

**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 West Madison, Held in Room 230  
Chicago, IL 60602**

**July 1, 2021 - 9:30 A.M.**

**The meeting was conducted with all the trustees being present in the meeting room. Members of the public were invited to attend in person, but were also able to access the meeting through a virtual platform as provided in the meeting notice and as permitted by Illinois Governor Executive Order Number 2020-07 and as extended by Executive Order Number 2021-14 dated June 25, 2021.**

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:** Lawrence Wilson, President, John Blair, Diahann Goode, Stephen Hughes, Bill Kouruklis, Patrick McFadden, Joseph Nevius, Kevin Ochalla, James O'Rourke

**Staff Present:** Regina Tuczak, Executive Director; Margaret Fahrenbach, Legal Advisor; Michael Maratea, Director, Finance and Administration; Gary LeDonne, Director, Benefits Administration; Brent Lewandowski, Director, Member Services; Fernando Vinzons, Director, Investments; Jodi Weinstein, IT Administrator

**Others Present:** Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Derek Blaida, John McCabe & Associates; Martha Merrill, AFSCME; Rowein Descallar, Fundmap; Lauren Alabanese; Tyler Murphy

There was no member of the public present or participating by video conference who asked to address the Board.

1. Review and Consideration of:
  - a. June 3, 2021, Board Meeting Minutes
  - b. May 18, 2021, Special Board Meeting Minutes
  - c. May 18, 2021, Transcript of Board Meeting

Trustee Wilson, President, asked for a single motion to approve the minutes from the Board meeting on June 3, 2021; the minutes from the Special Board Meeting on May 18, 2021, and the transcript from the Special Board Meeting on

May 18, 2021. It was moved by Trustee O'Rourke and seconded by Trustee McFadden that the Board approve the minutes from the Board meeting on June 3, 2021, approve the minutes from the Special Board meeting on May 18, 2021, and to accept and file the transcript from the Special Board meeting on May 18, 2021.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

2. Review and Consideration of:
  - a. Bills, Payroll Records

Trustee Wilson asked for a single motion to ratify the bills and payroll records that were paid in June, 2021, and to approve the presented bills for expenses incurred in June, 2021.

After receiving confirmation from Fund staff that the presented payments were consistent with the administrative budget approved for 2021, it was moved by Trustee McFadden and seconded by Trustee Blair that the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in June, 2021, be ratified and that the Board approve the recommendations from Fund staff to remit payments for expenses incurred in June, 2021.

Roll Call Vote:

AYES: Blair, Hughes, Goode Kouruklis, McFadden, Nevius, Ochalla, 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. The trustees asked that the Fund staff separately identify the payments made for death benefits from payments made for refunds in future presentations.

It was moved by Trustee McFadden and seconded by Trustee Goode 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: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, 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 Goode and seconded by Trustee McFadden after due consideration of the disability 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 disability applications be approved.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Election Matters

a. Review and Consideration of Legislative Committee Meeting Recommendations

Regina Tuczak, Executive Director, stated that the Board addressed various matters related to the election of trustees in 2021 at their meeting on May 6, 2021, and referred the election matters to the Legislative Committee for their consideration and recommendations. The Legislative Committee met on June 10, 2021, and discussed the election processes that were followed from 2017-2020. The Committee noted that from 2017-2019, the members had the option to either request a mail-in ballot or to vote in-person on election day. In 2020, due to Covid restrictions, all members were sent a ballot to be returned by mail and no in-person voting was conducted. The Legislative Committee discussed the costs and participation rates for these different procedures.

The Legislative Committee also discussed how decisions should be made

regarding issues that might arise during the election process. Before 2020, an Independent Election Administrator (“IEA”) had assumed ministerial and substantive responsibilities for issues that arose during the election. In 2020, the Board had created an Election Committee and hired a retained attorney who performed functions previously assumed by the IEA. The Legislative Committee determined that the Election Committee and the retained attorney were able to manage the process with fairness and efficiency.

