

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF
COOK COUNTY ("County Fund")
And Ex-Officio for the
FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY & BENEFIT FUND
OF COOK COUNTY ("Forest Preserve District Fund")
MEETING OF THE RETIREMENT BOARD ("Board")
33 N. DEARBORN STREET – ROOM 1000**

Minutes for July 1, 2010 Meeting of the Board

The County Fund and the Forest Preserve District Fund are herein collectively referred to as the "Fund".

Call to Order and Roll Call.

Trustees Present: Robert Agnes, Robert Benjamin, John E. Fitzgerald, Joseph Fratto, William Granberry, Mark Kilgallon, Patrick McFadden

Staff Present: Daniel R. Degnan, Executive Director, Penny Finch, Chief Operating Officer, Nickol Hackett Chief Financial Officer, Michael Maratea, Director of Finance, Fernando Vinzons, Investment Analyst, Paul Rzeszutko, Director of Annuity, Sharon Ryan, Office Manager

Others Present: Mary Pat Burns, Burke, Burns & Pinelli, Christine M. Trzos, Annuitant, Jesse Lopez, Cook County Sheriff's Office, Theron K. Picketts, Cabrera Capital Markets, LLC, Harry Bailey Cheevers

1. Review and Approval of:

a. June 1, 2010 Board Meeting Minutes.

It was moved by Trustee Fitzgerald and seconded by Trustee Kilgallon that the minutes of the June 2, 2010 Board Meeting be approved and adopted as amended.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. Bills, Payroll Records, Annuities, Spouse & Child Annuities, Ordinary & Duty Disabilities and Refunds

It was moved Trustee Kilgallon and seconded by Trustee Fitzgerald that the presented payroll bills and recommendations for annuities, disabilities and refunds be approved.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon,
McFadden

NAYS: None

Vote Result: MOTION ADOPTED.

c. Other Benefit Matters:

i. In the Matter of Lagerberg

It was moved by Trustee Kilgallon and seconded by Trustee Agnes that Ms. Khrystal Suggs Lagerberg is ineligible for a spouse annuity pursuant to Section 9-148.1 of the Pension Code.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

ii. In the Matter of Ploski

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden that Mr. Ploski has demonstrated reasonable cause for delay in filing an application for duty disability benefits on May 24, 2010, when he was no longer disabled from an injury he incurred on June 8, 2004.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon,
McFadden

NAYS: None

Vote Result: MOTION ADOPTED.

d. Executive Session Minutes.

This matter was deferred.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

2. Administrative Matters

a. Election Rules

Mr. Degnan presented election rule amendments and reported that the amendments were in response to member inquiry and that the Independent Election Administrator and our election consultant recommended the amendments.

Proposal #1

It was moved Trustee McFadden and seconded by Trustee Kilgallon that the Annuitant Election Rule Section 2.2 be amended to provide that a Notice of Election will be mailed to all Annuitants by the third Wednesday in August.

Roll Call Vote:

AYES: Agnes, Benjamin, Fratto, Kilgallon, McFadden

NAYS: None

PRESENT: Fitzgerald, Granberry

Vote Result: MOTION ADOPTED.

It was moved by Trustee McFadden and seconded by Trustee Kilgallon that the County Employee Trustee and the Forest Preserve District Employee Trustee Election Rule Section 2.2 be amended to provide that a Notice of Election will be distributed to all Cook County Departments and when appropriate to all Forest Preserve District Departments for posting by the third Wednesday in August.

Roll Call Vote:

AYES: Agnes, Benjamin, Fratto, Kilgallon, McFadden

NAYS: None

PRESENT: Fitzgerald, Granberry

Vote Result: MOTION ADOPTED.

Proposal #2

It was moved by Trustee McFadden and seconded by Trustee Kilgallon that the Annuitant Trustee Election Rule Section 2.3 be amended to provide that nominating petitions will be made available for candidates beginning on the last Thursday in August.

Roll Call Vote:

AYES: Agnes, Benjamin, Fratto, Kilgallon, McFadden

NAYS: None

PRESENT: Fitzgerald, Granberry

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Kilgallon that the County Employee Trustee and the Forest Preserve District Employee Trustee Election Rule Section 2.3 be amended to provide that nominating petitions will be made available for candidates beginning on the last Thursday in August.

Roll Call Vote:

AYES: Agnes, Benjamin, Fratto, Kilgallon, McFadden

NAYS: None

PRESENT: Fitzgerald, Granberry

Vote Result: MOTION ADOPTED

Proposal #3

This matter was deferred.

Proposal #4

It was moved by Trustee McFadden and seconded by Trustee Kilgallon that the Annuitant Trustee Election Rule Section 2.9 be amended to provide that in the event that two or more candidates have the highest and equal number of votes for the same office, the winner shall be determined by lottery conducted by the Independent Election Administrator.

Roll Call Vote:

AYES: Agnes, Benjamin, Fratto, Kilgallon, McFadden

NAYS: None

PRESENT: Fitzgerald, Granberry

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Kilgallon that the County Employee Trustee and the Forest Preserve District Employee Trustee Election Rule 2.9 be amended to provide that in the event that two or more candidates have the highest and equal number of votes for the same office, the winner shall be determined by lottery conducted by the IEA.

