

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 1000
CHICAGO, ILLINOIS 60602

Minutes for January 10, 2013 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: John Fitzgerald, Clem Balanoff, Robert Benjamin, Diahann Goode, Robert Janura, Patrick McFadden, Samuel Richardson, Jr. and Ivan Samstein

Staff Present: Nickol Hackett, Executive Director & C.I.O.; Margaret Fahrenbach, Legal Adviser; Michael Maratea, Director of Finance; Angela McMillin, Director of Health Benefits; Gary LeDonne, Senior Benefit Advisor; David Cholewa, Director of Systems; Sharon Ryan, Office Manager;

Others Present: Mary Pat Burns, Burke Burns & Pinelli, LTD; Angel Myers, Loop Capital; Theron Pickets, Cabrera Capital; Daniel Brennan Cook County State's Attorney Office; Mary E. McClellan, Cook County State's Attorney Office.

1. Review and Consideration of:

a. December 6, 2012 Board Meeting Minutes.

It was moved by Trustee Janura and seconded by Trustee Richardson, Jr. that the minutes of the December 6, 2012, Board Meeting be adopted as amended.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. Public Comment.

There was no public comment.

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

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

Roll Call Vote:

AYES: Balanoff, Benjamin, Goode, Fitzgerald, Janura, Richardson,
Samstein

NAYS: None

Vote Result: MOTION ADOPTED

d. Purchase Authorization: Renewal in Excess of 5%

i. PerTrac-Renewal of Subscription Agreement

It was moved by Trustee Balanoff and seconded by Trustee Samstein, consistent with the recommendations of the Funds' staff, that the software licensing agreement with PerTrac be renewed for a term of one year at a cost not to exceed \$24,325, and it is further moved that the Funds' staff shall 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 Funds' behalf by the Executive Director.

Roll Call Vote:

AYES: Balanoff, Benjamin, Goode, Fitzgerald, Janura, Richardson,
Samstein

NAYS: None

Vote Result: MOTION ADOPTED

e. Travel and Education Approval

It was moved by Samstein and seconded by Trustee Richardson, Jr., consistent with the recommendations of the Funds' professional staff and the Funds' counsel, that the expenses, including any associated travel expenses, incurred by any Trustee or Fund staff in attending the IPPFA Regional Seminar (Public Pension Trustee Training) in Hoffman Estates, Illinois on February 18, 2013 and in Oak Lawn, Illinois on March 27, 2013, at a program cost of \$125 per attendee, be approved, provided that reimbursement shall be in and for amounts consistent with the Funds' Travel Expense Reimbursement Policy.

At this time Trustee McFadden entered the meeting.

Roll Call Vote:

AYES: Balanoff, Benjamin, Goode, Fitzgerald, Janura, McFadden,
Richardson, Samstein

NAYS: None

Vote Result: MOTION ADOPTED

2. Other Benefit Matters

a. Disability Case Review

i. James Collins

It was moved by Trustee Balanoff and seconded by Trustee Samstein, that the issue of whether Mr. Collins had a reasonable cause for delay in filing his application for disability benefits after his disability had ended, within the meaning of Section 9-156 of the Pension Code, be referred to Hearing Officer Michael C. Close.

Roll Call Vote:

AYES: Balanoff, Benjamin, Goode, Fitzgerald, Janura, McFadden, Richardson, Samstein

NAYS: None

Vote Result: MOTION ADOPTED

ii. Request for Hearing Officer- Robert Maxwell

It was moved by Trustee Janura and seconded by Trustee Balanoff that Retired Judge Michael C. Close be appointed to serve as the hearing officer for the administrative hearing requested by Mr. Maxwell.

Roll Call Vote:

AYES: Balanoff, Benjamin, Goode, Fitzgerald, Janura, McFadden, Richardson, Samstein

NAYS: None

Vote Result: MOTION ADOPTED

b. Policy Review-Definition of Salary

Pursuant to the Board's prior direction to clarify the term 'salary' as used in the Pension Code, Mary Pat Burns presented a summary of the definition and how the calculations of disability and annuity benefits are impacted under the definition. The Board discussed the application of the definition on the part of the employer and the Fund and how the Fund should administer the benefits based upon the salaries reported and the contributions received. Ms. Burns will investigate whether the appropriated salaries are available from the County and report that information to the Board. Based on this discussion and in order to provide a practical solution that can be administered by the Fund, the Board further discussed that the definition of salary may require additional clarification through an amendment. Ms. Burns will investigate whether the definition of salary for the purpose of annuity calculations should also be amended if the definition of salary is amended for the purpose of disability calculations. The Funds' staff should continue their current practices.

4. First Quarter Cash Flow Analysis

Michael Maratea presented a cash flow utilization summary and a request to the Board for a disbursement. It was moved by Trustee McFadden and seconded by Trustee Janura that the Cook County Fund shall have authority to withdraw cash in an aggregate amount not to exceed \$25 million dollars to cover projected expenses through March 31, 2013. It is further moved that the Fund's staff shall be authorized to take all steps reasonably necessary to effectuate the foregoing.

Roll Call Vote:

AYES: Balanoff, Benjamin, Goode, Fitzgerald, Janura, McFadden,
Richardson, Samstein

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Janura that the Forest Preserve Fund shall have authority to withdraw cash in an aggregate amount not to exceed \$2.0 million dollars to cover projected expenses through March 31, 2013. It is further moved that the Fund's staff shall be authorized to take all steps reasonably necessary to effectuate the foregoing.

Roll Call Vote:

AYES: Balanoff, Benjamin, Goode, Fitzgerald, Janura, McFadden,
Richardson, Samstein

NAYS: None

Vote Result: MOTION ADOPTED

3. Legal Matters

a. Section 1-117 – Annual Earnings Limitation

b. Balsamo-Litigation Report

It was moved by Trustee McFadden and seconded by Trustee Janura that the Board convene an Executive Session pursuant to Section 2(c)(11) of the Open Meetings Act, 5 ILCS 120/2(c)(11), to discuss litigation matters.

Roll Call Vote:

AYES: Balanoff, Benjamin, Goode, Fitzgerald, Janura, McFadden,
Richardson, Samstein

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Benjamin and seconded by Trustee Janura that the Executive Session be adjourned and that the Board return to open session.

5. Old Business/New Business

It was discussed that the Internal Revenue Service, in regard to the Funds' pending Cycle C Applications, noted that the Illinois Pension Code did not comply with certain provisions of the Internal Revenue Code and had requested that the Pension Code be amended. It was further discussed that the Board adopt a resolution to request the Illinois General Assembly to amend the Pension Code in respect to those matters raised by the Internal Revenue Service. The Board also discussed that the Funds' counsel should prepare such a resolution for consideration by the Board at their meeting on February 7, 2013.

6. Informational Items Only

a. Purchase Authorizations and Renewals Under 2013 Budget Recommendations

It was noted by Executive Director Hackett that the Fund did not enter yet leases for two copiers as had been approved by the Board at their meeting on December 6, 2012, because the specific terms presented by the lessor were not acceptable to the Fund. Negotiations for the lease of two copiers are continuing.

There being no further business before the Board the meeting was adjourned.

The Board's next regular meeting is scheduled for February 7, 2013.