



**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 September 6, 2018 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, Jack Fitzgerald, Diahann Goode, Bill Kouruklis (entered during Item 2a; departed during Item 3a; reentered during Item 4a), Patrick McFadden, Joseph Nevius, Kevin Ochalla (entered during Item 3a), Lawrence Wilson

**Staff Present:** Dennis White, Interim Executive Director, Nickol R. Hackett, CIO; Margaret Fahrenbach, Legal Advisor, Brent Lewandowski, Director, Member Services; Gary LeDonne, Director, Benefits Administration; Michael Maratea, Director of Finance and Administration; Beverly Romanini, Director, Administrative Services; Jane Hawes, Director, Health Benefits; Saron Tegegne, Comptroller

**Others Present:** Mary Pat Burns, Burke Burns & Pinelli; Marie Spicuzza, Cook County State's Attorney

**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.

**Review and Consideration of:**

- a. August 2, 2018 Board Meeting Minutes

It was moved by Trustee Nevius and seconded by Trustee DeGraff that the minutes of the August 2, 2018, Board meeting be adopted.

Vote Result:        MOTION ADOPTED BY VOICE VOTE

2. Review and Consideration of:

a. Bills, Payroll Records

The trustees raised some questions to Fund staff about payments made to the Department of Insurance, Comcast, certain investment managers and other payees. It was moved by Trustee Goode and seconded by Trustee DeGraff having received confirmation from Fund staff that such payments were consistent with the approved administrative budget, that the action taken by the Fund's staff in remitting payments for the presented bills and payroll records, be ratified.

Roll Call Vote:

AYES:                DeGraff, Fitzgerald, Goode, Kouruklis, McFadden (except voted "Nay" on Office Team), Nevius, Wilson

NAYS:                None, other than as noted above

Vote Result:        MOTION ADOPTED

b. Annuities, Spouse and Child Annuities and Refunds

The Fund's staff presented their recommendations to the Board regarding the applications for 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 then moved by Trustee Nevius and seconded by Trustee DeGraff after due consideration of the applications presented to the Board and having received confirmation from the 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:                DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Wilson

NAYS:                None

Vote Result:        MOTION ADOPTED

c. Ordinary and Duty Disabilities

The Fund's 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 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: DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

Following the preceding vote, Fund staff was asked to provide the Board minutes from any earlier meetings relating to Comcast expenditures and to provide the contract between the Fund and Office Team.

### 3. Administration Report

#### a. Interim Executive Director Report

Dennis White, Interim Executive Director, complimented the Fund's staff for their cooperation during the current transition period. Mr. White stated that as the Interim Executive Director he had become better advised about the Fund's procedures for reviewing and processing invoices based upon procedures adopted by prior Boards. He added that the budget process is underway and will provide more detail than in earlier years. Mr. White noted that the EMIC presentation for the Illinois State Senate would be due on September 17, 2018 and that the hearing will be scheduled in October. He also reported that the PAS finalists had made presentations of their products to Fund staff and that on-site visits would be conducted to view implementations of the systems the finalists had installed for other clients.

The trustees discussed the need to develop more specific procurement procedures than the practices currently followed by the Fund. Legislative Committee's meetings to discuss such procedures had not convened due to quorum issues. The trustees discussed that the procedures for procurement should be developed by Fund staff for the Legislative Committee's review and requested that fiduciary counsel provide any samples that might be instructive. Fund staff was also asked to provide a spreadsheet of all existing contracts for the next Board meeting.

#### 4. Benefit Matters

##### a. Eligibility for Spousal Refunds

Brent Lewandowski, Director, Member Services, stated that the Fund needed direction regarding a member's eligibility for a refund of spouse contributions upon retirement. Specifically, a member had been using the last name of her children's father as her own, but denied that she ever married or had otherwise legally changed her name. She claimed that Social Security had allowed the change on her records without any supporting documentation. Upon retirement, she requested a refund of spouse contributions because she had never been married.

The trustees discussed whether affidavits from the father could be obtained stating that he had never married the member or whether an affidavit from the member would be sufficient. They also discussed whether other sources could be used such as ADP or the Illinois Department of Public Health to determine whether the member had been married.

It was moved by Trustee Fitzgerald and seconded by Trustee Goode that Board direct Fund staff to have the member identified by Office #144233 sign an affidavit that she was never married and return the matter back to the Board.

Vote Result:      MOTION ADOPTED BY VOICE VOTE

#### 5. Disability Update

The Director of Member Services stated that the County physician had declined to provide proof of disability applications as of August 4, 2018, and that the Fund had been given authority to retain a physician to provide such services until an agreement with Concentra had been finalized. He stated that there was no need to retain an interim physician because the agreement with Concentra to provide the required proof of disability was executed on August 23, 2018, and was implemented promptly. He added that the initial relationship with Concentra has been positive and that Fund staff would advise the Board in about six months about the status of the engagement.

#### 6. Review and Consideration of August 21, 2018 Health Benefits Committee Recommendations

##### a. Disabled Dependent Eligibility for Health Coverage

Jane Hawes, Director, Health Benefits, reported that the Health Benefits Committee had considered that need to revise eligibility rules for annuitants' disabled dependents that were age 25 or over due to discrepancies among the requirements for eligibility for disabled

dependents and other Health Plan members, particularly in regard to the need to enroll in Medicare, if eligible.

The trustees discussed the coverage provided for wards when an annuitant was appointed the legal guardian for a minor or a disabled adult and discussed what guidelines should be adopted for this group.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the matter regarding the guidelines to be adopted for disabled dependent adults be referred for further discussion to the Health Benefits Committee for possible recommendations to the Board.

