



**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 April 6, 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, Jack Fitzgerald, Diahann Goode, Andrew Jatico, Patrick McFadden, Joseph Nevius, Dennis White

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; Rachelle Howliet, Health Benefit Team Lead; Marina Sirot, Project Compliance Analyst

Others Present: Mary Pat Burns, Burke Burns & Pinelli; Vince Pinelli, Burke Burns & Pinelli; Lori Levin, Annuitant Member; Clint Krislov, Attorney; Christopher Hack, Attorney; David Burkards, MB Real Estate; Christine Torres, Colliers; Theron Picketts, Denali Advisors LLC

Public Comment

Mr. Theron Picketts of Denali Advisors LLC informed the Board that the National Association of Securities Professionals conference would be held in Los Angeles, California, on June 26-28, 2017, and encouraged trustee attendance.

Ms. Lori Levin, an annuitant member, stated that she would like the Board to allow her to receive retiree health benefits from the Fund. She said that she had twenty-two years of service as an Assistant State's Attorney for Cook County, followed by about five and one-half years as an attorney for the State of Illinois. When she retired after her service with the State, she did not need health benefits from the Fund because she was covered under the plan offered by her spouse's employer. He has now lost that coverage and she would like to receive retiree health benefits from the Fund.

Mr. Clint Krislov, an attorney representing Ms. Levin in a matter pending in the Circuit Court of Cook County regarding her request for retiree health benefits, stated that the Fund did not allow her to receive such benefits because her last employer was not Cook County. He then provided legal arguments which he maintained would support her claim

1. Review and Consideration of:

a. March 2, 2017 Board Meeting Minutes

It was moved by Trustee White and seconded by Trustee Jatico that the minutes of the March 2, 2017 Board meeting be adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

b. March 15, 2017 Board Meeting Minutes

It was moved by Trustee White and seconded by Trustee Jatico that the minutes of the March 15, 2017 Special Board meeting be adopted.

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

Roll Call Vote:

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

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 McFadden and seconded by Trustee White, 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, Fitzgerald, Goode, Jatico, McFadden, Nevius, White
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 Jatico, 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, Fitzgerald, Goode, Jatico, McFadden, Nevius, White
NAYS: None

Vote Result: MOTION ADOPTED

3. Administrative Report

Nickol R. Hackett, Executive Director and CIO, stated that a meeting for the Emerging Manager Investment Sub-Committee would likely be scheduled for April 20, 2017.

a. Statements of Economics Interests

The Executive Director stated that three members of the Board needed to file their Statements of Economic Interests with the County Clerk. The SEIs are to be filed by May 1, 2017.

b. Legislative Update

The Executive Director stated that the Fund's Legislative Representative had prepared an update of legislation in the General Assembly for the Board. She noted that the Fund's bill relating to funding (HB 2962) and the bill relating to the payment of annuity benefits to a nursing home where a member resided (HB 2970) had both been referred to the House Rules Committee and were not likely to be further considered in this session.

c. Approval of PAS RFP Vendor

Michael Maratea, Director of Finance and Administration, stated that the Fund had followed up on the references of the RFP responders and received responses to additional questions regarding the services to be provided. The trustees considered the proposals of the responders. The need

for a Board committee to provide oversight of the PAS project was discussed, but deferred to a later time.

It was moved by Trustee Goode and seconded by Trustee White that the Board approve the retention of Linea Solutions as a consultant to prepare the RFP for a pension administration system at a cost not to exceed \$295,000 for Phase One of the proposed project with an option to retain Linea Solutions for additional services in Phase Two, as presented. It is further moved that the Fund's staff shall take all action reasonably necessary to effectuate the foregoing including the execution and delivery of any related written agreement on behalf of the Fund by the Executive Director.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

4. Benefit Matters

a. Disability Update

Brent Lewandowski, Senior Benefits Manager, reported that with the closure of the County Medical Unit at 118 N. Clark Street, disability applicants were required to be evaluated by the County Physicians at Oak Forest or John H. Stroger Hospitals to provide proof of disability, resulting in a significant workload increase at these locations. The Fund staff met with County representatives and were advised that Concentra had been retained to perform the services formerly provided by the closed County Medical Unit. Concentra is to provide twelve physicians to perform the services and these physicians might be retained to perform evaluations for disability applicants but it was uncertain whether the cost would be paid by the Fund or the employer. Fund staff will continue to monitor the developing situation and will prepare options for the Board regarding the possible need to engage physicians to perform the required evaluations.

