



**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**

**70 W. Madison, Suite 1925  
Chicago, IL 60602**

**Minutes for the January 9, 2020, 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:** Stephen Hughes, Bill Kouruklis, Patrick McFadden, Joseph Nevius, James O'Rourke, Lawrence Wilson

**Staff Present:** Regina Tuczak, Executive Director; Margaret Fahrenbach, Legal Advisor; Brent Lewandowski, Director, Member Services; Michael Maratea, Director, Finance and Administration; Gary LeDonne, Director, Benefits Administration; Beverly Romanini, Director, Administrative Services; Jane Hawes, Director, Health Benefits; Fernando Vinzons, Director, Investments, Saron Tegegne, Comptroller

**Others Present:** Mary Pat Burns, Burke Burns & Pinelli, Ltd.; John McCabe, John McCabe & Associates; Ann O'Bradovich, Callan Associates; John Jackson, Callan Associates; Martha Merrill, AFSCME31

Public Comment

Trustee Wilson, 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. December 5, 2019, Board Meeting Minutes

It was moved by Trustee McFadden and seconded by Trustee Kouruklis that the presented minutes of the Board meeting on December 5, 2019, be adopted.

**Vote Result: MOTION ADOPTED BY VOICE VOTE**

2. Review and Consideration of:

- a. Bills, Payroll Records

After receiving confirmation from Fund staff that the presented payments were consistent with the approved 2019 Administrative Budget, it was moved by Trustee McFadden and seconded by Trustee Nevius that the Board ratify the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in December, 2019.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

After receiving confirmation from Fund staff that the presented invoices for operating expenses in December, 2019, are consistent with the 2019 Administrative Budget, it was moved by Trustee McFadden and seconded by Trustee Nevius that the Board approve the recommendations from Fund staff to remit payments for such presented bills.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

b. Annuities, Spouse and Child Annuities and Refunds

The Fund staff presented their recommendations to the Board regarding the applications for employee 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 moved by Trustee Nevius and seconded by Trustee McFadden after due consideration of the applications presented to the Board and having received confirmation from Fund 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: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

The Fund 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 O'Rourke 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: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

### 3. Benefit Matters

- a. Action Pursuant to 40 ILCS §5/9-235 regarding Felony Conviction Matter, Office #129466

It was moved by Trustee Nevius and seconded by Trustee O'Rourke pursuant to Section 2(c)(4) and Section 2(c)(11) of the Open Meetings Act, 5 ILCS 120/2(c)(4),(11) that the Board convene an Executive Session to discuss evidence before the Board and matters in litigation.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Nevius and seconded by Trustee O'Rourke that the Executive Session be adjourned and that the Board return to an open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

Mary Pat Burns, Fiduciary Counsel, stated that the following records relating to the felony conviction of the Member identified by Office Number 129466 had been presented to the Board and that they had considered such records in their deliberations: 1.) Notice of Hearing dated September 30, 2019; 2.) Annuitant Memorandum filed on November 6, 2019; 3.) Memorandum Addressing Application of Annuitant #129466; 4.) Transcript of Jury Trial April 23-26, 2019 relating to Annuitant #129466; 5.) Certified Copy of Judgment and Sentencing Order relating to Annuitant #129466. Fiduciary Counsel requested that such records be admitted into evidence. The President of the Board allowed the presented records to be admitted.

It was moved by Trustee Hughes and seconded by Trustee Nevius that the Board find pursuant to Section 9-235 of the Illinois Pension Code that there is a sufficient nexus between the facts giving rise to the felony conviction of the Member identified by Office Number 129466 and the performance of her official duties as an employee of Cook County and that there is a legal basis to terminate her annuity benefits effective as of December 1, 2019.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

Fiduciary Counsel stated that a written decision consistent with the Board's finding that the annuity benefits of the Member identified by Office Number 129466 be terminated, had been prepared for their consideration.