Roll Call Vote:

AYES: Agnes, Benjamin, Fratto, Kilgallon, McFadden

NAYS: None

PRESENT: Fitzgerald, Granberry

Vote Result: MOTION ADOPTED

Proposal #5

It was moved by Trustee McFadden and seconded by Trustee Kilgallon that the County Employee Trustee and the Forest Preserve District Employee Trustee Election Rule 2.3 be amended to provide that each Forest Preserve District Employee Trustee candidate shall file on the petition the signatures of twenty-five (25) different contributors to the Forest Preserve District Fund.

Roll Call Vote:

AYES: Agnes, Benjamin, Fratto, Kilgallon, McFadden

NAYS: None

PRESENT: Fitzgerald, Granberry

Vote Result: MOTION ADOPTED.

b. IT Update

Pursuant to the request of the Board, Mr. Degnan and Ms. Finch presented an overview of the system enhancements and infrastructure upgrades undertaken by the Fund. The Trustees discussed current and future enhancements including disaster recovery and business continuity.

c. Litigation Update

Pursuant to the request of the Board, Mr. Degnan presented a status report of all pending litigation and administrative hearings.

3. Investment and Cash Flow

a. Pacific Venture Group

It was moved by Trustee Kilgallon and seconded by Trustee Benjamin that the County Fund, as a Limited Partner of Pacific Venture Group II, L.P., would not be interested in participating in an Annex Fund which would increase the capital commitment of each Partner by a pro rata amount of the overall additional capital needs of the Pacific Venture Group II, L.P. and that Fund staff take all action necessary to communicate that to the general partner in response to its inquiry.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED.

It was moved by Trustee Kilgallon and seconded by Trustee Benjamin that the County Fund, as a Limited Partner of Pacific Venture Group II, L.P., would not be interested in participating in lending funds to the Partnership and/or in providing guarantees for third party loans to Pacific Venture Group II, L.P. and that Fund staff take all action necessary to communicate that to the general partner in response to its inquiry.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED.

b. Third Quarter Cash Flow

It was moved by Trustee Granberry and seconded by Trustee McFadden that the County Fund shall have authority to withdraw cash in an aggregate amount not to exceed \$75.0 million dollars to cover projected expenses through September 30, 2010, such authority to be exercised only if the anticipated payment of \$104 million is not received from Cook County. It is further moved that the Fund's staff shall take all steps reasonably necessary to effectuate the foregoing.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED.

It was moved by Trustee Fitzgerald and seconded by Trustee Agnes that the Forest Preserve District Fund shall have authority to withdraw cash in an aggregate amount not to exceed \$2.475 million dollars from funds held by identified investment advisors, to cover projected expenses through September 30, 2010. It is further moved that the Fund's staff shall take all steps reasonably necessary to effectuate the foregoing.

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED.

4. Health Benefits:

a. Medicare Part B

The Trustees and staff engaged in a full discussion of the policy requiring all members eligible for Medicare Part B to enroll. Fund policy is that members eligible for Part B will be placed into the Medicare Supplement Plan upon achieving eligibility. The Fund worked with Blue Cross Blue Shield in order to identify eligible members and attempted to contact each member via mail and telephone. The Fund identified and converted over 75 members to the Medicare Supplement Plan due to their Part B eligibility. Staff reported that of all the members contacted only twelve have not provided proof of ineligibility or eligibility of Medicare Part B. The question before the Board was whether to involuntarily convert the final twelve members to the Medicare Supplement Plan at this time. The Board considered the facts of each case and after consultation with legal counsel determined that, given that some of the members were very sick, some appealed for additional time and given a general concern over the legal sufficiency of the notice, the final 12 members be given additional time to obtain Medicare Part B or prove that they are ineligible for it.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the remaining 12 members be grandfathered in to remain in a non-Medicare plan for an additional year.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. Early Retirement Reinsurance Program

It was moved by Trustee Fitzgerald and seconded by Trustee Granberry that the Board ratify and approve the actions of the Fund's Executive Director, taken after consultation with Fund's legal counsel, in executing and delivering on June 29, 2010, the required Application to participate in the federal government's Early Retirement Reinsurance Program on behalf of the Cook County and the Forest Preserve District Funds. The Application and the certifications contained in said Application, in the form presented to the Board at this meeting, are hereby ratified and approved on behalf of the Cook County and Forest Preserve District Funds and the Executive Director is hereby authorized to execute and deliver such further documentation and to take such further action, in consultation with legal counsel and subject to legal review and sign off, as is reasonably necessary to effect the foregoing

Roll Call Vote:

AYES: Agnes, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden

NAYS: None

Vote Result: MOTION ADOPTED.

New Business

It was moved by Trustee Granberry and seconded by Trustee Kilgallon that the current open IT position be converted to an Investment Valuation & Research Analyst position and that the maximum salary for the position be increased to \$65,000 but that the total annual budget not be increased due to the change.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

c. Caremark

Mr. Jim Hogan and Mr. Bruce MaCrea, representatives of CVS Caremark presented a status report regarding the strategies implemented by the Fund in 2010. They reported that of the 2,200 members contacted regarding the diabetes program, 1,525 retirees have enrolled and are receiving support for their condition. They also reported that 69% of the Fund's utilization is dispensed generically.

5. Adjournment

After consideration of all other items of business, it was moved and seconded that the meeting be adjourned.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

The Board's next regular meeting is scheduled for August 4, 2010