

**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, Suite 1925
Chicago, IL 60602**

August 5, 2021 - 9:30 A.M.

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, and James O'Rourke

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

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Derek Blaida, John McCabe & Associates; Craig Goesel, Alliant Insurance Services, Inc.; Jake Jemmi, Alliant Insurance Services, Inc.,

There was no member of the public present who asked to address the Board.

1. Review and Consideration of:
 - a. July 1, 2021, Board Meeting Minutes
 - b. June 3, 2021, Transcript of Board Minutes

Trustee Wilson, President, asked for a single motion to approve the minutes from the Board meeting on July 1, 2021 and the transcript from the Board Meeting on June 3, 2021. It was moved by Trustee McFadden and seconded by Trustee Blair that the Board approve the minutes from the Board meeting on July 1, 2021, and to accept and file the transcript from the Board meeting on June 3, 2021.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, 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 July, 2021, and to approve the presented bills for expenses incurred in July, 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 Goode that the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in July, 2021, be ratified and that the Board approve the recommendations from Fund staff to remit payments for expenses incurred in July, 2021.

Roll Call Vote:

AYES: Blair, Hughes, Goode, Kouruklis, McFadden, Nevius, Ochalla,
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 Goode and seconded by Trustee Blair 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,
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 Blair 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,
Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Health Benefits Matters:

- a. Review and Consideration of July 29, 2021, Health Benefits Committee Recommendations regarding:

Regina Tuczak, Executive Director, stated that the Health Benefits Committee ("HBC") met on July 29, 2021, and considered the cost-share amounts for the participating annuitants and resulting rates that would be recommended for 2022. The HBC recommended that the rates be based upon a cost share ratio of 56% paid by the annuitant and 44% paid by the Fund for all plans and that the rates calculated by Segal based upon this ratio be effective as of January 1, 2022. The rates based upon this cost share amount had been calculated by Segal and were included in the Board materials. She reported that the HBC also recommended that an identified Generic Drug be included within the pharmacy benefits. In addition, the HBC recommended that the Fund provide a \$65 reduction in the monthly rates for those members who are required to purchase Medicare Part A in order to be able to participate in the healthcare plan. The Health Benefits Guide for 2021 had been presented to the HBC and it was recommended that document be approved and posted on the Fund's website.

The trustees discussed the proposed cost share ratio, the resulting rates and the expense of healthcare benefits to the Fund. They also discussed that requiring members to purchase Medicare Part A, when it was not otherwise available to them, provided significant cost benefits to the Fund.

i. Health Plan Rates for 2022

It was moved by Trustee McFadden and seconded by Trustee Hughes that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on July 29, 2021, that the annuitant and survivor rates for the CCPF Health Plan as prepared by Segal Company be approved effective from January 1, 2022 through December 31, 2022.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

- ii. Plan Design Change for 2022
- iii. Medicare Premium for those ineligible for free Medicare Part A
- iv. Health Benefits Guide 2021

It was moved that the Board by consent agenda adopt the recommendations made by the Health Benefits Committee at their meeting on July 29, 2021, to approve: the inclusion of the identified Generic Drug within the pharmaceutical benefits provided by the health care plan; a monthly premium reduction of \$65 from the Medicare Choice Plan and Choice Plus Plan rates for those participants in the health care plan that are required to purchase Medicare Part A; the presented 2021 Health Benefits Guide and to authorize its posting to the Fund's website and its distribution to members as might be requested.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

Trustee O'Rourke asked for permission to join the meeting by a telephone conference call. It was moved by Trustee Hughes and seconded by Trustee Goode pursuant to Section 7 of the Open Meetings Act that Trustee O'Rourke be allowed to participate in the meeting by telephone conference.

After joining the Board meeting, Trustee O'Rourke requested that the record reflect that he had voted 'Aye' on the matters considered under Item 3a on the agenda,

- b. Report of July 29, 2021, Health Benefits Committee meeting

The Chair of the Health Benefits Committee stated that the matters addressed at the meeting on July 29, 2021, had been presented and did not require further discussion. He thanked the trustees for their diligence in addressing the health benefits matters.