5. Review and Approval of Space Requirements

The Executive Director reviewed the Fund's expected staffing and space needs for the projected 18 month period and presented an augmented space plan for its administrative offices at 70 W. Madison upon the same terms as the lease approved last November. MB Realty reviewed market conditions and leasing terms for the negotiated space. The trustees discussed the space requirements.

It was moved by Trustee White and seconded by Trustee McFadden that the Board not approve the proposal to negotiate the inclusion of an additional 4,982 square feet into the lease that has been executed for the Fund's administrative offices at premises commonly known as 70 W. Madison Street, Chicago, Illinois.

Vote Result: Trustee Goode having voted 'Nay', and the other trustees having voting 'Aye', THE MOTION WAS ADOPTED BY VOICE VOTE

6. Review and Consideration of 2016 Payroll Compliance Audit

Brent Lewandowski, Senior Benefits Manager, and Gary Ledonne, Senior Policy Advisor, reported that the Fund had been experiencing an increasing number of discrepancies with the payroll information received from the employer. Since county implementation of an interim payroll system, there have been significant differences between the service hours reported and the contributions transmitted to the Fund and the differences have been increasing. In 2016, the Fund staff spent more than 200 hours to manually correct the differences, a task which before 2014, required minimal staff time. Additional staff time has also been needed to perform year-end balancing. The Fund staff proposed that a pilot payroll compliance audit be performed to ensure that the reporting was correct because it cannot be determined if the payroll discrepancies will have a material impact on the 2016 Financial Reports and Actuarial Valuations.

The trustees discussed the process to inform the County about the problems the Fund has been experiencing with their payroll reporting and the employer's responsibility under the Pension Code to provide accurate service records and the corresponding contributions to the Fund.

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board approve the engagement of Legacy Professionals to perform a pilot payroll compliance audit of the employer for the period of January 1, 2016, through December 31, 2016, as presented, at a cost not to exceed \$17,500. It was further moved that the Fund's staff should take all action reasonably necessary to effectuate the foregoing including the execution and delivery of any related written agreement on behalf of the Fund by the Executive Director.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, Jatico, Nevius

NAYS: McFadden, White

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee White that the Fund staff prepare a letter to the County's Chief Financial Officer and Comptroller, for the Board's consideration, advising that the employer has appeared to be remiss in its obligations under the Pension Code to accurately report employee service history and to remit the required contributions to the Fund.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

7. Legal Matters

It is moved by Trustee McFadden and seconded by Trustee White pursuant to Section 2(c)(11) of the Open Meetings Act that the Board convene an Executive Session to discuss litigation matters.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Fitzgerald and seconded by Trustee White that the Board adjourn the Executive Session convened pursuant to Section 2(c)(11) of the Open Meetings Act and return to open session.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

- a. In the Matter of Lori Levin

It was moved by Trustee McFadden and seconded by Trustee DeGraff, in order for the Board to consider all the relevant facts concerning Ms. Lori Levin's request to receive retiree health benefits from the Fund, and to allow for counsel to provide additional information requested by the Board, that the matter be taken under advisement and that a decision regarding her request be deferred until the Board's next regular meeting on May 4, 2017.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

- b. In the Matter of Feinstein

It was moved by Trustee McFadden and seconded by Trustee DeGraff, in order for the Board to consider all the relevant facts concerning Dr. Feinstein's application for ordinary disability benefits and to allow for additional information requested by the Board, that the matter be taken under advisement and that a decision regarding his application be deferred until the Board's next regular meeting on May 4, 2017.

8. Old Business/New Business

There was no old business or new business discussed.

9. Adjournment

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

The next Board meeting is scheduled for May 4, 2017, at 9:30 a.m.