

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

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Chicago, IL 60603-1896  
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<http://www.fabf.org>

(800) 782-7425

May 11, 2020

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

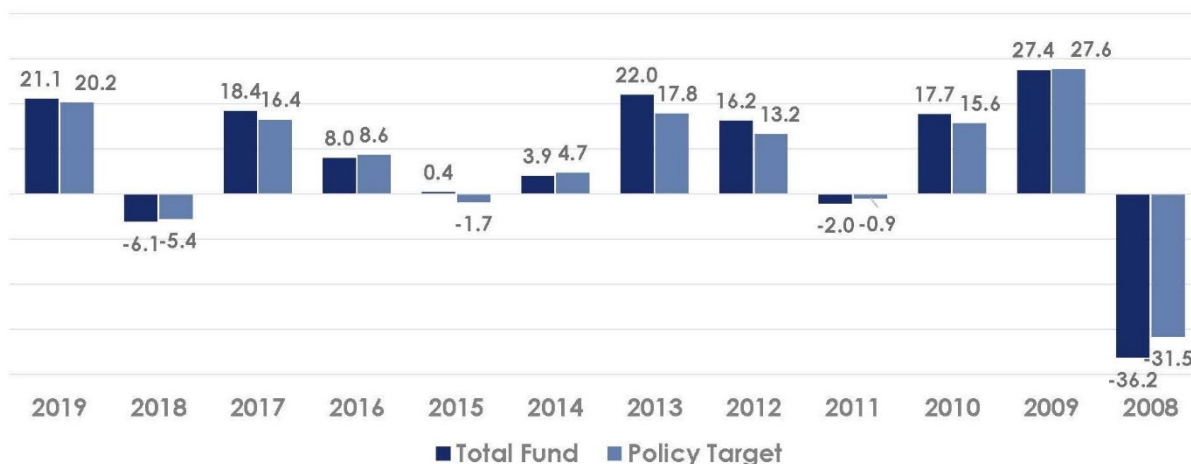
**MONTHLY NEWS AND INFORMATION FROM YOUR RETIREMENT BOARD**

The Firemen's Annuity and Benefit Fund of Chicago (the "FABF Fund") recognizes that its members may be experiencing uncertainty and concern during these truly unprecedented times. With respect to your retirement benefits, I want to remind you that under current law eligible members are entitled to receive a monthly annuity for life and that is a right that is protected by the Illinois Pension Protection Clause and confirmed by Illinois caselaw. In 1998, the Illinois Supreme Court in *People ex rel. Sklodowski v. State*, 182 Ill. 2d 220, 228-29 (1998), held that the Pension Protection Clause "served to eliminate any uncertainty as to whether state and local governments were obligated to pay pension benefits to the employees," and its "plain language" not only makes participation in a public pension plan an enforceable contractual relationship, but also "demands that the 'benefits' of that relationship 'shall not be diminished or impaired.'" While the recent downturn in the financial markets is troubling, your benefits provided under the Pension Code remain protected under current law. As always, the FABF Fund remains committed to work with its investment managers to take prudent steps to maximize returns for its members. Below please find information regarding the FABF Fund's investment performance.

COVID-19 has temporarily shut down significant parts of the global economy and its duration is unknown. Markets have been volatile with the S&P falling -19.6% year to date as of March 31<sup>st</sup>. The diversified FABF Fund is down -17.7% for the quarter.

The FABF Fund has been down before, declining -36.2% in 2008, the start of the Great Financial Crisis (GFC). FABF Trustees remained level-headed during the GFC and adhered to the Fund's Investment Policy. This patience was rewarded as Fund performance rebounded in 2009 up +27.4% and in 2010, up +17.7%. Please note the FABF investment returns below.

# PERFORMANCE: ANNUAL RETURNS



Today, FABF Trustees are carefully monitoring FABF investments and Fund liquidity, ensuring benefit payments are made and adhering to the Fund’s asset allocation model. History shows that financial markets tend to go up over time. Only by staying invested can investors participate in the full breadth of the ensuing recovery. The chart below demonstrates the recoveries from prior market downturns.