4. Trustee Matters

- a. Review and Consideration of Fiduciary Liability Insurance Renewal

The Executive Director stated that the Fund's fiduciary liability insurance policy will expire on September 30, 2021. In a prior year, the Fund had joined a coalition with

other local funds to secure this coverage which required that the expiration date for the Fund's policy be aligned with those of the local funds. She stated that representatives from Alliant Insurance Services ("AIS") were available to present their recommendations about renewing the policy.

Craig Goesel of AIS stated that the fiduciary insurance covers the Fund's trustees and staff. The current policy provides for coverage of \$10M under a primary policy and \$5M under an excess policy. He added that the premiums for fiduciary coverage are increasing in the marketplace, but that if the renewal policy included an endorsement for a retention or deductible requirement, the premium could be reduced.

Mr. Goesel stated that AIS had approached all the carriers that provided this type of insurance and asked for proposals for the renewal policy, but that only the current carriers had submitted proposals. AIS recommended that the Fund accept the proposal from Markel American Insurance Co. (ULLICO) as the primary carrier with policy limits of \$10M and by Hudson Insurance Co. (Euclid) as the provider of the excess coverage in the amount of \$5M. The coverage includes claims for employment practices and a retention of \$100,000 for each claim made. The annual premium would be \$119,211.00. The proposals did not change the coverage offered, but would include an endorsement for a retention/deductible per claim in the amount of \$100,000 per claim.

The trustees asked if the funding ratio affected the proposals and premiums offered for fiduciary insurance. Mr. Goesel stated a lower funding ratio generally reduces the number of carriers who are willing to provide quotes and tends to increase the amount of the premium for the coverage. He stated that the deductible would be paid by the Fund and not personally by the trustees. Fiduciary counsel asked how the obligation to pay the deductible would be reflected in the policy. Mr. Goesel stated that the applicable endorsement would show those terms. Fiduciary counsel asked to see the proposed language for the retention/deductible endorsement. The trustees discussed how the inclusion of a deductible per claim would impact the Fund's costs.

It was moved by Trustee McFadden and seconded by Trustee Hughes that the Board approve a renewal of the fiduciary liability insurance policy for a term from September 30, 2021, to September 30, 2022, as presented, at a premium not to exceed the total amount of \$126,666 for both the \$10M primary policy offered by Markel/ULLICO and the \$5M excess policy offered by Hudson/Euclid, that would include a retention/deductible amount of \$10,000 per claim and that the Board's acceptance of the proposal was contingent upon fiduciary counsel's approval of the endorsement for the retention/deductible terms. It was further moved that Fund staff should take all action reasonably necessary to effectuate the foregoing including the execution and delivery of any related written agreement on behalf of the Fund by the Executive Director.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

- b. Distribution of Cyber Training Materials for Trustees
- c. Distribution of Sexual Harassment Training Materials for Trustees

The Executive Director distributed training materials for cyber security and sexual harassment that had been prepared by fiduciary counsel consistent with the training requirements applicable to the Board under Illinois law. She said that each trustee should submit the form at the end of the materials to the Fund once the training had been completed. The trustees would receive an hour of training credit for each set of the training materials that they had completed. If the trustees received such training in the course of their employment, that training would satisfy the requirement that such training be completed in their capacity as a trustee.

- 5. Finance Matters – Presentation of GASB Reporting for Pension and Postemployment Healthcare Amounts

The Executive Director reported that the GASB reports for pension amounts and postemployment benefits other than pensions had been completed by RSM US LLP. The final reports were available for the trustees.

It was moved by Trustee McFadden and seconded by Trustee Nevius that the presented 2020 Schedule of Pension Amounts and the 2020 Schedule of Postemployment Healthcare Amounts for the County Fund as presented by RSM US LLP be received and filed.