After consideration of the Decision, it was moved by Trustee Hughes and seconded by Trustee O'Rourke that the Board adopt the Decision, including the Findings of Fact and Conclusion, as being consistent with its determination that the annuity benefits of the Member identified by Office Number

129466 be terminated pursuant to Section 9-235 of the Illinois Pension Code. It was further moved that the Decision so adopted be a final administrative decision of the Board pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Collection of Underpayment for Health Benefits, Office Number 120306

Regina Tuczak, Executive Director, stated that the Fund had become aware that the annuitant identified by Office Number 120306 had been undercharged for the health benefits received for an identified period. The Fund had contacted the annuitant regarding the undercharge and the need to collect the balance due. The annuitant offered to have monthly deductions made from her annuity benefits until the balance was paid in full by December 1, 2020. The trustees discussed the process to collect undercharges and overpayments as permitted under the Illinois Pension Code.

It was moved by Trustee Nevius and seconded by Trustee McFadden that the Board approve the proposed payment plan to collect the underpayment of the amount due for health benefits from the Member identified by Office Number 120306 and that the Executive Director be authorized, subject to legal review, to execute and deliver on behalf of the Fund any related written agreement to effectuate the foregoing.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

4. Legislative Matters

a. Update and Considerations Relating to Legislation Prepared by the Board

The Executive Director provided a summary of the legislation that had been considered by the Board. She stated that in early 2019, the Board had approved legislation that would provide 100% funding for both the County Fund and the Forest Fund. The County then provided draft legislation to provide for 90% funding, which also included legislation regarding governance, health care benefits and other matters. A subgroup from the Board and the Fund had met with County representatives at various times regarding the County's proposed legislation, but the discussions had not progressed. She stated that the Fund had prepared actuarial based funding legislation for the Board's consideration which provided a 90% funding level over 40 years for both the County Fund and the Forest Fund. The Fund's actuary had previously provided an analysis of such proposed legislation, which was provided to the Trustees. She noted that a change had been made to the legislation for the County Fund such that the proposed ramp amounts reflected payments that would be due using analysis most recently prepared to calculate payments due under the Intergovernmental Agreement ("IGA") entered between the Fund and the County.

John McCabe, the legislative representative, advised the Board that legislation should be introduced by February 14, 2020, in order to be considered by the General Assembly in this session. The trustees discussed the similarities between the Fund's proposed legislation with the County's funding

legislation. They discussed that obtaining actuarial based funding had always been a priority for the Board and, while continued discussions with the County on some of the other matters proposed in their legislation might be worthwhile, the parties were not likely to reach agreement on some issues in this timeframe. The trustees also discussed that it had approved legislation in the past to clarify that the employer may provide contributions to the Fund from any source of revenue, but that such proposed legislation had not been enacted. The trustees noted that there were other elements of the County's draft legislation that might be considered by the Board.

The legislative representative stated that a bill could be introduced regarding the source of revenue for contributions for the Forest Fund that could later be amended to provide for 90% actuarial funding legislation for both funds. He noted that the legislature would want the employer to agree with such legislation.

It was moved by Trustee McFadden and seconded by Trustee Kouruklis that the Board authorize John McCabe & Associates, with the assistance of the Fund's fiduciary counsel, to draft legislation to provide that the Forest Preserve District could make contributions to the Forest Fund from any source of revenue, and that such legislation be introduced to the General Assembly.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

b. Update on Communication with the County Regarding Draft Legislation

The trustees discussed that an analysis of the legislation for 90% funding legislation as proposed by the County and compared to the Fund's proposed legislation would be useful. The Executive Director agreed to work with Trustee Kouruklis to draft a high-level comparison of the two legislative proposals and the IGA.

c. Deadlines of Filing Dates for 101<sup>st</sup> General Assembly

It was noted that draft legislation for the House needed to be submitted to the Legislative Reference Bureau ("LRB") by January 24, 2020, and draft legislation for the Senate needed to be submitted to the LRB by January 31, 2020. After the draft legislation was returned from the LRB, the legislative representative would need to find sponsors by February 14, 2020.

5. Investment Matters

a. 2020 Extension of Callan Associates, Inc. Consulting Agreement

The Executive Director stated that the Fund had entered an Investment Consultant Services Agreement with Callan Associates, Inc. for an Initial Term from January 1, 2016, through December 31, 2018. The Fund had exercised its option under the agreement to extend the term through December 31, 2019. She stated that the Fund was satisfied with Callan's performance and requested authority to exercise the option to extend the agreement through December 31, 2020.

