

RETIREE CHICAGO POLICE ASSOCIATION  
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# R.C.P.A Newsletter

RETIREE CHICAGO POLICE ASSOCIATION

February 2015

**IF YOU RECEIVED A YELLOW NEWSLETTER, YOUR 2015 MEMBERSHIP DUES ARE NOW BEING ACCEPTED, APPLICATION FORM IS INCLUDED IN THIS NEWSLETTER. IF YOU RECEIVE A WHITE NEWSLETTER, YOUR DUES ARE PAID.** Upon receipt of your 2015 dues, we will send you a membership card and auto decal.



RETIREE CHICAGO POLICE ASSOCIATION NEWSLETTER

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**Treasurer's Message** By *Ronald Topczewski*

The dues for 2015 have been coming in; with the help of our trustees we have been able to send the ID cards and stickers within several days of receipt of your dues. We thank the retirees and widows who included an extra donation. Your donation is greatly appreciated as it helps defray some of our rising costs.

If you received a **WHITE NEWSLETTER**, your 2015 dues are paid. If you received a **YELLOW NEWSLETTER**, your dues are NOT PAID and are now due. Please use the **YELLOW APPLICATION**. This is the only way to tell our members if dues are paid or not. If any retiree groups would like to put an article in our newsletter regarding their meetings please contact us.

HAROLD BROWN  
 President

RONALD TOPCZEWSKI  
 Treasurer

**NORTH**

1st Wednesday of each month at 7:00 a.m.  
 Lone Tree Manor  
 7710 N. Milwaukee Avenue  
 For Info Call: John Zilinski at 773-259-1087

**SOUTH**

2nd Wednesday of each month at 10:00 a.m.  
 Jedi Garden Restaurant  
 9266 S. Cicero Avenue

**President's Message** *Harold Brown*

The next General Meeting of the Retired Chicago Police Association will be on Sunday, February 22, 2015. We will meet at 1:00 PM in the 001st District community room at 1718 S. State Street. I look forward to see you at this meeting. I thank everyone who renewed their 2015 membership and who sent money for the lawsuit regarding our healthcare.

On December 10th our Attorney Cliton Krislov took our case regarding health care to the Federal Court of Appeals. I would like to thank the FOP for the coffee and rolls that were served before our bus left for court. We had approximately 80 of our members in court, every seat was taken. Thanks to everyone who came out to show support for the case. Our attorney feels this will be sent back to the lower courts where we should have a better chance of winning.

Attorney Krislov said the laborers and the municipal unions are now joining us in our lawsuit.

Don't forget you can deduct up to \$3000 for medical insurance that is taken out of your check by the Pension Board. Check with your tax consultant.

The city was well represented by active and retired officers in New York, regarding the murder of two New York Officers. Tom Faragoi and the retired officers in Florida had a march honoring the police. Here are some pictures of the march. Thanks guys.



**REGULAR MEETING**  
 Sunday, February 22, 2015 at 1:00 PM  
 1st District Community Room  
 1718 South State Street

**RETIREE CHICAGO POLICE ASSOCIATION**  
 5310 N. Harlem Avenue • Chicago, IL 60656  
 Phone: 773-763-5310  
 www.retiredchicagopoliceassoc.com

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*Organized in 1888 as an Association to protect the Police Pension Fund and promote the welfare of Police Pensioners, their widows and children.*

National Conference on Public Employee Retirement System

**Don Januszyk** *1st Vice President*

I hope that everyone had a blessed Christmas and that 2015 be safe and healthy.

In a November election update, there was at least one retention judge that was not recommended by any of the attorney associations, yet, after the votes were counted, all were retained. There were no judges running on the Republican ticket. Hmmm. One retained judge was even under indictment! Another re-elected official had hired almost all family members to work in the office he oversaw. What does that say about us, the voters????

We have the Chicago mayoral election on February 24th of 2015; Mayor Rahm Emanuel is running for re-election. He has continued the policies of former Mayor Richard Daley by not providing for our pension and trying to diminish our medical benefits. He is using our tax dollars to destroy our pension and benefits, the norm for Chicago politicians because most people are uninformed and apathetic. On 01 January 2016 Chicago will be required to pay 550 million dollars into the police pension fund, and Mayor Emanuel has not done one thing during his time in office to address that issue. Apparently, we are irrelevant to him. Five others are running for mayor, and there could be a run off which would be held on 07 April. It is in our interest to unite behind one of the challengers. We have over 5,000 members, though most of them do not reside in Chicago, they do have family and friends that live and vote in Chicago. Reaching out to them can make a difference.