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee McFadden and seconded by Trustee Nevius that the presented 2020 Schedule of Pension Amounts and the 2020 Schedule of Postemployment Healthcare Amounts for the Forest Preserve District Fund as presented by RSM US LLP be received and filed.

Vote Result: MOTION ADOPTED BY VOICE VOTE

- 6. Administrative Matters – Executive Director Report

The Executive Director stated that the August 1st annuity payments and the July 31st disability payments that are sent by mail were delivered to the Post Office without

affixing the required postage. A total of 984 checks were sent. Because it was uncertain how many of the checks would be delivered without postage, all the checks were reissued and remailed by the close of business on August 2, 2021. As of today's date, about half of the checks had been either presented for payment or returned to the Fund due to lack of postage. Members whose checks had cleared were notified that they would receive a second check that will not be honored. Because of the Fund's positive-pay system with BNY/Mellon, the duplicate checks will not be honored if presented for payment.

The Fund staff has been working with fiduciary counsel on modifications to the County's proposed legislation and hopes to meet with the trustees individually when all modifications were complete. After doing so, the Fund intends to discuss the County's proposed legislation with labor representatives. The trustees noted that the Fund's proposed legislation should still be advanced.

It was reported that all Fund staff returned to work in the office as of July 12, 2021. Flexible start times were still permitted to accommodate transportation needs. In-person counseling appointments were expected to resume on August 16. Procedures have been implemented to ensure the safety of employees and members during the counseling sessions.

As part of the Fund's signature verification process, letters have been sent to all Forest Preserve annuitants and County annuitants over the age of 70, which represents about 12,500 members. Approximately 4,750 of the forms have been returned. Those who have not responded to the requests that were sent in June, will soon be sent second requests.

An Investment Committee meeting has been scheduled for August 24, 2021 at 9:30 am. Finalists for the Emerging Manager Private Real Estate Request for Proposal will be interviewed and the 2nd quarter investment results will be reviewed.

A PensionNotes newsletter will be sent to the annuitants by August 11th and to the active members the following week. The newsletter will include information on the Fund's financials for 2020 and will provide notice of the election.

7. Legal Matters

It was moved by Trustee McFadden and seconded by Trustee Goode pursuant to Section 2(c)(1), (7) and (11) of the Open Meetings Act, 5 ILCS 120/2(c)(1),(7),(11), that the Board convene an Executive Session to discuss personnel, investment contracts and litigation matters.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

Following the return to open session, the following motions were made.

a. Appellate Court Matter No. 20 CH 288

It was moved by Trustee McFadden and seconded by Trustee Hughes that the Board approve the filing of a Petition for Leave to Appeal from the decision of the Appellate Court in *O'Connell v. The Board of Trustees, et al.*, No. 1-20-1031, and that the firm of Burke Burns & Pinelli, Ltd. be authorized to provide the legal representation to the Fund as might be necessary for the proceeding.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Legal Update on Other Matters

No motion was required or made on this item.

c. Consideration and Possible Adoption of Proposed Findings of Fact in Office #180709

It was moved by Trustee Goode and seconded by Trustee Hughes that the Board adopt the presented Findings of Fact, Conclusions of Law and Decision regarding the application for ordinary disability benefits made by the Member identified by Office Number 180709 and 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: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla,
O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

d. Consideration and Possible Adoption of Proposed Findings of Fact in Office #161440

It was moved by Trustee Goode and seconded by Trustee Hughes that the Board adopt the presented Findings of Fact, Conclusions of Law and Decision regarding the application for duty disability benefits made by the Member identified by Office Number 161440 and 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: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla,
O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

- e. Consideration and Possible Adoption of Proposed Findings of Fact in Office #180124
It was moved by Trustee Goode and seconded by Trustee Hughes that the Board adopt the presented Findings of Fact, Conclusions of Law and Decision regarding the application for duty disability benefits made by the Member identified by Office Number 180124 and 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: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla,
O'Rourke, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

- 8. Old Business/New Business
The trustees discussed that the evaluation of the Executive Director would be conducted in due course.

- 9. 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 September 2, 2021