## Market Rebounds Can Be Swift and Powerful

### 12-month performance following major declines

S&P 500 biggest declines	Black Monday 8/25/87- 12/4/87	Gulf War 7/16/90- 10/11/90	Asia Crisis 7/17/98- 9/31/98	Tech Bubble 3/27/00- 10/9/02	Financial Crisis 10/9/07 -3/9/09	US Credit Downgrade 3/10/11- 10/3/11	Trade War 10/3/18- 12/24/18
% decline	-33.5%	-19.9%	-19.3%	-49.0%	-56.8%	-19.0%	-19.6%
Next 12 months	+21.4%	+29.1%	+37.9%	+33.7%	+68.6%	+32.0%	+37.1%

Source: Morningstar as of 2/28/20. Returns are principal only not including dividends. U.S. stocks represented by the S&P 500 Index. Past performance does not guarantee or indicate future results. Index performance is for illustrative purposes only. You can't invest directly in an index.

Trustee & Fund Secretary,

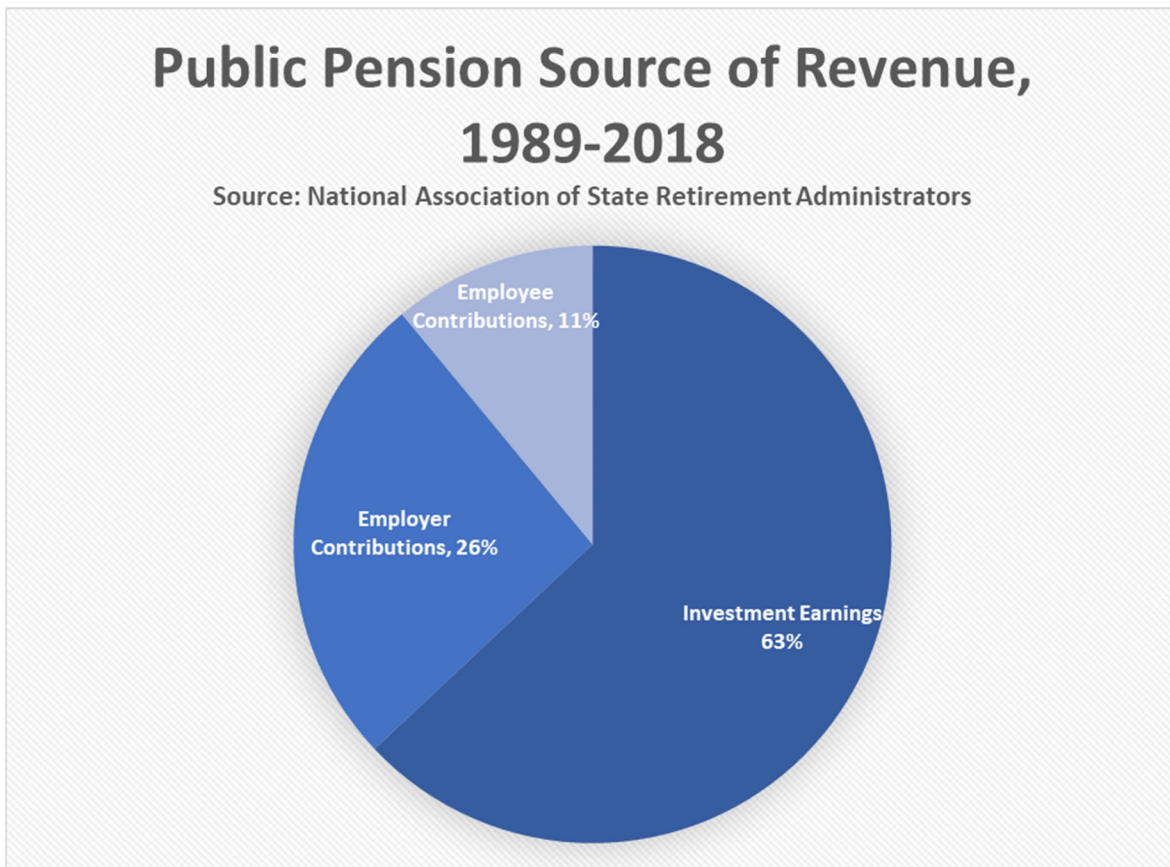
*Anthony R. Martin*  
Captain Anthony Martin

