



**MEETING OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY
33 N Dearborn St, Suite 1000
Chicago, IL 60602**

Minutes for the January 5, 2017 Meeting of the Board

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County are herein collectively referred to as the "Fund."

Call to Order and Roll Call

Trustees Present: John Fitzgerald, Robert DeGraff, Diahann Goode, Andrew Jatiko, Bill Kouruklis (arrived during Item 1A), Patrick McFadden, Joseph Nevius, Dennis White, Lawrence Wilson

Staff Present: Nickol R. Hackett, Executive Director & CIO; Michael Maratea, Director of Finance and Administration; Gary LeDonne, Senior Policy Advisor; Margaret Fahrenbach, Legal Advisor; Brent Lewandowski, Senior Benefits Manager; Brenda Deming, Director, Health Benefits; Beverly Romanini, Office Manager; Courtney Hollins, Communications Specialist

Others Present: Mary Pat Burns, Burke Burns & Pinelli; Jason Parks, Loop Capital

Trustee Fitzgerald, President of the Board, opened the meeting for public comment and no one having requested to address the Board, the next item of business on the Agenda was considered.

1. Review and Consideration of:

a. December 1, 2016 Board Meeting Minutes

Trustee Wilson stated that the minutes should be amended regarding his vote on the Fund's proposed annual administrative budget. Trustee Wilson said that there should be a presentation of operating goals and therefore, he voted present.

It was moved by Trustee McFadden and seconded by Trustee Goode that the minutes of the December 1, 2016, Board meeting be adopted, as amended.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

2. Review and Consideration of:

a. Bills, Payroll Records

It was moved by Trustee Goode and seconded by Trustee White that the action taken by the Fund's staff in remitting payments for the presented bills and payroll records and having received confirmation from Fund staff that such payments were consistent with the approved administrative budget, that the payments be ratified.

Roll Call Vote:

AYES: Fitzgerald, DeGraff, Goode, Jatico, Kouruklis, McFadden, Nevius, White, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Annuities, Spouse and Child Annuities and Refunds

The Fund's staff presented their recommendations to the Board regarding the applications for annuities, spouse and child annuities, and refunds and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee Nevius and seconded by Trustee Goode, after due consideration of the applications presented to the Board and having received confirmation from the staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: Fitzgerald, DeGraff, Goode, Jatico, Kouruklis, McFadden, Nevius, White, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

The Fund's staff presented their recommendations to the Board regarding the applications for ordinary and duty disability benefits and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was moved by Trustee McFadden and seconded by Trustee Goode, after due consideration of the disability applications presented to the Board and having received confirmation from staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented disability applications be approved.

Roll Call Vote:

AYES: Fitzgerald, DeGraff, Goode, Jatico, Kouruklis, McFadden, Nevius, White, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Administrative Report

a. RFP Consultant Search

Nickol R. Hackett, Executive Director and CIO, stated that up to three candidates would make presentations to the Board regarding the consultant to be retained for the procurement and vendor selection of a pension benefits system. The responses are still under evaluation by the Fund, but should be completed soon. It is expected that the responders will make their presentations to the Board at the March meeting.

She added that the new website had been successfully launched in mid-December. The backend structure of the website is similar to the earlier website, but the presentation is enhanced and allows for better access and communication with the members and other users.

4. Trustee Matters

a. Certification of 2016 Trustee Education

The Executive Director stated that the trustees had completed the training required by the Illinois Pension Code for 2016. She added that the Fund is required to file an annual certification with the Illinois Department of Insurance regarding the trustees' training, which was prepared for the Board's consideration. She encouraged the trustees to review the educational events presented at the December meeting in order to plan for their training requirements in 2017.

It was moved by Trustee McFadden and seconded by Trustee Nevius pursuant to Section 1-113.18 of the Illinois Pension Code and based upon the report establishing the hours of training that the trustees have received as of December 31, 2016, that the Board approve the proposed Annual Certification of Trustee Training. It was further moved that the President of the Board be authorized to execute the same on behalf of the Board and that the Fund's staff shall file the certification as required by the Illinois Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

b. Statements of Economic Interests

Margaret Fahrenbach, Legal Advisor, stated that each trustee is required to annually file a Statement of Economic Interests with the Cook County Clerk. The Fund is required to provide contact information for each trustee to the Cook County Clerk by February 1, 2017, so that the Clerk's office may contact each trustee regarding the Statements of Economic Interests. She would reach out to each trustee soon to confirm their contact information.

c. 2017 Proposed Committee Meeting Schedule

The Executive Director then presented the proposed meeting schedule for the Board's committees. She stated that the Legislative Committee would meet on January 26, 2017, and that the Fund's Legislative Representative would be present. The meeting had been scheduled so that any proposed legislation could be approved by the Board and introduced early in the legislative session. She also noted an additional Investment Committee meeting might be required for later in February.

The trustees then discussed the status of the funding letter for the Forest Fund which was to be delivered to the Forest Preserve District Board of Commissioners. It was noted that the funding letter had not been delivered because the County Fund had not received an executed copy of the Intergovernmental Agreement ("IGA") with Cook County which would allow for additional funding in 2017, and that the payment due on December 31, 2016, under the IGA, had also not been received.