The FOP, Sergeants Assn., Lieutenants Assn., Captains Assn., and the Firefighters Union have formed a coalition to fight the city on pension benefits and have retained an attorney to represent them. They are trying to discover how much money is in the city's TIF funds; it is believed that this is where funds are hidden. TIF (Tax Increment Financing) is a special funding tool used by the City of Chicago to promote public and private investment.

On 16 December 2014 President Obama signed into law "The Multiemployer Pension Reform Act of 2014" (H.R. 83 the Consolidated and Further Continuing Appropriations Act). Look up on GOOGLE. This law was supported by UFCW (United Food & Commercial Workers President, Joseph Hansen. This law enables your pension officers to reduce your benefits if they can prove that the pension fund they represent is underfunded. I have not read the entire bill, but this is what your national elected officials and president have done to further steal what we have earned.

I recently received an email from a fellow member. He wanted to know what type of actions any of the associations in Chicago are planning to fight for our rights. I had to respond that I was not aware of anything, but with the

upcoming elections I was hoping something would materialize. I do know that the federal court hearing regarding our medical benefits was packed with retirees and the police retirees have been putting up most of the financial aid. Active members are doing little, and I suppose that is human nature. When did you start thinking of your pension and medical benefits? In 2015 there is a lot at stake. Take time to vote, and call your friends and relatives who live in Chicago. If we do nothing we'll continue to lose benefits at a time when we most need resources to fund maintenance of our failing bodies. Your comments are welcomed. Stay safe!!

**By Law Changes for 2015**

*Two changes to our By-Laws have been submitted and approved by the Executive Board at the November meeting. As per the articles of our By Laws, the changes are to be published in the newsletter prior to the General Meeting for all members to review. The changes will then be voted on at the General Meeting which is February 22<sup>nd</sup> 2015. Our current By-Laws are available on the RCPA Website. Deletions are line out, and additions are underlined. The changes are presented below.*

**Article VI**

**Duties of Officers**

1. **The President**, or in his/her absence, the 1st vice president, shall preside at all meeting of the Association and of the Board of Trustees, enforce all laws thereof, and together with the Board of Trustees see that all officers and member of committees perform their duties as required by the Constitution and By-Laws. The President shall appoint all committees not otherwise provided for with the consent and approval of the Board of Trustees. The President shall with the Treasurer see that all funds and securities belonging to the Association are properly deposited in a responsible financial institution in the City of Chicago, designated by the Board of Trustees, in the name of the Association. The President shall countersign all checks drawn by the Treasurer for withdrawal of funds of the Association, when both officers are satisfied that such money is lawfully and justly due the person, or persons, for whose benefit said check is drawn. The President shall sign all official documents that are authorized by the Association and Board of Trustees. The President shall be ex-officio member of all committees and perform and transact such other business and duties as may by custom appertain to this office. The President shall announce the vote on all matters and questions decided at the meetings, in the election officers, when there is a tie-vote, the president shall be entitled to vote. Should he/she

**CUT-OFF AND RETURN WITH YOUR CHECK OR MONEY ORDER**

If you are reading a yellow-colored newsletter  
**2015 MEMBERSHIP DUES ARE \$20.00**

Please return this cut-off with your CHECK or MONEY ORDER made out to:  
**THE RETIRED CHICAGO POLICE ASSOCIATION**

Please check the imprint of your name, address and annuity number on the reverse side of this newsletter. Make corrections if necessary, including apt. #, route #, etc. if applicable.

RETURN THIS CUT-OFF WITH YOUR MEMBERSHIP DUES OF \$20.00 TO:

**THE RETIRED CHICAGO POLICE ASSOCIATION**  
5310 N. Harlem Avenue  
Chicago, Illinois 60656

become satisfied that any officer or member is derelict in his duty toward the Association, or has been guilty of any rash, dishonest or dishonorable act, ~~he/she shall suspend such officer or member pending the final action of the Association or Board of Trustees.~~ he/she shall present the matter to the full Board of Trustees at the next regular or special Board meeting for investigation and action. The President shall order all officers using any property of the Association to file an annual report describing such property so held. At the termination of said officer's duties, all such property shall be returned to the president.

