



**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 February 2, 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:** Robert DeGraff, Diahann Goode, Andrew Jatiko, Bill Kouruklis, Patrick McFadden, Joseph Nevius, Dennis White, Lawrence Wilson, CPA

**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; Beverly Romanini, Office Manager

**Others Present:** Mary Pat Burns, Burke Burns & Pinelli; John McCabe, John McCabe & Associates; Christine Trzos, Annuitant; Maureen Dioguardi, Annuitant; Jason Parks, Loop Capital

Trustee McFadden, Vice 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. January 5, 2017 Board Meeting Minutes

Trustee Wilson requested that there be amendments to the minutes to reflect that he had requested annual operating goals to be included with the budget presentation. Trustee Goode requested that trustees clarify matters that would explicitly state for the record at the time of discussion. She added that the trustees should be mindful to attend meetings that have been scheduled with their consent. The Legislative Committee meeting scheduled for January 26, 2017, was not able to convene because there was not a quorum of members in attendance. As a result, the Fund's legislative program has been delayed.

It was moved by Trustee Wilson and seconded by Trustee Goode that the minutes of the January 5, 2017, 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 Nevius 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: DeGraff, Goode, Jatiko, 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 Goode and seconded by Trustee Nevius, 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: DeGraff, Goode, Jatiko, 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 Goode and seconded by Trustee Nevius, 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: DeGraff, Goode, Jatiko, Kouruklis, McFadden, Nevius, White, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

### 3. Administrative Report

#### a. Discussion of Approval of March Annuities

Brent Lewandowski, Senior Benefits Manager, reported that the Fund historically has an increase in annuity applications filed late in the calendar year so that the benefits will be effective as of January 1 of each year. The final payroll for service performed in 2016, had not yet been received because the last pay period ended on January 7, 2017. The Fund has about 231 pending annuity applications which have not been processed due to delayed Fund payroll. He proposed that the Board consider any annuity applications with an effective date of January 1, 2017, that have been fully processed at the meeting on March 2, 2016. Because the Board will likely convene a Special Meeting later in March to discuss other matters, he asked that the Board also consider the remaining annuity applications with an effective date of January 1, 2017, at that time, rather than requiring the members to wait until the April meeting for their applications to be considered by the Board.

Nickol R. Hackett, Executive Director and CIO, stated that the Board should convene a Special Meeting sometime in mid-March, to hear presentations from responders to the RFP for the pension administration system.

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board convene a Special Meeting on March 15, 2017, or as might otherwise be agreed, to discuss leasing needs, to hear presentations from the RFP responders and to consider the presentation of any pending annuity applications.

Roll Call Vote:

AYES: DeGraff, Goode, Jatiko, Kouruklis, McFadden, Nevius, White, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

### 4. Election Matters

#### a. Proposed Election Rule Modifications

The Senior Benefits Manager then presented the proposed modifications to the Election Rules for the County Employee and the Forest Preserve District Employee members. He stated that the Fund needs to verify that the persons signing a candidate's petitions are in fact employees. The Election Rules currently state that the employees must include the last four digits of their social security numbers on a candidate's petitions. In the County Employee Member election last November, one candidate presented petitions on which some signatories did not provide the last four digits of their social security numbers because of

privacy concerns. The candidate's petitions were challenged and the Independent Election Administrator ("IEA") determined that the petitions should be accepted because there were sufficient facts to verify that the signatories were County employees. Following the election, the Fund worked with the IEA to propose rule changes for the signatories to the petitions. The proposed rule change, which would only affect the elections for County Employee and Forest Preserve Employee members, states that a signatory may provide either his or her employee number or the last four digits of the employee's social security number on a candidate's petition.

It was moved by Trustee Kouruklis and seconded by Trustee DeGraff that the Election Rules for the County Employee Members and the Forest Preserve District Employee Member to the Board be amended as presented to require that the employees include either their County corporate employee numbers or the last four digits of their social security numbers to the petitions for candidates for such positions.