It was then moved by Trustee McFadden and seconded by Trustee White that the letter prepared to address the Forest Preserve funding shortfall is delivered to the Forest Preserve District Board of Commissioners without delay.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

5. Finance Report

a. Forest Preserve Cash Funding Update and Recommendation First and Second Quarter 2017

Michael Maratea, Director of Finance and Administration, presented a request to draw cash to cover projected expenses for the Forest Fund through June 30, 2017, in an aggregate amount not to exceed \$5.6 million. He stated that this request for a cash withdrawal and future requests will be made to cover periods of six months in order to minimize the impact of the withdrawal on the Forest Fund's targeted allocations. The trustees discussed the request for withdrawal and that it may be necessary to send a second letter to the Forest Preserve District Board of Commissioners regarding the funding status of the Forest Fund.

It was moved by Trustee Nevius and seconded by Trustee White that the Forest Fund shall have authority to withdraw cash in an aggregate amount not to exceed \$5.6 million to cover projected expenses through June 30, 2017, and it is further moved that Fund staff shall be authorized to take all action reasonable necessary to effectuate the foregoing.

Roll Call Vote:

AYES: Fitzgerald, DeGraff, Goode, Jatico, Kouruklis, McFadden, Nevius, White, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

6. Disability Matters

a. Review of Disability Process Policy

Gary Ledonne, Senior Policy Advisor, and Brent Lewandowski, Senior Benefits Mnanger, presented proposals for changes to the Fund's procedures regarding the proof needed to support a finding of disability in certain circumstances. Mr. Ledonne stated that Article 9 of the Pension Code had been amended by P.A. 99-0578, to allow the Board to waive the requirement that the a licensed and practicing physician appointed by the Board, i.e. the County Physician, make a recommendation of disability for duty disability applications and ordinary disability applications for maternity claims. The Fund was requesting that its procedures be amended to allow for proof of disability for duty disability claims and ordinary disability claims as provided by P.A. 99-0578.

Mr. Lewandowski also reported that the Medical Unit at 118 N. Clark Street is to remain open for an indefinite period of time, but that it will not be staffed by licensed and practicing physicians. Because Article 9 requires that proof of disability be provided by a licensed and practicing physician appointed by the Board except as amended by P.A. 99-0578, applicants for disability benefits cannot be referred to that location. Instead, the Fund will refer such applicants to Stroger and Oak Forest Hospitals for evaluation.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Fund's procedures for duty disability applications be amended as presented to allow evidence of compensation under the Workers' Compensation Act and the member's accident report as proof of duty disability in lieu of a County Physician Statement. It was further moved that the Fund's procedures for ordinary disability applications related to a member's maternity leave for periods of eight weeks or less, be amended as presented, to allow the submission of the child's birth certificate identifying the member as the mother as proof of disability in lieu of a County Physician Statement.

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

7. Legal Matters

a. ARCP Matters and Overpayments

Margaret Fahrenbach, Legal Advisor, and Gary Ledonne presented a status report for the Board about the collection of overpayments of annuity benefits and the collection of bonuses paid to returning employees who received a Alternative Retirement Cancellation Payment pursuant to Section 9-134.5 of the Illinois Pension Code. Ms. Fahrenbach reported that there were overpayments made regarding three deceased annuitants. The overpayment made to the annuitant identified by Office #90445 had been recovered and no further action was needed. She stated that the Fund's attempts to recover the overpayment made to the annuitant identified by Office # 88005 have been unsuccessful and proposed that litigation be initiated to possibly recover the amount owed to the Fund. The overpayment made to the annuitant identified by Office #43459 was under further investigation with the banking institution where the payments were deposited and would continue.

Ms. Fahrenbach and Mr. Ledonne then presented a status report about the collection of the ARCP bonuses. They reported that first and second demand notices had been sent to persons who were to repay the ARCP bonuses to the Fund as had been previously approved by the Board. Several members had expressed an interest in entering a payment plan with the Fund to repay the ARCP bonus. The County is not able to set up voluntary payroll deductions for current employees, so the Fund will need to process any payment plans. The Fund staff proposed that the Board permit the Fund to enter payment plans for the purpose of collecting the ARCP bonuses.

The trustees discussed the process of the ARCP collections. The Fund staff confirmed that the employer had been notified of those persons who had re-entered service and were obligated to re-pay the ARCP bonuses to the Fund. The Board asked that the employer be notified of all persons who had received ARCP bonuses and that a list of all such persons be provided to the Board.

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board approve the recommendations from Fund staff to proceed with the collection of ARCP bonuses and overpayments of annuity benefits as presented.

Roll Call Vote:

AYES: Fitzgerald, DeGraff, Goode, Jatico, Kouruklis, McFadden, Nevius, White, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Office Number 147751 – Disability Benefits

Ms. Fahrenbach then stated that the Fund had paid a member ordinary disability benefits that were to be repaid if she was compensated under the Illinois Workers' Compensation Act ("IWCA") for the same injury pursuant to an agreement entered between the Fund and the member on or about March 29, 2006. The attorney representing the member under the IWCA, reported to the Fund that the employer had offered to settle the claim. He asked the Fund reduce the amount it would seek for reimbursement of the ordinary disability benefits paid from the compensation the member received under the IWCA so that the settlement could proceed.

It was moved by Trustee Goode and seconded by Trustee Kouruklis that the Board not accept the proposal from the member identified by Office Number 147751, through her attorney, to reduce the Fund's right to reimbursement for ordinary disability benefits it paid the member from any compensation received under the Illinois Workers' Compensation Act.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

8. Old Business/New Business

Courtney Hollins, Communications Specialist reported that the metrics for the new website have shown a 52% increase in the number of visits. The metrics have also shown that the length of the visits had been increased by 59%.

9. Adjournment

There being no further business before the Board, it was moved by Trustee McFadden and seconded by Trustee Goode that the trustees adjourn the meeting.

The next Board meeting is scheduled for February 2, 2017, at 9:30 a.m.