



**MEETING OF THE SPECIAL 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
33 N Dearborn St, Suite 1000
Chicago, IL 60602**

Minutes for the June 12, 2017 Special 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: Robert DeGraff, Diahann Goode, Andrew Jatiko, Bill Kouruklis (arrived during Item #2), Patrick McFadden, Joseph Nevius, Dennis White, Lawrence Wilson

Staff Present: Nickol R. Hackett, Executive Director & CIO; Michael Maratea, Director of Finance and Administration; Gary LeDonne, Senior Policy Advisor; Margaret Fahrenbach, Legal Advisor; Brent Lewandowski, Senior Benefits Manager; Beverly Romanini, Office Manager; Colleen Lakis, Comptroller; Rachelle Howliet, Health Benefits Team Lead

Others Present: Colin Thompson, Legacy Professionals LLP; Larry Langer, Conduent; Robert Besenhofer, Conduent; Aaron Shapiro, Conduent; Arnold Randall, Cook County Forest Preserve District; Mary Pat Burns, Burke, Burns & Pinelli

Trustee McFadden, Vice 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. Presentation of FY2016 Audited Financial Statements

Colin Thompson of Legacy Professionals, LLP, presented the 2016 audited financial statements for both the County Fund and the Forest Preserve Fund. The financial statements for both Funds were a combination of the pension plans' fiduciary net positions and their postemployment healthcare plan net positions as of December 31, 2016. Mr. Thompson stated that the increase of the net position of the County Fund was due to favorable investment returns and to the supplemental contributions made by the employer pursuant to the Intergovernmental Agreement ("IGA"). Similarly, the increase of the net position of the Forest Fund was due to favorable investment returns, but the

Forest Preserve Fund did not benefit from any additional employer contributions pursuant to an IGA, as did the County Fund.

It was moved by Trustee Goode and seconded by Trustee Nevius that the 2016 Audit of the County Fund as prepared by Legacy Professionals, LLP, be received and filed.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

It was moved by Trustee Goode and seconded by Trustee Nevius that the 2016 Audit of the Forest Preserve Fund as prepared by Legacy Professionals, LLP, be received and filed.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

2. Presentation of FY2016 Actuarial Valuations

Larry Langer and Robert Besenhofer of Conduent Human Resource Consulting presented the 2016 Actuarial Valuations for the County Fund and the Forest Preserve Fund. Mr. Langer made the presentation of the actuarial valuations for pension benefits relating to each Fund as of December 31, 2016 and Mr. Besenhofer presented the valuations for retiree health benefits. Mr. Langer stated that the County Fund's receipt of supplemental contributions of \$270.5 million from the County pursuant to the IGA improved the plan's funded status. The County Fund's investment returns at 7.7% were slightly higher than the 7.5% assumed rate of return and the Forest Fund's investment returns were lower. He noted that the Forest Preserve District's contributions were insufficient on an actuarial basis to fund pension and retiree health benefits. The implementation of the Medicare Employer Group Waiver Plan ("EGWP") resulted in significantly decreased expenditures for prescription drugs and had a positive impact on both Funds. As consistent with prior years, there were no changes in plan provisions. The funded ratio of the County Fund increased slightly and the funded ratio of the Forest Preserve Fund was stable.

The actuary reported that the County Fund's assets were valued at \$9.48 billion on an actuarial basis with liabilities of \$16.72 billion, resulting in an unfunded liability of \$7.24 billion. The County Fund has a funded ratio of 56.73%, which is an increase over the 2015 funded ratio of 55.39%. The actuarial projected insolvency date is 2038.

The Forest Preserve Fund's assets were valued at \$198 million on an actuarial basis with liabilities of \$330 million which resulted in an unfunded liability of \$132 million. The funded ratio of the Forest Preserve Fund is 60.04%, a slight increase over the 2015 funded ratio of 60.02%. The actuarial projected insolvency date is 2042.

