



**MEETING OF THE LEGISLATIVE COMMITTEE 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 March 21, 2019, Meeting

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 at 8:30 am.

Trustees Present: Diahann Goode (Chair), Robert DeGraff, John E. Fitzgerald, Kevin Ochalla (arrived during Item 3)

Staff Present: Regina Tuczak, Executive Director; Margaret Fahrenbach, Legal Advisor

Public Comment (None)

1. Approval of February 14, 2019, Legislative Committee Meeting Minutes

It was moved by Trustee Fitzgerald and seconded by Trustee DeGraff that the presented minutes of the Legislative Committee meeting held on February 14, 2019, be adopted.

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

2. Draft Employee Handbook – Updates from February 14, 2019

Regina Tuczak, Executive Director, stated that the Committee had asked for a review of the County Corporate policy for its employees' incremental use of personal time off ("PTO") which would then be considered for implementation by the Fund. She stated that the County's policy for incremental use of PTO was dependent upon whether the employee was subject to, or exempt from, the Fair Labor Standards Act ("FLSA"). The standards for the incremental use of PTO were different for each type of employee. Because the Fund's staff is small and its employees are not identified as "FLSA exempt" or "FLSA non-exempt", the County's policy would be difficult to adopt at the Fund.

The Executive Director noted that the Fund does have an informal "smoothing" practice which allows all employees to leave early or arrive late on a particular day, so long as that time is made up within the pay period and is limited to no more than a few hours in a week. She expressed concerns about the administrative costs associated with the practice. The trustees discussed that the Executive Director should have some discretion about continuing the smoothing practice, but that it should be included within the Employee

Handbook. The Executive Director agreed that the practice should be included within the Employee Handbook so that it could be fairly implemented for all employees.

3. Additional Considerations for Draft Employee Handbook

The Executive Director had become aware of two attendance policies since the Committee had met on February 14, 2019, that she wanted to bring to the trustees' attention. First, she has had requests from employees who wanted to utilize more PTO than each had accrued. The trustees discussed that if employees were allowed to utilize 'negative' PTO, they should agree in writing that all negative balances in an employee's PTO accruals would be recovered from either the employee's refund should he/she terminate immediately after the PTO or by other means upon separation from service. The trustees noted that this practice and/or days allowed should be limited. Second, the Executive Director stated that the Fund was open from 8:30 am through 4:30 pm, but that some employees were allowed earlier start and dismissal times, generally to accommodate train or school schedules. The trustees stated that start and dismissal times should be consistent among all employees to best service the members and that the required hours of attendance should be included in the Employee Handbook.

4. Legislation Update

a. HB 2071

It was noted by the Executive Director that HB 2017 would allow County employees a limited opportunity to purchase service and/or salary credit for furlough time that they were required to take. She stated that with the assistance of Mary Pat Burns, Fiduciary Counsel, the Fund had proposed changes to HB 2071 which would make the administration of the legislation more feasible if enacted. The proposals were sent to the Fund's Legislative Consultant who was asked to introduce them as amendments to HB 2071. The Legislative Consultant had asked if the Board would withdraw its opposition to HB 2071 if the amendment proposed by the Fund were adopted because he believed that would be in the Board's interest to do so. The trustees stated that it should be verified that the amendments proposed by the Fund had actually been adopted before it reconsider its position on the legislation.

b. HB 2664/SB 1264

The Executive Director stated that HB 2664 and SB 1264 were amendments to the State's Unclaimed Property Act which would require the Fund to report and possibly distribute unclaimed property to the State Treasurer, but which exempted the State pension funds from these requirements. The Executive Director had participated in a telephone conference call with the State Treasurer's office and the executive directors of both MEAB and LABF to discuss how local funds might be similarly exempted. The State Treasurer's office indicated that the State funds were exempted because they were satisfied with the State funds' procedures to find the owners of unclaimed property and requested the local funds provide their respective procedures to the State Treasurer's office, as well.

During the telephone conference call, the Executive Director stated that she would not send the State Treasurer's office any procedures without first receiving approval from the Board. The Executive Director later met with the Fund Fiduciary Counsel to discuss the proposal to exempt the local funds from HB 2664/SB 1264. Fiduciary Counsel noted that the Fund was not subject to the jurisdiction of the State Treasurer's office and would not be obligated to submit any such procedures to them. The Executive Director added that the State Treasurer's office was expecting some response from the Fund after the Board's meeting on April 4, 2019.

c. SB 1300

The Executive Director reported that Fund had proposed an amendment to Section 9-169 of the Illinois Pension Code to clarify the source of funding that could be used for employer contributions, which had been introduced as SB 1300 and had passed through committee. She added that the County had expressed concerns to the Fund's Legislative Consultant that SB 1300 would distract the County from advancing its own legislation. The trustees noted the SB 1300 was introduced to ensure that the Fund received contributions sufficient to pay required benefits as is consistent with their fiduciary obligations to the Fund.

5. Financial Procedures Outline and Existing Policies

The Board had delegated certain authority to the Executive Director regarding the renewal of contracts for existing vendors and other matters that are less than \$10,000. The Executive Director stated that the authority delegated by the Board had been delineated into a draft "Financial Policies and Procedures" that was included in the Committee materials. She added that staff would work to provide drafts of additional financial procedures for future meetings.

6. Old Business/New Business

It was noted that SB 2062 would require pension funds to apply certain sustainability factors in making investment decisions. The Executive Director reported that an amendment had been introduced to the legislation which would allow pension fund trustees to review such sustainability factors in its investment decisions within the bounds of financial and fiduciary prudence.

7. Adjournment

There being no further business before the Committee, it was moved by Trustee Fitzgerald and seconded by Trustee DeGraff that the meeting be adjourned at 9:21 a.m.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

The next meeting of the Legislative Committee is scheduled for April 24, 2019 at 12:30 pm.