### REQUIRED DISCLAIMER

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

## A MESSAGE FROM THE INVESTMENT CHAIRMAN

I think it is vitally important that the membership of the Fund understand the financial engineering that is behind securing their retirement benefits. Prior to 2016 the City funded the Employer Contributions based on a multiplier of \$2.26 for every \$1.00 of Employee Contributions. Over time those two components along with a third component, Investment Earnings, made up the three sources of revenue securing members benefits. After 2016, the Employer Contribution was increased, not by a percentage of the Employee Contribution but by a steadily increased static amount; this is often referred to as the “ramp to the ARC”. ARC stands for Actuarial Required Contribution and is considered the appropriate method for a fund sponsor to fund a pension plan.



The above chart illustrates the mechanism of how traditional public pensions are funded. According to the National Association of State Retirement Administrators (NASRA), 63% of the funds available to pay retiree benefits come from Investment Earnings. The NASRA found that a typical public employee contributes 11% towards their retirement benefits and the employer contributes the remaining 26%. The investment returns of our pension fund are critical to securing the retirement benefits for all members. *(See this month's Secretary's article on the returns the pension fund has earned over the years.)<sup>i</sup>*

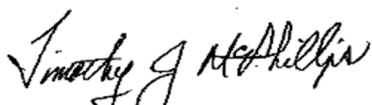
But what is important, that all members should understand, is that investment returns need to be measured against the capital invested. It can be misleading if you only focus on investment returns

and neglect the amount of capital invested in the market. Just like many things we face in our daily lives, it is important to take all the relevant components into consideration.

For example, imagine if you pull up on a three story, six unit ordinary constructed apartment building with a fire in Sector C on the top floor. You need to get a significant amount of water on that fire. There are two critical components needed to get water on the fire, volume and pressure. If you have a good hydrant but a defective engine you won't have enough pressure to get the volume to the third floor; your stream (Investment Earnings) will be inadequate. You would have a similar problem if you have a bad hydrant but an operable engine, no matter how much pressure (investment returns) you generate, there just won't be enough volume to make an effective stream to extinguish the fire. The same principal applies with our investment returns (water pressure) and our investment capital (water volume). Without both, the returns will not be adequate to secure retirement benefits; investment returns alone cannot do the job. That 63% of Investment Earnings identified by the NASRA represents an adequate stream, requiring both adequate capital and investment returns.

Thankfully, beginning in 2021, the City is scheduled to begin making ARC payments. By marrying this increased capital to the investment returns generated by our portfolio, our pension fund can start building the Investment Earnings revenue stream that can secure our retirement benefits. We will continue to monitor not only investment returns but also adequate capital contributions.

I would like to take a moment to recognize the sacrifice two of our members made as the Fire Department served the critical needs of the City's citizens during these unprecedented times. Both FF Mario Araujo and FF Edward Singleton lost their battle to COVID-19 after contracting the virus. I came on the job with Mario and we were both assigned to Truck 25 on the same shift right after the Academy. I think I can speak for everyone who knew Mario that he was just a genuinely humble and likable guy and that his loss is felt by many that had the privilege to work with him. I did not have the privilege of working with FF Singleton, but the stories that circulate after a member passes support that he was also a respected member contributing to the fabric that makes up the great character of our department. Losing firefighters like this reminds me that it is each individual member's unique contribution that makes our department what it is. God Bless them both.



Timothy McPhillips  
Active Member Trustee

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<sup>i</sup> No representations are made as to the accuracy of the NASRA chart. No action has been taken by the FABF to independently verify the information contained in the NASRA chart. There is also no assurance that the FABF's publicly available reports are prepared on the same basis as the NASRA chart shown above.

**REQUIRED DISCLAIMER**

*The views expressed herein express the author's personal opinion and do not represent or necessarily reflect the opinion or views of the Board.*

**Firemen's Annuity & Benefit Fund of Chicago  
Summary of Regular Audio Meeting dated 04/15/2020**

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Suite 300  
20 South Clark Street Chicago, IL 60603-1899  
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(800) 782-7425 www.fabf.org

ELECTED OFFICIALS

DANIEL A FORTUNA, Annuitant Trustee, President  
ANTHONY R MARTIN, Active Trustee, Secretary  
WILLIAM B MURPHY, Active Trustee  
TIMOTHY MCPHILLIPS, Active Trustee

EX-OFFICIO TRUSTEES

City Clerk, Vice-President ANNA VALENCIA  
City Treasurer, MELISSA CONYEARS-ERVIN  
City Comptroller, RESHMA SONI  
First Deputy Fire Commissioner, ANNETTE NANCE-HOLT

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

To All Members:

Listed below are the names of individuals who have applied for a 75% Duty Disability benefit from the Pension Board. Their applications will be presented before this Board at the 05/20/2020 meeting.