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

## 5. Legislative Update

### a. Forest Preserve District Funding

The Executive Director reported that the Board's letter regarding the funding status of the Forest Preserve District Fund had been sent to the Board of Commissioners for the Forest Preserve District of Cook County. She stated that the fund has been receiving an increasing number of inquiries from members about the Forest fund's funding status. She added that Fund staff had a highly constructive meeting with Forest Preserve District personnel about funding issues, which included discussions about the liquidity needs of the Forest Fund and the long term visibility of the plan.

### b. 100<sup>th</sup> Legislative Session Proposals

The Board then discussed the proposed amendment to Section 9-228 of the Illinois Pension Code which would allow the Fund to pay a member's annuity benefits to a Medicare approved, State-certified nursing home where the member resides. The proposed legislation would allow the payment only under limited circumstances and is consistent with the authority given to other public pension plans in Illinois. The Board noted that if the legislation were enacted, the Fund would need to develop procedures to ensure that any benefits paid pursuant to the proposed amendment would be used only for the member's benefit.

The Executive Director reviewed prior procedure for introducing legislation at various points during the legislative session. She indicated a legislative meeting had been scheduled to avoid introduction of temporary "shell bills". The Legislative Committee did not convene as scheduled because there were not enough trustees present to constitute a quorum as required by the Open Meetings Act and the proposed legislation could not be reviewed in committee.

The Board then discussed the proposed amendments to Section 9-169 and Section 10-107 of the Illinois Pension Code which, respectively, provide for actuarially required contributions from the employer (“ARC funding”) for the County Fund and the Forest Fund. Both of the proposed amendments are consistent with the framework of funding legislation approved for other Illinois public funds and under the Fund’s practice of advocating for a legislative solution to address funding challenges. The trustees discussed how there should be collaboration with the employer about the proposed legislation for ARC funding. The trustees also discussed the fiduciary duty they owed to the Fund to ensure, to the best of their abilities, that the Fund has the resources needed to pay the benefits provided by the Illinois Pension Code. The employer, as a courtesy, could be advised that the Fund would introduce the proposed ARC funding and other legislation.

The Fund’s Legislative Representative, John McCabe of McCabe & Associates stated that the deadline for introducing legislation into the Senate had already passed and that bills for introduction into the House should be submitted by February 3, 2017. Mr. McCabe stated that he had already given drafts of the Fund’s bills to the Legislative Reference Bureau (“LRB”). Mr. McCabe was reminded that he was not to proceed with any matters before the General Assembly without the Board’s prior approval. It was discussed that the proposed legislation already presented to the LRB could be amended to be consistent with the language the Board might approve.

It was moved by Trustee Goode and seconded by Trustee Nevius that the Board approve the amendments to Section 9-169 and Section 10-107 of the Illinois Pension Code regarding ARC funding as presented. It was further moved that the Legislative Representative amend the drafts of any legislation given to the LRB on behalf of the Fund so that the proposed legislation would be consistent with the Board’s direction.

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

It was moved by Trustee White and seconded by Trustee Wilson that the Board approve the proposed amendment to Section 9-228 of the Illinois Pension Code to allow the Fund to make annuity payments for the benefit of members of nursing homes under limited circumstances, as presented. It was further moved that the Legislative Representative amend the drafts of any legislation given to the LRB on behalf of the Fund so that the proposed legislation would be consistent with the Board’s direction.

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

It was then discussed that the Legislative Representative should contact the County and the Forest Fund’s legislative representatives to advise them of the bills that the Board wanted to introduce. The Executive Director agreed to notify the County, as a courtesy, of the legislation the Board had approved for introduction to the General Assembly.

## 6. Old Business/New Business

The Executive Director stated that the responders to the RFP for the pension administration system would make presentations at the Special Meeting in March. She also stated that the Board would

discuss and consider outstanding annuity applications at that time. Trustee Goode stated that she had concerns about the trustees' communications regarding their availability to attend meetings. She added that the Legislative Committee would need to reschedule the meeting that had been noticed for January 26, 2017, but that was not convened.

#### 7. Adjournment

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

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