizio

TRUSTEES ABSENT: Ex-Officio Deputy Fire Commission position Vacant

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, Executive Director Kenneth Kaczmarz, Chief Investment Officer Michael Moran, Comptroller Jacklyn McAllister, Deputy Director of Benefits Janet Pelech, Administrative Coordinator Lori Lund, and Assistant Administrative Coordinator Kristy Maufas.

*On motion of Martin, second by Neely to nominate Michael Shanahan for President of the Board. There being no other nominations, the vote was:*

*Yeas: Carlson, del Valle, Lux, Martin, Neely, Shanahan*

*Nays: None*

*Not Present: Fabrizio*

*On motion of Martin, second by Shanahan to nominate Stephanie Neely for Vice-President of the Board. There being no other nominations, the vote was:*

*Yeas: Carlson, del Valle, Lux, Martin, Neely, Shanahan*

*Nays: None*

*Not Present: Fabrizio*

2. ADMINISTRATIVE ITEMS:

A. APPROVAL OF MINUTES OF REGULAR MEETING 952, APRIL 21, 2010:

*On motion of Martin, seconded by Carlson, the minutes of the regular meeting number 952, held on April 21, 2010, were accepted and approved without reading, each member having been previously furnished with a copy. The vote was:*

*Yeas: Carlson, del Valle, Lux, Martin, Neely, Shanahan*

*Nays: None*

B. MINIMUM FORMULA ANNUITIES:

11480 CARROLL BARNES, Firefighter, Engine 80, Occupational Disease Disability since October 6, 2007

Born:	05/29/1947	\$5,111.64	a month beginning May 29, 2010
Ent. CFD:	02/19/1980		based on 75%
Retired:	05/29/2010	\$153.35	annuity increment, 3%, begins June 1, 2011

- COLLECT \$68.77 FOR 2007 ERRORS IN DEDUCTIONS
- REFUND \$10.41 FOR 2006 ERRORS IN DEDUCTIONS AND \$28,591.38 SPOUSE CONTRIBUTIONS

10899 JOSEPH G. CZERWIONKIA, EMT Lieutenant, Engine 89

Born:	04/21/1950	\$6,158.41	a month beginning April 24, 2010
Ent. CFD:	09/04/1979		based on 75%
Retired:	04/24/2010	\$184.75	annuity increment, 3%, begins May 1, 2011

- REFUND \$20.23 FOR 2006 ERRORS IN DEDUCTIONS

11921 JOSE L. FLORES, EMT Captain, Engine 23

Born:	04/08/1955	\$6,968.44	a month beginning April 30, 2010
Ent. CFD:	02/21/1980		based on 75%
Retired:	04/30/2010	\$104.53	annuity increment, 1.5%, begins May 1, 2015, last one on January 1, 2034

- REFUND \$86.88 FOR 2004, 2006 AND 2010 ERRORS IN DEDUCTIONS

10796 DERRICK F. JACKSON, Deputy Fire Commissioner, Headquarters

Born:	03/18/1951	\$10,196.63	a month beginning April 30, 2010
Ent. CFD:	11/16/1978		based of 75%
Retired:	04/30/2010	\$305.90	annuity increment, 3%, begins May 1, 2011

- COLLECT \$299.97 FOR 1989-1990, 1998-1999 AND 2003 ERRORS IN DEDUCTIONS
- REFUND \$61.84 FOR 1993, 2004 AND 2005 ERRORS IN DEDUCTIONS AND \$51,984.00 SPOUSE CONTRIBUTIONS

10274 LAWRENCE M. LEMPA, Firefighter, Truck 31, Duty Disability since June 21, 2005

Born:	05/15/1947	\$5,284.34	a month beginning May 15, 2010
Ent. CFD:	12/22/1973		based on 75%
Retired:	05/15/2010	\$158.53	annuity increment, 3%, begins June 1, 2011

- REFUND \$182.56 FOR 2006 ERRORS IN DEDUCTIONS

MINIMUM FORMULA ANNUITIES:

11398 CHARLIE RIVERS, Firefighters, Truck 61

Born:	12/21/1950	\$5,109.62	a month beginning April 21, 2010
Ent. CFD:	02/18/1980		based on 75%
Retired:	04/21/2010	\$153.29	annuity increment, 3%, begins May 1, 2011

