



**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 July 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, Andrew Jatico, Bill Kourkulis, Patrick McFadden, Joseph Nevius, Dennis White

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

Others Present: Mary Pat Burns, Burke Burns & Pinelli; Sarah Boeckman, Burke Burns & Pinelli; John McCabe and Robert Molaro, John McCabe & Associates; Jason Parks, Loop Capital

Public Comment

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. June 1, 2017 Board Meeting Minutes

Trustee McFadden stated that he disagreed with the wording used to describe the proposal made at the June 1, 2017 meeting to amend the minutes of the Special Board Meeting on May 25, 2017, but declined to make a further amendment. Trustee Kouruklis moved to amend Item 4 indicating that Trustee Wilson had voted "Present" to reflect that Trustee Wilson's vote should be noted as "Aye" for all votes taken under that agenda item.

It was moved by Trustee DeGraff and seconded by Trustee Nevius that the minutes of the June 1, 2017, Board meeting be adopted as amended by Trustee Kouruklis.

Vote Result: Trustee McFadden voted 'nay' and the other trustees voted 'aye',
MOTION ADOPTED BY VOICE VOTE

b. June 12, 2017 Special Board Meeting Minutes

It was moved by Trustee McFadden and seconded by Trustee White that the minutes of the June 12, 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 McFadden, with the exception of the expenditure to Robert Half Legal, 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, Jatco, Kouruklis, McFadden (except as noted below), Nevius, White

NAYS: McFadden (as to payment to Robert Half Legal)

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 White and seconded by Trustee McFadden, 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, Jatco, Kouruklis, 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 White 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, Fitzgerald, Jatco, Kouruklis, McFadden, Nevius, White

NAYS: None

Vote Result: MOTION ADOPTED

President Fitzgerald noted that representatives from the the Fund's Legislative Liasion, John McCabe & Associates, were present and proposed that the agenda item for Legislative Matters be taken out of order. There being no objections, John McCabe then addressed the Board. (See Item 4 below.)

3. Administrative Report

a. 2017 Trustee Election

Brent Lewandowski, Senior Benefits Manager, stated that Timothy Walsh & Associates, who has provided services to administer the trustee elections, had submitted an agreement for each of the County Fund and the Forest Fund to continue their engagement for the elections in 2017, 2018 and 2019, for the Board's consideration. Mr. Lewandowski said that the consultant is responsible for, among other things, both mail-in voting and in-person balloting, and for tabulating the votes. He said that in 2017 only a County employee member would be elected. In 2018, a County employee member, a County annuitant member and a Forest Preserve employee member would be elected. In 2019, a County employee member, a County annuitant member and a Forest Preserve annuitant member would be elected. There was no proposed increase to the fees.

The trustees discussed the proposed agreement and asked that it be revised to provide more specific detail about the fees to be paid for each year and that unused fees be carried over into the following year. The trustees asked that the revised agreement be approved as to form by Fund counsel before being submitted for Board approval and that the matter be deferred to the meeting in August.

The Senior Benefits Manager then presented the Retention Agreement submitted by Simon & Griseta, the Independent Election Administrator ("IEA") for the 2017 and 2018 trustee elections. He stated that the IEA provides services on an hourly basis and among other things, addresses challenges to the candidates' petitions. The trustees expressed concern

about the IEA's authority to interpret the election rules and Fund counsel suggested that the agreement be modified to limit the IEA's authority to do so without Board approval. The trustees asked that the retention agreement be revised and stated that the revised agreement would be deferred until the August meeting.

4. Legislative Matters

a. Report from Legislative Liaison

John McCabe of John McCabe & Associates reported that the Fund's proposed legislation and the County's legislative proposals regarding the Fund were unsuccessful. Mr. McCabe stated that the negotiations for the budget legislation were ongoing. He noted that the proposed budget legislation included a provision which would allow the County to adopt an ordinance providing for a hybrid pension that would include both a defined benefit and a defined contribution component, i.e. a Tier 3 plan. [SB 42, P.A. 100-023] Persons hired on or after January 1, 2019, at the earliest, could opt out of the hybrid plan and elect a Tier 2 defined benefit plan. Based on the current drafting, the Fund would be obligated to launch and manage the defined contribution plan and to notify new hires of the option to elect the Tier 2 defined benefit plan within 30 days of their hire date. Mr. Robert Molaro added that the budget legislation included funding for MEAB and LABF.

Mr. McCabe also advised the Board that SB 1714, which passed both houses, affects the disclosures required of the Fund's investment consultants. If signed by the Governor, investment consultants will be required to disclose certain information concerning searches for MWBE service providers. Investment consultants will also be required to disclose compensation or economic opportunity received from investment advisors retained by the Fund.

5. Finance Matters

a. Review of Purchasing Guidelines

Michael Maratea, Director of Finance and Administration, then addressed the Board regarding the Fund's purchasing practices and presented a schedule of vendors to whom the Fund paid \$10,000 or more in 2016 and a separate schedule of vendors for whom the Fund budgeted expenditures of \$10,000 or more in 2017.

Trustee McFadden requested that fiduciary counsel provide resolutions, rules or regulations adopted by other funds in regard to their purchasing procedures. The trustee also said that the schedule should be revised to include every person or vendor to whom the Fund paid \$10,000 or more in 2016, which would include any payments made for travel reimbursement and training expenses.

6. Old Business/New Business

Mary Pat Burns, Fund Counsel, advised the Board that Ms. Lori Levin's motion for a mandatory injunction to compel the Board to allow her and her spouse to participate in the Fund's retiree health

plan was to be argued before the Circuit Court of Cook County on July 7, 2017. The Board will be advised of the outcome.

7. Adjournment

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

The next Board meeting is scheduled for August 3, 2017, at 9:30 a.m.