It was moved by Trustee McFadden and seconded by Trustee Hughes that the Board approve the proposed extension of the agreement with Callan Associates, as presented, through December 31,

2020, and that the Executive Director, subject to legal review, be authorized to execute and deliver on behalf of the Fund any related written agreement to effectuate the foregoing.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

b. Short-Term Cash Requirements

The Executive Director stated that the Fund needed to address its cash requirements because of recent capital calls, expected outlays of cash to meet benefit payments, and the related need to rebalance assets in accordance with the Fund's investment policy.

It was moved by Trustee Hughes and seconded by Trustee O'Rourke, pursuant to Section 2(c)(7) of the Open Meetings Act, 5 ILCS 120/2(c)(7) that the Board convene an Executive Session to discuss the purchase or sale of securities.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Hughes and seconded by Trustee O'Rourke that the Executive Session be adjourned and that the Board return to an open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

c. Wind-down and Dissolution of Progress Investments and Related Considerations

It was moved by Trustee McFadden and seconded by Trustee Hughes that the Board direct Fund staff, in consultation with the Fund's Investment Consultant, to proceed as the Board discussed in closed session to address the Fund's cash requirements.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

6. Trustee Matters

a. Review and Consideration of Proposed 2020 Committee Meeting Schedule

The Executive Director stated that she had prepared some proposed dates for the Investment Committee meetings. The dates do not conflict with the published meeting dates for the Cook County Board or the Forest Preserve District Board.

It was moved by Trustee McFadden and seconded by Trustee Nevius that the Board adopt the Proposed 2020 Investment Committee Meeting Schedule, as presented

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Certification of 2020 Trustee Education

It was reported by the Executive Director that all of the trustees, excluding the newly elected and appointed trustees, had completed the education required by the Pension Code. She stated that a 2019 Annual Certification of Trustee Training had been prepared for the Board's consideration.

It was moved by Trustee O'Rourke and seconded by Trustee Nevius pursuant to Section 1-113.18 of the Illinois Pension Code and based upon the Fund report establishing the hours of training that the trustees received as of December 31, 2019, that the Board approve the proposed Annual Certification of Trustee Training, including the sexual harassment training required under the State Officers and Employees Ethics Act. It was further moved that the President of the Board be authorized to execute the same on behalf of the Board and that the Fund's staff should file the certification as required by the Illinois Pension Code.

Vote Result: MOTION ADOPTED BY VOICE VOTE

c. Contact Information for Cook County Statement of Economic Interests

The Executive Director advised the Board that the Fund needed to submit their contact information to the County Clerk so that the Statements of Economic Interests could be sent to the trustees. She stated that the Fund would submit the same information for the current year as had been submitted last year for the trustees, unless a trustee directed a change in information. The newly elected and appointed trustees should advise her about the information to be submitted to the County Clerk.

7. Administrative Matters

a. Approval of Referral of Matter Pursuant to 40 ILCS §5/1-135

The Executive Director reported that six checks had been submitted for payment to BNY/Mellon that appear fraudulent. Because of the security controls in place, none of the checks had been paid. The checks identify the Retirement Board as the payor and had the correct account number. The payee and address were the same on all of the checks. The named payee was not an annuitant, active or inactive member of the Fund. The checks were drawn on different dates between November, 2019 and December, 2019.

It was moved by Trustee O'Rourke and seconded by Trustee Nevius that the Board find that there is reasonable suspicion that the six identified checks presented for payment to BNY/Mellon on or about December 24, 2019, constitute falsified records within the meaning of Section 1-135 of the Illinois Pension Code and in accordance with 40 ILCS 5/1-135, that the incidents be reported to the Cook County State's Attorney.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Novitas Contract

The Executive Director stated that the Fund has utilized the services of Novitas Business & Technology as a consultant for PBMS, the Fund's pension administration system. The terms of the agreement provide that a specified bank of hours is allocated for use throughout a calendar year, with the Fund paying for services in equal monthly increments. Upon review of the services provided in recent years, it was determined that the bank of hours had not been fully utilized. After discussions between Fund staff and the vendor, it was agreed that the annual bank of hours would be reduced by approximately 1/3, which would result in a reduction in the total fees paid. Fund staff requested that the Board approve an Amendment to the vendor's contract to reflect the changed fee arrangement.