- REFUND \$18.60 FOR 2006 ERRORS IN DEDUCTIONS

10737 HARRY T. SEBASTIAN, Firefighter, Truck 35, Duty Disability since December 6, 1995

Born:	05/27/1947	\$5,111.64	a month beginning May 27, 2010
Ent. CFD:	10/16/1978		based on 75%
Retired:	05/27/2010	\$153.35	annuity increment, 3%, begins June 1, 2011

10581 EUGENE J. SPINA, Lieutenant, Air Rescue

Born:	04/16/1947	\$5,993.19	a month beginning April 17, 2010
Ent. CFD:	07/16/1977		based on 75%
Retired:	04/17/2010	\$179.80	annuity increment 3%, begins May 1, 2011

- COLLECT \$179.26 FOR 1987-1990, 1998 AND 2003 ERRORS IN DEDUCTIONS
- REFUND \$391.86 FOR 2005, 2006, 2009 AND 2010 ERRORS IN DEDUCTIONS

12740 DANIEL J. WOLLSCHIED, Ambulance Commander, Ambulance 21

Born:	04/07/1954	\$6,414.58	a month beginning April 5, 2010
Ent. CFD:	03/16/1982		based on 72.5%
Retired:	04/05/2010	\$192.44	annuity increment, 3%, begins May 1, 2011

- COLLECT \$138.84 FOR 2003 ERRORS IN DEDUCTIONS
- REFUND \$91.79 FOR 1989 AND 2006 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, del Valle, Fabrizio, Lux, Martin, Neely, Shanahan*

*Nays: None*

C. WIDOW'S AND CHILDREN'S ANNUITIES:

- 6757 BARBARA DUKE, widow of Lamar Duke, retired since February 15, 1991  
 Born: 02/15/1928 \$1,940.59 a month beginning April 27, 2010  
 Ent. CFD: 11/01/1954  
 Deceased: 04/26/2010
- 6386 VIOLET R. LEE, widow of Thomas F. Lee, retired since January 2, 1987  
 Born: 11/24/1929 \$1,863.37 a month begins March 11, 2010  
 Ent. CFD: 10/01/1953  
 Deceased: 03/10/2010
- 8446 BETTY MCINERNEY, widow of R.J. McInerney, retired since July 29, 1997  
 Born: 06/15/1933 \$2,537.01 a month begins February 28, 2010  
 Ent. CFD: 05/16/1962  
 Deceased: 02/27/2010
- 11881 REGINA LYNN POLINO, widow of Walter Polino, Duty Disability since August 1, 1997  
 Born: 04/04/1953 \$2,553.81 a month beginning March 29, 2010  
 Ent. CFD: 02/20/1980  
 Deceased: 03/28/2010
- 8691 DOROTHY B. RECH, widow of Chester D. Rech, retired since March 27, 1988  
 Born: 12/24/1923 \$1,607.71 a month beginning April 19, 2010  
 Ent. CFD: 06/01/1964  
 Deceased: 04/18/2010
- 5895 MARY PATRICIA VALLIS, widow of Milton Vallis, retired since April 10, 1995  
 Born: 07/14/1924 \$2,848.46 a month beginning April 6, 2010  
 Ent. CFD: 01/16/1951  
 Deceased: 04/05/2010

*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, del Valle, Fabrizio, Lux, Martin, Neely, Shanahan*

*Nays: None*

D. REFUND OF CONTRIBUTIONS: (NONE)

REFUND OF UNPAID CONTRIBUTIONS IN ACCOUNT OF DECEASED  
FIREFIGHTER:

12579 GERALD NIETUPSKI, Paramedic, Ambulance 25, Duty Disability since  
January 22, 1989

Born: 04/19/1938 \$26,733.56 to Gerald Slagle and Jayne Blanche  
Ent. CFD: 07/01/1983 Ferris, children  
Deceased: 07/31/2006

*Note: Distribution of refund pursuant to receipt of properly executed paperwork from both parties*

*On motion of Martin, second by del Valle and by unanimous vote, the foregoing refund of unpaid contributions in accounts of deceased firefighters were granted under provisions of the Code in the amounts and under the terms set forth. The vote was:*