The Executive Director reported that the Legislative Committee had recommended that for the 2021 Election all members would be sent ballots to be returned by mail and that no in-person voting would be conducted. The Legislative Committee had also recommended that the President of the Board appoint three trustees to an ad hoc Election Committee, none of whom would be a candidate in the current election. It was also recommended that a retained attorney be engaged and that an engagement letter be ready for the Board’s approval at the meeting on July 1, 2021. The Election Committee and the retained attorney would be responsible for managing issues that might arise.

i. Format of Trustee Elections in 2021

It was moved by Trustee O’Rourke and seconded by Trustee Nevius that the Board adopt the recommendation made by the Legislative Committee at their meeting on June 10, 2021, that no in-person voting be conducted for the election in 2021 and that all members eligible to vote be sent a ballot to be returned to the designated USPS post box in accordance with the applicable Election Rules.

Vote Result: MOTION ADOPTED BY VOICE VOTE

ii. Establish Election Committee and Hire a Retained Attorney

It was moved by Trustee O’Rourke and seconded by Trustee Nevius that the Board adopt the recommendation made by the Legislative Committee at their meeting on June 10, 2021, for purposes of the election in 2021, that an Election Committee be established comprised of three trustees appointed by the President of the Board, none of whom shall be a candidate in the election. It was further moved that the Fund retain an attorney to provide services in accordance with the Election Rules and that an engagement letter for such attorney be presented to the Board.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Confirmation of Board President’s Election Committee

President Wilson stated that since the Board had approved the establishment of an Election Committee for the 2021 Election, that he would then nominate Trustee Blair, Trustee Nevius and Trustee Kouruklis to serve on that committee. It was

noted that none of the nominees would be candidates in the 2021 Election.

It was moved by Trustee McFadden and seconded by Trustee O'Rourke that the Board approve that appointments of Trustee Blair, Trustee Nevius and Trustee Kouruklis to the ad hoc Election Committee to serve as provided in the proposed Election Rules for the 2021 Election.

Vote Result: MOTION ADOPTED BY VOICE VOTE

c. Consideration and Approval of Retained Attorney

The Executive Director stated that Matthew Welch, the attorney who had been retained to perform services related to the 2020 Election, was available to perform similar services for the 2021 Election. A proposed engagement letter for Mr. Welch had been prepared for the Board's review to serve as the Retained Attorney in accordance with the Fund's Election Rules. The Retained Attorney would receive compensation at an hourly rate of \$200 to be billed monthly and the cumulative compensation would not exceed \$10,000 without a written agreement.

It was moved by Trustee Hughes and seconded by Trustee McFadden that the Board authorize the Fund to retain Matthew Welch an attorney at Montana & Welch, LLC, to provide services regarding the 2021 election as provided in the proposed Election Rules at an hourly rate of \$200, which compensation shall not exceed \$10,000. It was further moved that the Executive Director be authorized to take all action reasonably necessary to effectuate the foregoing including the execution and delivery of the presented Letter Agreement, approved as to form by fiduciary counsel, on behalf of the Fund.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla,  
O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

d. Review and Consideration of Election Vendor

The Executive Director stated that the Fund needed to replace its election consultant because the incumbent vendor gave notice that he would no longer provide the services required. She had contacted other Illinois pensions and professional contacts to identify possible replacement vendors. After potential vendors were identified, the Fund had asked them to submit proposals for the services that could be provided for the Fund's 2021 Election. A summary of the vendors' proposals had been prepared for the Board's consideration.

The Executive Director noted that the retrieval of mailed-in ballots was an important function of the Election Vendor and there were differences among the vendors about how this function would be performed. Some of the vendors were not local, but would retain subcontractors to collect the ballots from a post box located at a Chicago postal facility. Another vendor would provide a post box outside the State of Illinois and then transport the ballots to Chicago. Another important consideration was the equipment used to count the ballots. Only one vendor proposed using a State-certified tabulator to count the ballots. The other vendors would use scanning devices that were not State-certified equipment.