It was moved by Trustee McFadden and seconded by Trustee O'Rourke that the Board approve the proposed Amendment to the Agreement with Novitas to provide Maintenance and Support to PBMS, which reduces the annual hours and fees paid, as presented, and that the Executive Director, subject to legal review, be authorized to execute and deliver on behalf of the Fund any related written agreement to effectuate the foregoing. It was further moved, upon the execution of the Amendment, that the Board approve the remittance of the January, 2020 fee of \$11,375 to Novitas.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

c. Approval of Blind Mailing

The Executive Director stated that the Fund had been contacted by representatives of AFSCME Retirees Chapter 31 seeking approval to send out a membership solicitation letter to the Fund's annuitants. Section 9-228 of the Illinois Pension Code permits a labor organization to have access to the Fund's mailing list of annuitants upon such terms as the Board might approve. The Board discussed that the disclosure of the mailing list should be limited to the third-party mailing vendor who must also agree to enter a confidentiality agreement with the Fund. The vendor should also acknowledge that all costs for the mailing are to be paid solely by the requesting labor organization.

The Fund's Fiduciary Counsel noted that under P.A. 101-0620 there was an amendment to the Pension Code which became effective on December 20, 2019. Under newly-enacted Section 1-167 of the Pension Code, Fund staff could not disclose a member's name, address, zip code, county, office number or labor affiliation except as might be required under the Freedom of Information Act, for the purpose of operations or to labor organizations. Providing the mailing list as requested by the labor organization as discussed by the Board would be consistent with the new legislation.

It was moved by Trustee McFadden and seconded by Trustee Hughes that pursuant to Section 9-228 of the Illinois Pension Code and as is consistent with Section 1-167 of the Pension Code, the Fund provide access to the mailing list of the Fund's annuitants to the requesting labor organization, so long as the third party vendor to whom such list would be provided, agrees to enter a Confidentiality Agreement satisfactory to the Fund. It was further moved that the requesting labor organization provide the Fund with a copy of the proposed mailing before transmitted to the annuitants and that the third party vendor acknowledge that the requesting labor organization is solely obligated to pay any costs related to the proposed mailing.

Vote Result: MOTION ADOPTED BY VOICE VOTE



d. Executive Director Report

The Executive Director reported that the County Board had approved the Intergovernmental Agreement between the County and the County Pension Fund which provides for addition employer contributions. She stated that the Fund had received a payment of \$25M under the IGA on December 31, 2019.

It was also reported that the Fund would remain open on February 12, 2020, as had been done in prior years. The Fund would be closed on December 24, 2020, in lieu of a closure on February 12, 2020.

The Executive Director reported that the Illinois Supreme Court would hear oral arguments in the Levin litigation on January 22, 2020.

It was reported that the CVS Transform Diabetes Care Program with Livongo would be postponed to a date after April 1, 2020. The Fund staff, along with Segal Consultants and Burke Burns & Pinelli continued to work with CVS to finalize the agreement for the CVS Commercial Program and the amendment for the EGWP plan.

8. 2020 Finance Matters

It was moved by Trustee Hughes and seconded by Trustee O'Rourke pursuant to Section 2(c)(1) of the Open Meetings Act, 5 ILCS 120/2(c)(1) that the Board convene an Executive Session to discuss personnel matters.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Hughes and seconded by Trustee O'Rourke that the Executive Session be adjourned and that the Board return to an open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

a. Review and Consideration of 2020 Budget

After consideration of the proposed personnel changes as presented in the proposed 2020 Administrative Budget, it was moved by Trustee O'Rourke and seconded by Trustee Hughes that the Board approve the proposed 2020 Administrative Budget, including the payment of identified invoices for expenses incurred in January, 2020 that are consistent with the approved Budget. It was further moved that any adjustments provided in the Budget to personnel salaries be made on or after the current payroll period.

Roll Call Vote:

AYES: Hughes, Kouruklis, McFadden, Nevius, O'Rourke, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

9. Old Business/New Business

There was no old business or new business discussed.

10. Adjournment

There being no further business before the Board, it was moved by Trustee Wilson and seconded by Trustee O'Rourke the meeting be adjourned.

Vote Result:            **MOTION ADOPTED BY VOICE VOTE**

The next Board meeting is scheduled for February 6, 2020, at 9:30 a.m.