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

*Nays: None*

E. DEATH BENEFITS:

9686 THOMAS J. BOMBENGER, retired since May 21, 2005

Born: 05/21/1942 \$6,000.00 to Thomas F. Bombenger, son  
Ent. CFD: 09/02/1969  
Deceased: 04/28/2010

6757 LEMAR DUKE, retired since February 15, 1991

Born: 02/15/1928 \$6,000.00 to Barbara Duke, widow  
Ent. CFD: 11/01/1954  
Deceased: 04/26/2010

14201 MAURICE W. HOLLISTER, Firefighter

Born: 12/30/1957 \$10,800.00 to Maurice Hollister, nephew  
Ent. CFD: 12/03/1990  
Deceased: 03/20/2010

6386 THOMAS F. LEE, retired since January 2, 1987

Born: 11/24/1929 \$6,000.00 to Violet R. Lee, widow  
Ent. CFD: 10/01/1953  
Deceased: 03/10/2010

8446 R.J. MCINERNEY, retired since July 29, 1997

Born: 06/15/1933 \$6,000.00 to Betty McInerney, widow  
Ent. CFD: 05/16/1962  
Deceased: 02/27/2010

DEATH BENEFITS:

11881 WALTER POLINO, Duty Disability since August 1, 1997

Born: 04/04/1953 \$9,200.00 to Regina Lynn Polino, widow  
 Ent. CFD: 02/20/1980  
 Deceased: 03/28/2010

8691 CHESTER D. RECH, retired since March 27, 1988

Born: 12/24/1923 \$6,000.00 to Dorothy Rech, widow  
 Ent. CFD: 06/01/1964  
 Deceased: 04/18/2010

5895 MILTON VALLIS, retired since April 10, 1995

Born: 07/14/1924 \$6,000.00 to Mary Patricia Vallis, widow  
 Ent. CFD: 01/16/1951  
 Deceased: 04/05/2010

*On motion of Martin, second by Carlson, 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, Lux, Martin, Neely, Shanahan*

*Nays: None*

F. PARTIAL PAYMENTS:9686 THOMAS J. BOMBENGER, retired, deceased April 28, 2010; \$5,759.28 to  
Thomas F. Bombenger, son5593 MARGARET BRASCHLER, widow, deceased November 2, 2009; \$66.67 to  
Nancy O'Coynne, daughter6757 LAMAR DUKE, retired, deceased April 26, 2010; \$3,363.68 to  
Barbara Duke, widow7163 NORMA J. EIFF, widow, deceased April 2, 2010; \$400.30 to  
Karen Cullman, daughter4418 ALEXANDER J. ERFORT, retired, deceased March 11, 2010; \$684.39 to  
Pamela A. McNulty, granddaughter8643 JAMES E. GARRITY, retired, deceased September 26, 2009; \$4,218.35 to  
Maureen Polster, daughter6386 THOMAS F. LEE, retired, deceased March 10, 2010; \$1,202.17 to  
Violet R. Lee, widow3380 ROSE LOQUIST, widow, deceased February 14, 2010; \$500.00 to  
Lynne R. Placak, daughter and trustee

PARTIAL PAYMENTS:

- 4442 DANIEL J. LYNCH, retired, deceased November 21, 2009; \$3,636.72 to  
Jeremiah W. Lynch, S.J., Executor
- 11881 WALTER POLINO, Duty Disability, deceased March 28, 2010; \$2,966.65 to  
Regina Lynn Polino
- 8691 CHESTER D. RECH, retired, deceased April 18, 2010; \$1,929.25 to  
Dorothy B. Rech, widow
- 6983 ALYCE SZEWCZYK, widow, deceased March 6, 2010; \$193.55 to  
Estate of Alyce Szewczyk
- 5895 MILTON VALLIS, retired, deceased April 5, 2010; \$949.49 to  
Mary Patricia Vallis, widow
- 6632 ANTOINETTE L. ZIKMUND, widow, deceased March 21, 2010; \$884.61 to  
Michael Zikmund, son

*The foregoing pro rata payments on account of the death of annuitants, pensioners and beneficiaries on motion of Martin, second by Lux, 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, Lux, Martin, Neely, Shanahan  
Nays: None*

G. BENEFIT RECALCULATIONS:i. TERMINATE CHILD SUPPORT ORDER:

11225 CEDRIC COTTON, retired since November 14, 2001. Order 01 D 053925 entered October 12, 2009 in the Circuit Court of Cook County terminates Child Support in the amount of \$483.00 per month for minor child, Monica.