The trustees discussed the various proposals submitted by the vendors and the reasons for the differences in the presented pricing. They also reviewed the expenses incurred in prior elections with the current proposals. It was noted that the postage expense was paid directly by the Fund and not by the vendor. The Fund staff stated that The Hensley Company had been responsible for the collection of ballots in prior elections, had worked with the previous election vendor and was the recommended vendor.

It was moved by Trustee Blair and seconded by Trustee Nevius that the Board authorize the Fund to retain The Hensley Company to provide services regarding the 2021 Election as stated in the proposed Election Rules at a fee not to exceed \$68,150. It was further moved that the Executive Director be authorized to take all action reasonably necessary to effectuate the foregoing including the execution and delivery of any written agreement, which is to be approved as to form by fiduciary counsel, on behalf of the Fund.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

e. Review and Consideration of Election Rules

The Executive Director stated that proposed Election Rules for the Cook County Employee Member Trustee and the Forest Preserve District Employee Member Trustee in 2021 and Election Rules for the Cook County Annuitant Member Trustee in 2021 had been prepared for the Board's consideration. If any changes were needed, the revised rules could be prepared for approval at the Board's meeting on August 5, 2021. She also noted that fiduciary counsel had reviewed the proposed Election Rules and that her comments had been incorporated.

It was moved by Trustee O'Rourke and seconded by Trustee Hughes that the Board adopt the presented 'Cook County Employee Member Trustee and Forest Preserve District Employee Member Trustee Election Rules for 2021 and the

‘Cook County Annuitant Member Election Rules for 2021.

Vote Result: MOTION ADOPTED BY VOICE VOTE

4. Legislative Matters

a. Legislative Initiatives

The Executive Director reported that the Fund staff and fiduciary counsel had reviewed the County’s proposed legislation for possible revisions. The status of the review had been discussed with two trustees. The Fund wanted to be prepared for any further discussions regarding legislation that might be proposed. She noted that the veto session for the General Assembly was scheduled to begin on October 19, 2021.

b. Update from Legislative Liaison

The Executive Director stated that the Fund’s Legislative Liaison, John McCabe & Associates, had provided a memorandum for the Board regarding legislative matters. It was noted that the Fund’s legislation regarding actuarial based funding had been introduced as HB 4100. The memorandum also referenced SB 460 which would require that any procurement of professional services be conducted in accordance with the Illinois Procurement Act. It was also noted that the omnibus ethics reform legislation would require certain consultants who assist with lobbying to register as lobbyists.

5. Investment Matters – Update on Pending Transactions

The Executive Director provided an update on investment matters that had been previously approved by the Board. She stated that the Board had approved follow-on investments to PGIM Real Estate in the amount of \$40M for the County Fund and \$3M for the Forest Fund. The disclosures required by the Illinois Pension Code from PGIM have been submitted for the Board’s review. In addition, the Board approved a commitment of \$20M in 2021 by the County Fund in the Mesirow Financial Private Equity Fund, Pool 7. Callan has now recommended that the 2021 commitment be activated. Mesirow has provided the required disclosures for the Board’s review.

The Executive Director stated that the Fund received submissions from nine firms in response to the RFP for an emerging manager in private real estate. The finalists are expected to present at the Investment Committee meeting on August 24, 2021. She reminded the trustees that the quiet period for the RFP continues.

6. Administrative Matters

a. Review and Consideration of Engagement of Cavanaugh MacDonald for Actuarial Experience Study 2017-2020

The Executive Director stated that it has been the Fund's practice to engage an actuary to prepare an actuarial experience study every four years. She reviewed the time sequence for previous actuarial experience studies and noted that the most recent study was conducted using data from 2013-2016. Cavanaugh MacDonald is currently engaged as the Fund's actuary and, in response to the RFP conducted in 2018, stated that it would perform an actuarial experience study for the amount of \$37,500. The Executive Director confirmed with the actuary that the study could be prepared for the stated fee and would be completed for the Board's meeting in January, 2022.

The trustees discussed the importance of conducting an actuarial experience study. It was noted that following the most recent experience study, the Board changed some demographic assumptions and lowered the discount rate. While the demographics for 2020 might be skewed due to the pandemic, the actuary will be able to correct for any anomalies.