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

Ms. Hawes also stated that the Health Benefits Committee had also approved, in principle, the rate structure for Health Benefits in 2019. She added that the final recommendations from Segal were delayed because of the pending negotiations with CVS regarding the pricing for the coalition group, but expected that the final rates would be presented for approval at the October Board meeting. .

7. Professional Services Procurement Update

a. PAS RFP Status Update and Travel Approval

Gary LeDonne, Director, Benefits Administration, reported that the two finalists for the pension administration system had presented demonstrations of their systems to the Fund staff. He stated that the Board had previously approved travel for two on-site visits by staff members to see the actual implementations of pension administration systems, but that one location had been changed since the approval.

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden that the Board ratify its earlier decision to approve site visits, notwithstanding a change in location, so long as the travel expenses were consistent with the costs previously approved.

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

b. Actuarial Services Status Update

Saron Teegne, Comptroller, reported that the Fund had received responses to its RFP for actuarial services from six candidates. She stated that the responses would be reviewed internally and that the Fund would notify the semi-finalists by September 24, 2018. The semi-finalists would make presentations to Fund staff in October and the final candidates would make presentations to the Board at their meeting on November 1, 2018.

c. Legislative Consultant Search Update

Margaret M. Fahrenbach, Legal Advisor, stated that the Fund had received two responses to its RFP for a Legislative Liaison Consultant, including a response from the incumbent consultant. The Board discussed the services that were required by the Legislative Liaison and that the current provider services were engaged through December 31, 2018.

It was moved by Trustee Fitzgerald and seconded by Trustee DeGraff that the responses received to the Fund's Legislative Liaison Consulting Services RFP be reviewed by Legislative Committee and that the Committee's recommendation be reported to the Board by October 4, 2018.

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

8. Review and Consideration of Election Rule Changes

Brent Lewandowski, Director of Member Services, reported that at the August Board meeting, the trustees had approved a change in the election rules to direct that all spoiled ballots be sequestered and reviewed by the Board if necessary. Since the Board meeting, the Fund's fiduciary counsel recommended that the Board consider the formation of an election committee consisting of three trustees to review the spoiled ballots. Alternative election rules were presented for the Board's consideration.

The trustees discussed the alternatives and the need for Board involvement in the election process. It was discussed that the spoiled ballots should be sequestered and reviewed by the Independent Election Administrator to determine whether such ballots could be counted if necessary.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the elections rules be modified to reflect the Board's discussion and deferred for approval to the Board meeting in October.

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

9. Legal Matters

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden pursuant to Sections 2(c)(1) and 2(c)(11) of the Open Meetings Act that the Board convene an Executive Session to discuss personnel and litigation matters.

Roll Call Vote:

AYES:                DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Wilson  
NAYS:                None

Vote Result:        MOTION ADOPTED

It was moved by Trustee Fitzgerald and seconded by Trustee Nevius that the Board adjourn the Executive Session convened pursuant to Sections 2(c)(1) and 2(c)(11) of the Open Meetings Act and return to open session.

Vote Result:        MOTION ADOPTED BY VOICE VOTE

a. CEAB vs. Jackson

It was moved by Trustee McFadden and seconded by Trustee Ochalla that Burke Burns & Pinelli, Ltd, appear as counsel for the Fund in the matter of CEAB v. Jackson and that such counsel request that the Circuit Court enter an order requiring the Retirement Board and Fund to make a final determination regarding the benefits to be paid to him, as presented.

Vote Result:        MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee McFadden and seconded by Trustee Ochalla that the Fund provide a list of the matters in which the Cook County State's Attorney's Office is providing legal representation for the Retirement Board and the Fund by the next Board meeting.

Vote Result:        MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee Ochalla and seconded by Trustee McFadden that Burke Burns & Pinelli, Ltd., prepare a letter on behalf of the Retirement Board to the Cook County State's Attorney and the Attorney Registration and Disciplinary Committee regarding the representation of the Fund in the matter of CEAB v. Jackson.

Vote Result:        MOTION ADOPTED BY VOICE VOTE

The Legal Advisor confirmed for the Board that it had previously directed that no matters were to be referred to the Cook County State's Attorney without prior Board approval.

10. Consideration and Possible Action Regarding 3-Points, LLC Resolution

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the Fund accept the settlement proposal as recommended and presented by fiduciary counsel, with the additional provision that should the Fund retain 3Points for services within twelve months of the date of the Settlement Agreement, that 3Points agree to give the Fund credit for such additional services in the amount of the settlement payment.

Roll Call Vote:

AYES:                DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Ochalla

NAYS:                None

## 11. Discussion and Possible Action Regarding Personnel Matters

### a. Executive Director Search

It was moved by Trustee McFadden and seconded by Trustee Good that Burke Burns & Pinelli, Ltd. notify those three persons who asked on or in close proximity to August 24, 2018 for leave to file a response to the Executive Director RFP after the stated deadline for submission, that they had been given leave by the Retirement Board to submit a response by Monday, September 10, 2018, at 5:00 pm.

### b. Update Regarding Legal Matters

## 12. Old Business/New Business

It was moved by Trustee McFadden and seconded by Trustee Ochalla that the Interim Executive Director provide each trustee with an email address utilizing the Fund's domain name: "@countypension.com", and that such addresses be included on the Fund's website.

Vote Result:      MOTION ADOPTED BY VOICE VOTE

## 13. Adjournment

There being no further business before the Board, it was duly moved by Trustee McFadden and seconded by Trustee Kouruklis that the meeting be adjourned.

Vote Result:      MOTION ADOPTED BY VOICE VOTE

The next Board meeting is scheduled for October 4, 2018, at 9:30 a.m.