**Article VII**

**Board of Trustees**

6. In the event a Board member or Trustee is charged with inappropriate action or failure to fulfill the duties of their office, the charges along with any written statements against or on behalf of the member and will be presented before the full Board at the next regular or special meeting. Any action taken by the Board must have the approval of two thirds of the entire Board, and that action will be final.

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We offer the Welcome Home Illinois Program which includes **\$7500 cash assistance** to cover down payment (forgiven over 5 years) and below-market interest rates. Variety of loan programs to choose from including Conventional, FHA, VA and USDA.

Call us for more information about this down payment assistance program for Illinois first-time homebuyers.

**Blueleaf Lending**  
**The Coyne Group**  
773-774-4900



7789 W. Talcott, Chicago IL 60631

**Bridget Coyne-Urquhart**

**Mike Coyne**

**Bill Coyne**

**All Fraternal Order of Police Retirees:**

Tuohy Law Offices is offering a **50% Discount for a Completed Estate Plan** to all members until **April 3, 2015**. Plan your estate today and be relieved that your affairs are in order.

**Living Trust Estate Plans Include:**

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**April 3, 2015!**



**STATEWIDE INVESTIGATIVE SERVICES, INC.**  
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Chicago, Illinois 60646  
312-942-1222

A Scholarship/Work Certificate Program will now be extended to include **retired police officers** as well as active.

**Police officers and their families** are eligible to receive the scholarship certificates from this program. This plan requires you to work security at **DeVry University**, Chicago Campus, 3300 N. Campbell, adjacent to the Area Three Complex.

Work **only** one, eight hour shift per week for one year and receive one year's **tuition credit**, for **your family member or yourself**

Earn **SOCIAL SECURITY CREDITS** while working

**Call today and ask for Mike Barone at (312) 942-1222 and identify yourself as a Retired Police Officer interested in the DeVry Scholarship Program.**

STATEWIDE IS OWNED AND OPERATED

BY CHICAGO POLICE OFFICERS

Hello:

I am retired Chicago Police, a CPA and enrolled agent.

My office is located on the south side of Chicago at 3520 W 111th St.

Telephone number is 773-840-3911.

Website is michaelsschmidtcpa.com

I discount my work for active and retired police officers and their families.

I offer individual and business services including FAFSA assistance.

Thanks,

Mike Schmidt

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Founded in 1967, their representatives are seasoned professionals with over 100 combined years of financial planning experience. They are knowledgeable about the specific challenges and obstacles that police officers and their families face. Their team will build upon that expertise and find solutions that fit your individual needs, budget and goals.



Pictured above (left to right): William Cook, John Ruggiero, Russell Caforio, Eric Cacioppo

Each team member brings a high level of expertise in the areas of:

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- Investing
- Financial Protection
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TELEPHONE (312) 606-0500

January 13, 2015

Retired Chicago Police Association  
5310 North Harlem Avenue  
Chicago, IL 60656

Dear Retirees:

We're still waiting for a decision from the United States Court of Appeals for the Seventh Circuit, following our argument December 10, 2014. We cannot predict when the decision will come down; but we'll certainly let you know when it does.

In the meantime, we have filed a case for the Municipal and Laborers Funds participants to challenge the statutory deferral and reduction in their Cost of Living Adjustments, as prohibited by the Illinois Constitution's "Pension Protection Clause" – more on that around the end of the month. Obviously, if the City is successful in that case, it's likely that the City will try to impose the same changes on Police and Firemen's pension COLAs.

Arguments on the State Pension "Reform" challenge are likely to be sometime in the March term of the Illinois Supreme Court. We will likely be filing another "friend of the court" brief in that case, as we did on the State retiree healthcare case. Our brief will likely be due February 16, 2015.

Korshak reconciliation checks should be out this month for the six month period ended June 30, 2013. Most of you will be receiving checks on the level of a month's premium. We're proud of having obtained these for you, and hope that you will consider contributing a portion to our war chest.

