

COUNTY EMPLOYEES' ANNUITY & BENEFIT FUND OF COOK COUNTY
And Ex-Officio for the
FOREST PRESERVE DISTRICT ANNUITY & BENEFIT FUND
MEETING OF THE BOARD OF TRUSTEES
33 N. DEARBORN STREET-ROOM 1000
CHICAGO, ILLINOIS 60602

Minutes for February 4, 2011 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, Clem Balanoff, Robert Benjamin, John E. Fitzgerald, Robert Janura, Patrick McFadden,

Staff Present: Daniel R. Degnan, Executive Director, Penny Finch, Chief Operating Officer, Nickol Hackett, Chief Investment Officer, Paul Rzeszutko, Director of Annuity Benefits, Gary LeDonne, Senior Benefit Advisor, Sharon Ryan, Office Manager.

Others Present: Mary Pat Burns, Burke, Burns & Pinelli, Angela Myers, Loop Capital, Theron Picketts, Cabrea Capital.

1. Review and Consideration of:

a. January 6, 2011 Board Meeting Minutes.

It was moved by Trustee McFadden and seconded by Trustee Benjamin that the minutes of the January 6, 2011, Board Meeting be adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

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

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

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Janura, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

2. Other Benefit Matters

a. In the Matter of Lagerberg, 10-RBCC-08

It was moved by Trustee McFadden and seconded by Trustee Balanoff that the Board adopt the Hearing Officer's Findings of Fact and Conclusions of Law and adopt its earlier decision denying Ms. Lagerberg's application for a spouse annuity.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. Valeria Stubbs

It was moved by Trustee McFadden and seconded by Trustee Benjamin that Ms. Stubbs did not have reasonable cause for delay pursuant to Section 9-156 of the Illinois Pension Code in filing an application for duty disability benefits for the period from March 21, 1986, through June 16, 1986.

Vote Result: MOTION ADOPTED BY VOICE VOTE.

Mr. Balanoff voted "NO" on the matter.

It was moved by Trustee McFadden and seconded by Trustee Benjamin, having found that Ms. Stubbs did not demonstrate reasonable cause for delay in filing an application for duty disability benefits for the period from March 21, 1986 through June 16, 1986, that those benefits be denied.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Janura, McFadden, Fitzgerald

NAYS: Balanoff

Vote Result: MOTION ADOPTED

c. Joyce B. Haynes and Doris Jenkins-Haynes

It was moved by Trustee Janura and seconded by Trustee Balanoff, consistent with the order entered by the Circuit Court of Cook County, under docket number 09 CH 23990, that Joyce B. Haynes is eligible for spouse annuity benefits and death benefits pursuant to the Illinois Pension Code, following the death of Ronald B. Haynes.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Janura, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Janura and seconded by Trustee Agnes, consistent with the order entered by the Circuit Court of Cook County, under docket number 09 CH 23990, that Doris Jenkins-Haynes is not eligible for spouse annuity benefits

or death benefits pursuant to the Illinois Pension Code, following the death of Ronald B. Haynes.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Janura, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

3. Administrative Matters

a. Education and Travel Approval

It was moved by Trustee McFadden and seconded by Trustee Agnes that the expenses, including any associated travel expenses, incurred by Trustee Balanoff in attending Harvard Law School's Conference on Pensions, Retirement Security and Strategies for Investment on March 16-18, 2011, in Cambridge, Massachusetts, be approved, provided that reimbursement shall be in and for amounts consistent with the Fund's Travel Expense Reimbursement Policy.