<u>Rank, Name, Assignment:</u>	<u>Date of Injury:</u>
FF WILLIAM J CLEMENS, TRUCK 59	03/03/2019
EMT/FF ANDREW R GUTH, 2-7-2	06/25/2019
FF STEVEN E WHITERS, ENGINE 1	01/05/2019

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

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

Anthony Martin, Secretary

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

FORWARD TO: Secretary  
Firemen's Annuity & Benefit Fund  
20 South Clark Street, Suite 300  
Chicago, IL 60603

***Firemen's Annuity & Benefit Fund of Chicago***  
***Summary of Regular Audio Meeting dated 04/15/2020***

MINIMUM FORMULA ANNUITIES:

015677 MARK E BERLINSKI, EMT FIREFIGHTER, ENGINE 94  
 Ent CFD: 12/01/1999 **\$4,335.42** beginning 03/31/2020  
 Retired: 03/31/2020 based on 52.5% of Final Average Salary  
**\$130.06** annuity increment, 3%, begins 04/01/2021  
 ● REFUND \$31,031.57 FOR SPOUSE CONTRIBUTIONS

016386 JOE GORDON, EMT FIREFIGHTER, TRUCK 6  
 Ent CFD: 10/01/2003 **\$3,548.59** beginning 03/05/2020  
 Retired: 03/05/2020 based on 44% of Final Average Salary  
**\$106.46** annuity increment, 3%, begins 04/01/2021

011399 JAMES ROCCASALVA, EMT LIEUTENANT, TRUCK 27, Duty Disability since 07/01/2007.  
 Ent CFD: 02/18/1980 **\$7,838.63** beginning 04/18/2020  
 Retired: 04/18/2020 based on 75% of Maximum Salary  
**\$235.16** annuity increment, 3%, begins 05/01/2021

014293 RENEE M RUSCO, PARAMEDIC FIELD CHIEF, 4-5-8  
 Ent CFD: 11/16/1990 **\$9,007.62** beginning 03/31/2020  
 Retired: 03/31/2020 based on 75% of Final Average Salary  
**\$270.23** annuity increment, 3%, begins 04/01/2021  
 ● REFUND \$263.90 FOR 2006, 2011 & 2014 EID  
 ● REFUND \$52,489.14 FOR SPOUSE CONTRIBUTIONS

011891 THOMAS R SCHMIDT, FIRE ENGINEER, ENGINE 92, Occupational Disability since 06/30/2014.  
 Ent CFD: 02/20/1980 **\$6,720.75** beginning 04/12/2020  
 Retired: 04/12/2020 based on 75% of Maximum Salary  
**\$201.62** annuity increment, 3%, begins 05/01/2021  
 ● COLLECT \$78.50 FOR 2014 EID  
 ● REFUND \$18.07 FOR 2006 EID

016678 SIM S WILSON, EMT FIREFIGHTER, TOWER LADDER 63  
 Ent CFD: 02/01/2005 **\$3,349.84** beginning 03/04/2020  
 Retired: 03/04/2020 based on 42% of Final Average Salary  
**\$100.50** annuity increment, 3%, begins 04/01/2021  
 ● REFUND \$160.84 FOR 2006 & 2013 EID  
 ● REFUND \$22,473.00 FOR SPOUSE CONTRIBUTIONS

***Firemen's Annuity & Benefit Fund of Chicago***  
***Summary of Regular Audio Meeting dated 04/15/2020***

WIDOW'S ANNUITIES:

912087 ANTOINETTE DIPASQUO, widow of JOE N DIPASQUO, Retired since 05/15/2011.

Ent CFD: 02/01/1982    **\$3,425.68**    beginning 02/05/2020  
Deceased: 02/04/2020