It was moved by Trustee Goode and seconded by Trustee Kouruklis that the Fund be authorized to retain Cavanaugh MacDonald Consulting, LLC to perform the actuarial experience study for the years from 2017-2020 as presented at a cost not to exceed \$37,500. It was further moved that the Executive Director be authorized to take all action reasonably necessary to effectuate the foregoing including the execution and delivery of any related written agreement, approved as to form by fiduciary counsel, on behalf of the Fund.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, Nevius, Ochalla,  
O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Update on Actuarial Services 2021

The Executive Director stated that the current actuary, Cavanaugh MacDonald, had been the successful candidate when the Fund issued an RFP for actuarial services in 2018. The current contract with Cavanaugh MacDonald expires on December 31, 2021, but provides that it can be extended for an additional twelve months. The Executive Director had received confirmation from Cavanaugh MacDonald that it was willing to extend the engagement based upon the same fee structure provided in the current contract. It was recommended that Cavanaugh MacDonald be engaged to prepared the valuation for 2021 and that the proposed terms for such extension be presented to the Board at the next meeting. It was noted that the Board might consider an RFP for actuarial services to be issued in 2022.



c. Review and Consideration of 2021 Education and Travel Pre-Approval

A list of possible educational events for the trustees and staff had been included as part of the 2021 Budget process, but the specific list had not been approved by the Board. The Executive Director stated that the list of those educational events remaining in 2021 was prepared for the Board's approval.

It was moved by Trustee Goode and seconded by Trustee Nevius, consistent with the recommendations of the Fund staff and Fund counsel, that the expenses, including any associated travel expenses incurred by any Trustee or Fund staff in attending any of the indicated educational conferences be approved provided that the reimbursement shall be in and for amounts that are consistent with the Fund's Travel Expense and Reimbursement Policy.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, Nevius, Ochalla,  
O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

d. Executive Director's Report

The Executive Director reported that all staff had been advised that they would return to work at the Fund's offices beginning on July 12, 2021. She stated that some staff would be reassigned to vacant offices to maintain the employees' safety. Flexible start times would still be allowed to accommodate transit issues. In-person counseling sessions were planned to resume on August 16, 2021. All such sessions would require an appointment and no walk-in visits will be allowed. The appointments will be conducted in the small conference room which would be equipped with safety shields. The members and counselors will be required to wear face masks.

The audits were completed and the financial statements were issued for the County Fund and the Forest Fund on June 11<sup>th</sup> and June 14<sup>th</sup>, respectively. The required reports from the auditors to the Board have also been finalized and included with the Board materials. The bound actuarial valuations have also been delivered and are available for the trustees.

All documents that were required to be submitted pursuant to the current Intergovernmental Agreement with the County were sent electronically on June 14, 2021.

Each trustee would have received about 4 hours of the required ethics training if the trustee was in attendance during presentations made at the indicated Board and Committee meetings. Additional training will be provided at the Investment

Committee meeting on August 24, 2021. Fiduciary counsel is preparing the written materials to be used for sexual harassment and cybersecurity training.

A Health Benefits Committee meeting is scheduled for July 29, 2021, at 9:30 am. The primary purpose of the meeting is to set rates for 2022. The Emerging Manager Investment Committee meeting, originally scheduled for August 24<sup>th</sup>, has been rescheduled to August 5, 2021, at 8:30 am, immediately prior to the regular Board meeting scheduled to begin at 9:30 am on that day. The EMIC will discuss the pending Real Estate Equity/Debt RFP and an upcoming Manager of Emerging Manager, RFP.

7. Old Business/New Business

Fiduciary counsel noted that she had an update on a litigation matter previously addressed by the Board and that an Executive Session might be convened.

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

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, Nevius, Ochalla,  
O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

8. Adjournment

It was moved by Trustee Goode and seconded by Trustee Blair that the meeting be adjourned.

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting was scheduled for August 5, 2021