It was moved by Trustee Kouruklis and seconded by Trustee White that the 2016 Actuarial Valuations of the Cook County Fund as prepared by Conduent Human Resource Consulting be received and filed.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

It was moved by Trustee Kouruklis and seconded by Trustee White that the 2016 Actuarial Valuations of the Forest Preserve District Fund as prepared by Conduent Human Resource Consulting be received and filed.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

3. 2018 Funding Review

a. Approval of 2018 Projections

The actuary prepared for the County Fund its projections of the actuarially required contributions for 2018. The trustees discussed that the projections would be used for a possible IGA to provide for supplemental employer contributions in 2018.

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board adopt, for purposes of a possible IGA with the County, the actuarial required contributions projected for 2018 for the County Fund made by the Fund's actuary, Conduent Human Resource Consultin and it was further moved that the projections be communicated to the Cook County Board of Commissioners.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

b. Approval of 2018 Tax Levy Cook County Resolution

The trustees considered a proposed resolution which would be presented to the Cook County Board of Commissioners for purposes of the 2018 Tax Levy which estimated the amounts statutorily required to be contributed by the County for annuities, benefits and administrative expenses to be paid by the County Fund.

It was moved by Trustee Goode and seconded by Trustee Nevius that the Board approve and adopt the presented resolution for the 2018 Tax Levy for the Cook County Fund.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

c. Approval of 2018 Tax Levy Forest Preserve District Resolution

The trustees considered a proposed resolution which would be presented to the Forest Preserve District Board of Commissioners for purposes of the 2018 Tax Levy which estimated the amounts statutorily required to be contributed by the County for annuities, benefits and administrative expenses to be paid by the Forest Preserve District Fund.

It was moved by Trustee Goode and seconded by Trustee Nevius that the Board approve and adopt the presented resolution for the 2018 Tax Levy for the Forest Preserve District Fund.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

4. Finance Matters

a. Review and Approval of Forest Preserve District Second Half Cash Flow

Michael Maratea, Director of Finance and Administration, presented the cash flow needs of the Forest Preserve Fund through December 31, 2017, and requested authority to withdraw \$6.9 million to meet the projected needs.

It was moved by Trustee White and seconded by Trustee Goode that the Forest Preserve District Fund shall have authority to withdraw cash in an aggregate amount not to exceed \$6.9 million to cover projected expenses through December 31, 2017, and that the Fund staff be authorized to take all action reasonably necessary to effectuate the foregoing.

Roll Call Vote:

AYES: DeGraff, Goode, Jatico, Kouruklis, McFadden, Nevius, White, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

5. Legal Matters

a. In the Matter of Lori Levin

Mary Pat Burns, Fund counsel, stated that she would address the Board about the request for retiree health benefits made by Lori Levin which was pending in the Circuit Court of Cook County.

It was moved by Trustee Goode and seconded by Trustee White that the Board convene an Executive Session pursuant to Section 2(c)(11) of the Open Meetings Act to discuss litigation matters.

Roll Call Vote:

AYES: DeGraff, Goode, Jatico, Kouruklis, McFadden, Nevius, White, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

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

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

It was moved by Trustee White and seconded by Trustee Kouruklis that the Board find that Ms. Lori Levin is not eligible to receive retiree health benefits from the Fund.

Roll Call Vote:

AYES: DeGraff, Goode, Jatico, Kouruklis, McFadden, Nevius, White, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee White and seconded by Trustee Kouruklis that the Board adopt the presented Findings of Fact, Conclusions of Law and Decision regarding Ms. Lori Levin's request to receive retiree health benefits from the Fund and that the same be entered as a final administrative decision.

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

6. Old Business/New Business

There were no old business or new business matters discussed.

7. Adjournment

There being no further business before the Board, it was moved by Trustee Goode and seconded by Trustee DeGraff that the trustees adjourn the meeting.

The next Board meeting is scheduled for July 6, 2017, at 9:30 a.m.