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

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

ii. QILDRO ORDERS:

10796 DERRICK F. JACKSON, retired since April 30, 2010. Application for minimum formula annuity presented in this meeting. QILDRO order 01 D 2498 entered in the Circuit Court of Cook County November 19, 2003 requires distribution to the alternate payee, Sharon Renee Jackson in the amount of \$1,008.00 per month. This does not include any proportionate amount of future cost of living increases.

BENEFIT RECALCULATIONS:

QILDRO ORDERS:

10799 ROBERT JOHNSON, retired since June 3, 2009. QILDRO order 06 D 11279 entered in the Circuit Court of Cook County April 15, 2010 requires distribution to the alternate payee, Debra R. Johnson in the amount of \$1,250.00 per month. This does not include any proportionate amount of future cost of living increases.

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

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

H. PAYMENTS PURSUANT TO COURT ORDER: (NONE)

I. REQUESTS FOR PERMISSION:

i. GUARDIANSHIP:

4610 VERA CULLEN BY RAYMOND A. CULLEN, SON. Widow's Annuity since December 18, 1976. 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 Carlson, 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, Lux, Martin, Neely, Shanahan  
Nays: None*

ii. RESIDE OUT OF STATE: (NONE)

J. GIFT FUND: (INFORMATION ONLY)

(See Gift Fund Addendum)

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

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

Damian E. Bodnar	Annuity	Died May 11, 2010
Thomas J. Bombenger	Annuity	Died April 28, 2010
Martin D. Cibich	Annuity	Died December 23, 2009
Lamar Duke	Annuity	Died April 26, 2010
Chester D. Rech	Annuity	Died April 18, 2010
Elmer P. Schmitz	Annuity	Died April 19, 2010
Stephanie Duszynski	Widow's Annuity	Died April 15, 2010
Josephine Dzedzic	Widow's Annuity	Died March 28, 2010
Bernadine Fahey	Widow's Annuity	Died April 24, 2010
Shirley N. Forkin	Widow's Annuity	Died April 15, 2010
Ann Marie Forte	Widow's Annuity	Died March 03, 2010
Marie C. Kearney	Widow's Annuity	Died February 22, 2010
Lucille E. Mitchell	Widow's Annuity	Died May 05, 2010
Elizabeth Plessner	Widow's Annuity	Died April 29, 2010
Agnes O. Smith	Widow's Annuity	Died April 20, 2010
Mary A. Wiczus	Widow's Annuity	Died April 23, 2010
Edward J. Dorociak	Ordinary Disability	Earned Annuity April 04, 2010
Michael Heiser	Duty Disability	Retired April 30, 2010
Stanley T. Kotlarz	Duty Disability	Retired April 05, 2010
Alfred Marcucci	Occupational Disease Disability	Retired April 02, 2010
Margaret E. McPhillips	Child's Disability Benefit	Age 18 on May 10, 2010
Michael Pufpaf	Child's Disability Benefit	Age 18 on May 11, 2010
Katherine Broz	Child's Annuity	Age 18 on May 26, 2010

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

*Yeas: Carlson, del Valle, Fabrizio, 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)

*At the request of the Secretary approval of the foregoing expenditures was deferred.*

EXPENDITURES:

iii. SECRETARY'S STATEMENT OF MONTHLY OPERATING EXPENSES:

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, are due and payable prior to the next month's Board meeting and will be paid upon receipt of the respective invoices:

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

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

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

iv. REQUEST FOR EXPENDITURES:

Request for expenditure in the amount of \$490.00 for painting of Secretary's office.