906155 EMMA C JOHNSON, widow of DONALD T JOHNSON, Retired since 09/30/1979.  
BY DONNA J JOHNSON

Ent CFD: 06/01/1952    **\$1,332.89**    beginning 02/14/2020  
Deceased: 02/13/2020

908317 SUZANNE MAGNUSON, widow of VERNON S MAGNUSON, Retired since 11/29/1994.

Ent CFD: 08/07/1961    **\$2,614.68**    beginning 01/17/2020  
Deceased: 01/16/2020

907470 MARILYN RACH, widow of RONALD C RACH, Retired since 04/16/1998.

Ent CFD: 03/16/1956    **\$3,335.34**    beginning 03/20/2020  
Deceased: 03/19/2020

908243 ANNE VUICH, widow of JOSEPH M VUICH, Retired since 11/15/1996.

Ent CFD: 04/10/1961    **\$3,093.26**    beginning 03/04/2020  
Deceased: 03/03/2020

*Firemen's Annuity & Benefit Fund of Chicago*  
*Summary of Regular Audio Meeting dated 04/15/2020*

REFUNDS:

014594 NELSON SAEZ, FIREFIGHTER, TOWER LADDER 63

Ent CFD: 09/01/1993 **\$59,271.93** Refund of Contributions

DISCHARGED 03/02/2005

- REFUND \$324.47 FOR 2005 & 2006 EID



***Firemen's Annuity & Benefit Fund of Chicago***  
***Summary of Regular Audio Meeting dated 04/15/2020***

DEATH BENEFITS:

012087 JOE N DIPASQUO, FIREFIGHTER, TRUCK 17, Retired since 05/15/2011.  
Ent CFD: 02/01/1982 **\$6,000.00** to ANTOINETTE DIPASQUO, WIFE  
Deceased: 02/03/2020

008636 WALTER F DZIEDZIC, FIREFIGHTER, REPAIR SHOPS, Retired since 07/02/1996.  
Ent CFD: 06/01/1964 **\$6,000.00** to, SUCCESSOR TRUSTEE  
Deceased: 02/23/2020

006076 EUGENE A GROSE, FIREFIGHTER, HOOK & LADDER 54, Retired since 09/07/1978.  
Ent CFD: 11/01/1951 **\$6,000.00** to SARAH RUCKER, DAUGHTER  
Deceased: 11/17/2019

006155 DONALD T JOHNSON, CAPTAIN, ENGINE 46, Retired since 09/30/1979.  
Ent CFD: 06/01/1952 **\$6,000.00** to EMMA C JOHNSON, WIFE  
Deceased: 02/12/2020

008317 VERNON S MAGNUSON, FIREFIGHTER, ENGINE 79, Retired since 11/29/1994.  
Ent CFD: 08/07/1961 **\$6,000.00** to, CO-TRUSTEE  
Deceased: 01/15/2020

007470 RONALD C RACH, FIRE ENGINEER, FIRE ACADEMY, Retired since 04/16/1998.  
Ent CFD: 03/16/1956 **\$6,000.00** to MARILYN M RACH, SPOUSE  
Deceased: 03/18/2020

008243 JOSEPH M VUICH, FIRE ENGINEER, EMS, Retired since 11/15/1996.  
Ent CFD: 04/10/1961 **\$6,000.00** to ANNE VUICH, WIFE  
Deceased: 03/02/2020

*Firemen's Annuity & Benefit Fund of Chicago*  
*Summary of Regular Audio Meeting dated 04/15/2020*

HEARINGS:

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

015248 JOSEPH P KALAS, FIRE ENGINEER PARAMEDIC, ENGINE 63  
Ent CFD: 03/04/1997 **\$6,134.70** beginning 03/22/2020

The vote was:

Yeas: CONYEARS-ERVIN FORTUNA MARTIN MCPHILLIPS MURPHY SONI

Nays: (None)

Not Present: NANCE-HOLT VALENCIA

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

015981 ERICKA GARDUNO, PARAMEDIC, AMBULANCE 46  
Ent CFD: 12/01/2000 **\$5,851.50** beginning 02/27/2020

The vote was:

Yeas: CONYEARS-ERVIN FORTUNA MARTIN MCPHILLIPS MURPHY SONI

Nays: (None)