Roll Call Vote:

AYES: Agnes, Benjamin, Janura, McFadden, Fitzgerald

PRESENT: Balanoff

NAYS: None

Vote Result: MOTION ADOPTED

b. PerTrac

It was moved by Trustee Balanoff and seconded by Trustee Benjamin, consistent with the recommendations of the Fund's staff, that the software licensing agreement with PerTrac be renewed for a term of one year at a cost not to exceed \$20,800, and it is further moved that the Fund's staff take all action reasonably necessary to effectuate the foregoing including, subject to legal review and sign off, execution and delivery of related written agreements on the Fund's behalf by the Executive Director.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Janura, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

c. Xerillion

It was moved by Trustee McFadden and seconded by Trustee Agnes, consistent with the recommendations of the Fund's staff, that the contract with Xerillion Corporation be renewed for a period of one year from January 1, 2011 through December 31, 2011, on the same terms and conditions as the agreement now in effect, including any extensions, and that the Fund's staff take all action

reasonably necessary to effectuate the foregoing including, subject to legal review and sign off, execution and delivery of related written agreements on the Fund's behalf by the Executive Director.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Janura, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

d. SB 1946 PBMS Upgrade

It was moved by Trustee McFadden and seconded by Trustee Balanoff, consistent with the recommendations of the Fund's staff, that the JC Consulting Group be retained at a cost not to exceed \$30,600, to enhance PBMS to further accommodate the implementation of the two-tier benefit system created by PA 96-0889 (SB 1946) such that PBMS is able to identify whether an employee is entitled to Tier 1 or Tier 2 benefits and can accept and process new layouts of payroll files from the County and Forest Preserve, including contribution capped pursuant to PA 96-1490 (SB 550). It is further moved that the Fund's staff take all action reasonably necessary to effectuate the foregoing including, subject to legal review and sign off, execution and delivery of related written agreements on the Fund's behalf by the Executive Director.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Janura, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

4. Health Benefits Consortium Update

Ms. Finch reported that, at the instruction of the Board, she investigated the advantages of joining the City Agency Purchasing Consortium (the "Agencies"). The Agencies is an association that consists of the Board of Education of the City of Chicago, Chicago Park District, Chicago Transit Authority, Chicago Transit Authority Retiree HealthCare Trust, City of Chicago, City Colleges of Chicago and Cook County of Illinois. She explained that the Agencies is an informal association that combines together in order to leverage their collective membership size to obtain greater purchasing power when negotiating for group and health benefits.

Ms. Finch reported that she met with representatives of the Agencies and they agreed that the Funds could join. She further explained that each member could choose not to participate in a particular group and health benefits negotiated by the Agencies and that each group is currently renewed on an individual basis.

Ms. Finch further explained that in July 2010, after a bid process the members of the Agencies entered into a 5 year agreement with Caremark to provide

pharmaceutical benefits. She reported that upon review of the pricing obtained under that agreement she concluded that the pricing available was more competitive than the Fund's current pricing, under an agreement entered into in 2008 and ending in 2011, as well as the pricing discussed during preliminary standalone renewal negotiations with Caremark. She also stated that the members of the Agencies entered into a 5 year agreement with the right to renegotiate pricing after 3 years. Ms. Finch explained that while the pricing is attractive, the Fund does lose a certain amount of flexibility in renegotiations, in that the Fund would be part of a group renegotiation.

It was moved by Trustee Balanoff and seconded by Trustee McFadden that the Fund join the City Agency Purchasing Consortium and that the Fund renew its pharmaceutical benefits contract with Caremark for the term and the pricing negotiated by the Agencies. It is further moved that the Fund's staff take all action reasonably necessary to effectuate the foregoing including, subject to legal review and sign off, execution and delivery of related written agreements on the Fund's behalf by the Executive Director.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Janura, McFadden, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

Prior to adjourning Mr. Fitzgerald stated that Cook County Commissioner Gainer, Chairman of the County Pension Committee, requested a meeting with him, Mr. Degnan and the Fund's actuary Sandor Goldstein. He explained that they met on February 3rd and discussed some of the information that Commissioner Gainer considered important to the work of the Pension Committee. He further stated that Commissioner Gainer has requested, via letter delivered during the course of the February 4th Pension Board meeting, an impact analysis of various changes to the Pension Code. The Trustees discussed the request and asked that Mr. Goldstein come to the Board to further discuss and explain the analysis requested.

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 March 3, 2011.