*On motion of Martin, second by del Valle, to approve the foregoing request for expenditure. The vote was:*

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

v. REQUEST FOR TRUSTEE TRAVEL: (NONE)

vi. PHONE POLL:

On Motion of Martin, second by Fabrizio, that in line with Trustee Martin's appointment to the State Treasurer's Working Group that the Fund's Attorney Mary Pat Burns be requested to provide assistance as to Mr. Martin, not to exceed \$5,000.00 The vote was:

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

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

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

M. EXECUTIVE DIRECTOR'S REPORT:i. MONTHLY REPORT:ii. 2010 EXPENDITURES TO DATE: (INFORMATION ONLY)

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

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

*Nays: None*

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

*INVESTMENT COMMITTEE MINUTES  
May 17, 2010*

*The Investment Committee of the Firemen's Annuity and Benefit Fund of Chicago held its monthly meeting on May 17, 2010. Present at the meeting were Investment Chairman Dan Fabrizio, Investment Co-Chairman Mike Shanahan and Trustees Anthony Martin, Walter Carlson, Steve Lux and Stephanie Neely. Also present were Fire Chief Charles Stewart, Assistant to the City Clerk Patrick O'Malley, Assistant City Comptroller Joe Conte, Deputy City Treasurer Mark Mitrovich, Assistant City Treasurer Mike Walsh, Investment Consultants Doug Kryscio, Jason Palmer and Andrew Shafer, Fund Attorney Mary Pat Burns and Fund staff Mike Moran, Ken Kaczmarz and Jaclyn McAllister.*

*Mercer 1st Quarter 2010 Review*

*Investment consultant Mercer provided a recap of Fund and market performance during the first quarter of 2010. The Fund's returns rank in the top decile for the first quarter and for the trailing 12 month period. The Fund's relative performance versus its reference index neared or exceeded the index for all time periods measured.*

*Additional items of note included discussions of specific fund manager over and under performance, fund manager correlations, fund manager volatility, fund manager compliance with investment guidelines and total fund risk measurements.*

*Northern Trust Performance Flash at April 30, 2010*

*The Committee examined the monthly performance report as of April 30, 2010. For the month, all equity managers but one generated positive returns. The Fund rose 2.1 % in April while the S&P 500 gained 1.6%. The Fund's 2010 year to date gain of 6.9% trails the S&P 500's increase of 7.1%. Total Fund performance for the three and five year time periods continued to significantly exceed all equity benchmarks.*

COMMITTEE REPORT/S:INVESTMENT COMMITTEE:

*Strong relative performance for the year was noted of Logan, Blair, LSV and each of the Fund's fixed income managers. Investment managers that significantly trail their benchmark include Marvin and Palmer, SMID value managers Keeley and Neuberger Berman and international managers Brandes and Globeflex.*

*Statement of Asset Allocation at May 13, 2010*

*The Committee reviewed the Statement of Fund Asset Allocation, currently valued at \$975 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.*

*Statement of Cash Needs*

*The Committee considered its cash requirements for May 31, 2010 and its stated objective to maintain a one month liquidity balance in reserve. Given the current Fund cash balances, a motion was made by Trustee Neely, seconded by Trustee Martin to draw down \$3 million from both Chicago Equity and RhumbLine. The vote was:*

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

*Nays: None*

*The Committee was informed that the Fund can expect to draw down \$65 million during the remainder of 2010.*

*Target Brokers Report*

*The Target Brokerage report was reviewed by the Committee. As of April 2010, Fund investment managers have paid \$62 thousand (26.3%) in commissions to 21 MFDBE broker-dealers.*

*Capital Calls*

*The Committee was informed that approximately \$1 million of net capital calls were paid since the April Committee meeting. A brief discussion regarding the cumulative cash distributions received from illiquid alternative investments followed.*

*Investment Manager Updates*

*The Committee was apprised that: Mercer's preliminary research review of Adams Street Partners remains unchanged. Also, Adams Street Partners reports that they will establish a Beijing office in the next three to five years. Fund fixed income manager Ken Grimes of EARNEST Partners has resigned. Mr. Grimes' resignation does not impact Mercer's overall opinion of EARNEST Partners.*

*PPIP Update*

*The Committee was provided with a US Department of the Treasury report regarding the status of the Legacy Securities Public-Private Investment Program (PPIP). The report provided details for each PPIP manager's assets under management and performance numbers as of March 31, 2010.*

COMMITTEE REPORT/S:INVESTMENT COMMITTEE:*Statement of Fund Valuation  
Fund Assets**As of May 13, 2010*