Not Present: NANCE-HOLT VALENCIA

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

017182 JAMES A MUNDO, EMT FIREFIGHTER, LABOR DIVISION  
Ent CFD: 08/16/2006 **\$3,275.70** beginning 10/30/2019

The vote was:

Yeas: CONYEARS-ERVIN FORTUNA MARTIN MCPHILLIPS MURPHY SONI

Nays: (None)

Not Present: NANCE-HOLT VALENCIA

***Firemen's Annuity & Benefit Fund of Chicago***  
***Summary of Regular Audio Meeting dated 04/15/2020***

The following annuitants have passed away since the last regular meeting of the Board:

MARY ANN HUMPHREY	Widow's Annuity	Died 03/29/2020
DOROTHY C MANZIE	Widow's Annuity	Died 03/16/2020
FLORENCE LODA	Widow's Annuity	Died 03/24/2020
DAVID A OWSIANIAK	Annuity	Died 03/26/2020
JOSEPH M SUDAR	Annuity	Died 03/20/2020
GERTRUDE WALSH	Widow's Annuity	Died 04/05/2020
ANN L MCGUSHIN	Widow's Annuity	Died 03/29/2020
NATALIE J PAULLEY	Widow's Annuity	Died 03/27/2020
DONALD A THELEN	Annuity	Died 04/09/2020

***Firemen's Annuity & Benefit Fund of Chicago***  
***Summary of Regular Audio Meeting dated 04/15/2020***

**ANNUITIES GRANTED**

<u>Resigned From:</u>	<u>Month:</u>	<u>Year to Date:</u>
Active Duty	4	41
Duty Disability	1	4
Occupational Disease Disability	1	1
Ordinary Disability	0	0
<b>Total Minimum Formula Annuities Granted</b>	6	46
<b>Total Earned Annuities Granted</b>	0	0
<b>Total Annuities Granted</b>	6	46

**DISABILITIES GRANTED**

<u>Type:</u>	<u>Month:</u>	<u>Year to Date:</u>
Duty Disability	1	4
Occupational Disease Disability	1	6
Ordinary Disability	1	2
<b>Total Disabilities Granted</b>	3	12
<b>Total Disabilities Denied</b>	0	1

**WIDOW'S ANNUITIES GRANTED**

<u>Type:</u>	<u>Month:</u>	<u>Year to Date:</u>
Regular Widow's Annuity	5	28
Compensation Widow's Annuity	0	0
<b>Total Widow's Annuities Granted</b>	5	28

**CHILD'S ANNUITIES GRANTED**

<u>Type:</u>	<u>Month:</u>	<u>Year to Date:</u>
Full Child's Annuity	0	0
Child of Duty Death Annuity	0	0
Child of Ordinary Death Annuity	0	7
<b>Total Children Annuities Granted</b>	0	7

ENDE, MENZER, WALSH & QUINN  
RETIREES', WIDOWS', AND CHILDREN'S ASSISTANCE FUND  
DONATIONS RECEIVED MARCH 2020

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Brian Kehoe	\$ 10.00
Christian Gentry	\$ 10.00
MaryRose McNamee	\$ 20.00
Thomas and Kathleen Torno	\$ 20.00
Raymond Cullen	\$ 25.00
Evelyn Goltz - In Memory of William J Mark	\$ 25.00
Joan E McGarry - In Memory of William J Mark	\$ 25.00
Sonna Matin - In Memory of Helene Dietz	\$ 30.00
Charlotte O'Brenski - In Memory of William J Mark	\$ 50.00
Stanley and Karen Janeczek - In Memory of Mary Louise Rzonca	\$ 50.00
Susan Mason - In Memory of William J Mark	\$ 50.00
Chicago Fellowship of Chistian Firefighters	\$ 90.00
Scott Weiler	\$ 200.00
Annuitant Member Contributions	\$ 9,189.50
Active Member Contributions	\$ 12,655.93
<b>Total for March:</b>	<b>\$ 22,450.43</b>

***Anthony Martin, EMWQ President, Daniel Fortuna, EMWQ Secretary, and the entire EMWQ Board of Directors would also like to thank all Active, Retired, Disabled and Widowed members that support the neediest Retirees', Widow's & Children on a monthly basis through payroll deductions***