Sincerely,

Clint

**FRANK BAUMANN** Retired Chicago Police Officer

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Owned and operated by Police Officers. Retired Capt. Tom Faragoi will donate 20% of his net commission to the Gold Star Families, The Chicago Police Memorial Foundation or a refund to the officer. Check out [www.chicagopoliceofswflorida.com](http://www.chicagopoliceofswflorida.com) for the up to date news of us CPD Retirees enjoying the good life in beautiful SW Florida.

### Hamilton-Franklin Realty

1136 NE Pine Island Road • Suite 49 • Cape Coral, FL 33909 • [faragoi@msn.com](mailto:faragoi@msn.com)

**Call Tom Faragoi, Realtor at 239-770-7896 or Toll free 888-887-5761 ext. 701**



I have some figures of interest for you. As of December 31, 2014, there were 9304 retired police officers and 3189 spouses of deceased police officers. There are 338 police officers receiving disabilities which breaks down to: 243 on duty disability, 36 on occupational heart disability, 44 on ordinary disability and 15 on total and permanent disability. A total of 12,831 annuitants are receiving approximately \$55 million in benefits monthly from the Pension Fund. 350 police officers retired and 308 police officers were hired in 2014 which brings to a grand total of 12,041 police officers contributing to the Pension Fund monthly.

The total amount of assistance provided to the Chicago Police Officers' families since the Memorial Foundation began in 2007 now exceeds \$5,300,000.00. This assistance is made possible because of the generosity of you and many other donors.

On October 24, 2014, the then Pension Fund CIO, Sam Kunz, gave a chart to the Trustees that compared the Growth vs. the Portfolio Value of the Fund from 1996 through 2014. He stated that if the City would have funded our Pension per the Fund's Actuary since 1996, the Fund would have had been 100% funded and not required to draw down assets to pay for benefits. As a result, CIO Sam Kunz, resigned on November 17, 2014 and gained new employment at the University of California, Oakland. Thanks, City of Chicago, Sam Kunz, the Fund's loss.

Recently the Police Pension Fund hired Loomis Sayles & Company, an investment manager to manage a Global Multi-sector Fixed Income strategy. This manager has been managing the same strategy for the Fire Fund since 1999 and the State Teachers Retirement Fund (TRS) since 2008 and have had top investment returns for both Funds. This Manager is one of the top managers in the world with this strategy. The Chicago Policemen's Annuity & Benefit Fund has a Minority, Women and Disability Business Enterprise policy that requires managers to meet a 25 percentage investment policy with brokers. During contract negotiations with this manager, they informed the Fund that they couldn't meet this percentage. The Executive Director of the Fund sent Loomis Sayles a letter asking them to explain why they are unable to meet the 25% MWDBE requirement and what is the minimum % level you would be willing to accept?

The Compliance Department of Loomis Sayles & Co. responded and said that the main reason that they cannot agree with to the MWDBE broker target (of any percentage) for this or any other fixed income mandate is because it interferes with best execution. We can agree to put applicable trade in competition with MWDBE brokers, where Best Execution will determine broker selection for all trades. They have included with this letter to the Fund, their Brokerage Policy which includes Best Execution (their fiduciary obligation to their clients) and their current Approved Broker Dealer list for fixed income which includes MWDBE firms. At the end of the day their fiduciary obligation to their clients and the best execution contractual agreement dictate how trading is conducted. As a firm they fully appreciate and support Illinois' MWDBE initiatives, in the past 12 months they have traded over \$40 million in equities and \$400 million in fixed income (24,000 trades with Loop Capital) with MWDBE.

On November 17, 2014, at the Investment Meeting, the Board voted to terminate Loomis Sayles & Company for failure to comply with the City of Chicago MWDBE brokerage policy. My question is, why are we terminating top performing management firms to satisfy MWDBE brokerage policies when our Fund is only 31% funded? The goal should be to hire managers that can perform the highest returns or best execution on every trade that is made. This is a "Global" Multi-sector strategy. If we are going to utilize global strategies (world-wide), then don't force Chicago MWDBE requirements on Global Strategies.

Always a pleasure to keep you informed, Ken Hauser, Your Pension Trustee/President.



**Do You Remember This?**