<u>Asset Class</u>	<u>Dollars</u>	<u>Percent</u>
Large Cap Equity	\$352,052,683	36.1%
Small to Mid Cap Equity	\$171,682,594	17.6%
Intl & Emerging Equity	\$173,737,914	17.9%
Core Bonds	\$50,592,674	5.2%
Core Plus Bonds	\$74,327,687	7.6%
Opportunistic Bonds	\$85,868,338	8.8%
Commodities	\$21,227,110	2.2%
Hedge Funds	\$0	0.0%
Private Equity	\$17,614,383	1.8%
Real Estate	\$16,675,816	1.7%
Cash Equivalents	\$10,808,953	1.1%
<b>TOTAL FUND</b>	<b>\$974,588,152</b>	<b>100.0%</b>

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

[End May 17, 2010 Investment Committee Meeting]

*On motion of Martin, second by Neely to spread the Investment Committee report upon the record and accept the recommendations therein. The vote was:*

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

*Nays: None*

B. LEGAL COMMITTEE – LUX/MARTIN:*LEGAL COMMITTEE MINUTES  
MAY 17, 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 Monday, May 17, 2010. Present at the meeting were Committee Chair Steve Lux, Co-Chair Anthony Martin and Trustees Walter Carlson, Stephanie Neely, Dan Fabrizio and Michael Shanahan. Also present were Fund Attorney Mary Pat Burns, Assistant City Comptroller Joe Conte, Deputy Treasurer Michael Walsh, Deputy Treasurer Mark Mitrovich, Assistant to the City Clerk Patrick O'Malley and Fund Staff Ken Kaczmarz, Janet Pelech, Michael Moran, Jaclyn McAllister and Lori Lund.*

*Fund Attorney Mary Pat Burns reviewed the Legal Status Report.*

COMMITTEE REPORT/S:LEGAL COMMITTEE:

*The Committee reviewed revised refund procedures for authorized deductions from member's benefits under Section 6-213 of the pension code. These procedures may impact moneys paid to the credit unions for repayments therefore, it was recommended that a meeting be scheduled with each of the credit unions to discuss the effect of the Fund's new procedures.*

*Executive Director Kaczmarz distributed a copy of attorney Ed Burke's letter to the attorneys representing the other City funds regarding the Retiree Health Benefits Commission (RHBC) under the Korshak agreement. The purpose of the correspondence was to request a meeting of the Retirement Funds' Executive Directors and their counsel to explore the issue of the independence of the RHBC and the Funds' legal representation before the RHBC.*

*The Committee reviewed the proposal for renewal of the Fund's Fiduciary Liability insurance obtained through Mesirow Financial. The Committee requested that Mesirow's representative, Craig Goesel return to a future meeting to review quotes and discuss terms of the renewal proposals.*

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

[End May 17, 2010 Legal Committee Meeting]

*On motion of Martin, second by Fabrizio to spread the Legal Committee report upon the record. The vote was:*

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

C. LEGISLATIVE COMMITTEE – CARLSON/FABRIZIO:

*LEGISLATIVE COMMITTEE MINUTES  
MAY 17, 2010*

*The Legislative Committee of the Firemen's Annuity and Benefit Fund of Chicago met in the office of the Fund on Monday, May 17, 2010. Present at the meeting were Committee Chair, Walter Carlson and Trustees Stephanie Neely, Anthony Martin, Steve Lux, Dan Fabrizio, and Michael Shanahan. Also present were the Fund's Attorney, Mary Pat Burns and Assistant City Comptroller Joe Conte, Deputy Treasurer Mark Mitrovich, Assistant to the City Treasurer, Mike Walsh, Assistant to the City Clerk Patrick O'Malley and Fund Staff Ken Kaczmarz, Mike Moran and Jacklyn McCalister.*

*The Fund's Legislative liaison, Mr. John McCabe was present and provided a report on the legislative items pending in Springfield that have an impact upon the Fund. A copy of his report is included.*

COMMITTEE REPORT/S:LEGISLATIVE COMMITTEE:

*Mr. McCabe commented on legislative amendments that the Board specifically directed him to have entered on behalf of the Fund, those entered by Local 2 and other pension legislation of interest. HA 1 of SB 1946 has been passed as a second tier benefit structure for all Non-Public Safety employees hire after January 1, 2011. Mr. McCabe reported that a Public Safety version of a second tier structure was introduced only to be stalled because of lack of agreement on the changes affecting Chicago Police and Fire.*

*The Fund's reversionary Annuity language was still in committee. The City requested additional information regarding the Fund's suggested remedy to section 6-210 concerning the non-reciprocity of service in other City Funds. The Fund's suggested amendment concerning mandatory indemnification of Trustees is being held by the House sponsor ( Dan Rietz) for review and further information.*

*Trustee Fabrizio reported on the discussions surrounding the second tier benefit structure for Public Safety employees hired after January 1, 2011. State legislators have indicated that they are looking language that would provide for parity across the systems in terms of retirement age, annual increses and widow's benefits.*

*Mr. Fabrizio also noted that it was election year for many Statewide offices. Discussions on the Budget would definitely take priority and many bills would be held for the Veto session.*

*Being no further business, the meeting of the Legislative Committee was adjourned .*

[End May 17, 2010 Legislative Committee Meeting]

*On motion of Martin, second by del Valle to spread the report of the Legislative Committee and the Legislative Liaison, Mr. McCabe upon the record. The vote was:*

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

D. OFFICE ORGANIZATIONAL COMMITTEE – MARTIN/NEELY:

*OFFICE ORGANIZATIONAL COMMITTEE MINUTES  
MAY 17, 2010*

*The Office Organizational Committee of the Firemen's Annuity and Benefit Fund of Chicago met in the office of the Fund on Monday, May 17, 2010. Present at the meeting were Committee Chairs, Anthony Martin and Stephanie Neely and trustees Walter Carlson , Steve Lux, Dan Fabrizio, and Michael Shanahan. Also present were the Fund's Attorney, Mary Pat Burns and Assistant City Comptroller Joe Conte, Deputy Treasurer Mark Mitrovich, Assistant to the City Treasurer, Mike Walsh, Assistant to the City Clerk Patrick O'Malley and Fund Staff Ken Kaczmarz, Mike Moran and Jaclyn McCalister.*

COMMITTEE REPORT/S:OFFICE ORGANIZATIONAL COMMITTEE – MARTIN/NEELY:

*Mr. Martin requested that Mr. Jerry Bloomstrand from Grubb & Elliss be present to discuss the options surrounding a possible expansion of the Fund's existing Office space to incorporate approximately 1700 additional sq/ft of space adjacent to the Board's existing Board room.*

*Mr. Bloomstrand advised the Committee that he felt that the initial offer received from M & J Wilkow the buildings landlord recognized that the available space was unique in its location adjacent to the existing Fund Office. He has compiled a preliminary analysis and, in his opinion, the buiding's first offer is not very aggressive. Several other variables are contained in the existing lease that could be used to the Fund's advantage if they wished to pursue the matter further.*

*The Fund is in the sixth year of a fifteen year lease with a termination option in the tenth year. Given the remaining term, even to the termination option, the Fund would probably have to sublease the existing space if another property were to be considered. Other options within this building would be predicated on available space on other floors and the landlord's willingness to renegotiate the entire lease.*

*Mr. Bloomstrand explained that buildings pay themselves or a tenant's representative a flat per sq/ft rate on all deals. Any fee Grubb & Elliss would potentially receive would be paid separate from and not impacting on any lease terms negotiated by the Fund. Mr. Bloomstrand also suggested that the Fund review a floor plan of the proposed space and sketch out the suggested build out. Estimates of the costs required to build out the new space could be generated from such a sketch.*

*The Committee thanked Mr. Bloomstrand for his comments and took them under advisement.*

*Being no further business, the Office Organizational Committee adjourned .*

[End May 17, 2010 Office Organizational Committee Meeting]

*On motion of Martin, second by Carlson to spread the report of the Office Organizational Committee upon the record. The vote was:*

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

*Nays: None*

5. BOARD PHYSICIAN REVIEWS OF DISABILITY RECIPIENTS:

(See Re-Examination Addendum)

*On motion of Martin, second by Lux to accept the Board Physician's recommendations for reexamination scheduling. The vote was:*

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

*Nays: None*

7. MISCELLANEOUS:B. 2009 AUDITOR'S REPORT:

Collin Thomas representing Legacy CPA's was present to review the 2009 Auditor's Report.

A. 2009 ACTUARIAL REPORT:

Chris Lucus, Alex Riviera and Lance Weiss of Gabriel Roeder Smith were present to review the 2009 Actuarial Report.

The Board discussed Senate Bill 1642 which clarifies Section 6-210 of the Pension Code and the following motion was made.

*On motion of Martin, second by del Valle to request that the Fund's attorney Mary Pat Burns work with the City to have the language amended to reflect the Board's original intent. The vote was:*

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

*Nays: None*

6. HEARINGS:A. OCCUPATIONAL DISEASE DISABILITY APPLICATIONS: (NONE)B. DUTY DISABILITY APPLICATIONS:

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

13855 ROY S. CHERRY, Firefighter, Truck 61

Born: 12/03/1953  
Ent. CFD: 11/01/1989

Witnesses: Chief Randall D. Konop, Battalion 24  
FF Ernest J. Cotton, Engine 104  
Lt. Brian K. Greene, Engine 104

*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.*

*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 **\$4,936.00 a month beginning April 11, 2010**, the day of removal from the Fire Department payroll and no longer receiving salary. The vote was:*

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

*Nays: None*

HEARINGS:

DUTY DISABILITY APPLICATIONS:

13855 ROY S. CHERRY, Firefighter, Truck 61

*On motion of Martin, second by Neely to request Continued Case Management of Mr. Cherry's disability status. The vote was:*

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

*Nays: None*

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

16328 DAVID B. WHITE, EMT Firefighter, 5-1-2

Born: 12/28/1968  
Ent. CFD: 11/01/2002

Attorney: Stephen Horwitz

Witnesses: FF/PM Kevin M. O'Malley, Engine 60  
Bridget Elaine White, spouse

*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.*

*On motion of Neely, second by Lux, and by unanimous vote, the Board went into executive session.*

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

*Nays: None*

*Out of executive session, 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 **\$4,619.50 a month and \$30.00 a month for minor child, Caitlin beginning April 16, 2010**, the day of removal from the Fire Department payroll and no longer receiving salary. The vote was:*

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

*Nays: None*

*On motion of Martin, second by Neely to request Continued Case Management of Mr. White's disability status. The vote was:*

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

*Nays: None*

HEARINGS:

DUTY DISABILITY APPLICATIONS:

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

13461 MICHAEL D. POOL, Lieutenant, 2<sup>nd</sup> District Relief

Born: 02/27/1959 \$5,829.25 a month beginning March 15, 2010  
Ent. CFD: 08/03/1987

Attorney: Svetlana Kaplina

Witnesses: FF/EMT Terence J. Stadler, Engine 7  
Capt./EMT Linda Parsons, Engine 7 (Unavailable)

*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.*

*On motion of Lux, second by Neely, and by unanimous vote, the Board went into executive session.*

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

*Out of executive session, 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.*

*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: None*

*Nays: Carlson, del Valle, Fabrizio, Lux, Martin, Neely, Shanahan  
Motion Fails*

L. EXPENDITURES:

ii. INVOICES PRESENTED FOR PAYMENT - BUDGETED OPERATING EXPENSES:

(See Expenditure Addendum)

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

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

7. MISCELLANEOUS:

C. ADDITIONS TO IME PHYSICIAN LIST:

*On motion of Neely, second by Carlson to approve the additions to the IME Physician list. The vote was:*

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

*On motion of Martin, second by Fabrizio to approve the retirement application of Michael D. Pool in the following amounts pending receipt of all properly executed paperwork and resignation documents. The vote was:*

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

13461 MICHAEL D. POOL, Lieutenant, 2<sup>nd</sup> District Relief

Born: 02/27/1959	\$4,407.32	a month beginning March 15, 2010
Ent. CFD: 08/03/1987		based on 57.5%
Retired: 03/15/2010	\$66.11	annuity increment, 1.5%, begins
		March 1, 2019, last one on
		January 1, 2038

- REFUND \$21.05 FOR 2006 ERRORS IN DEDUCTIONS

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