



**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 November 7, 2019, 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 (entered during Item 2a), Bill Kouruklis (entered during Item 4a), Patrick McFadden, Joseph Nevius, Lawrence Wilson

Staff Present: Regina Tuczak, Executive Director, Margaret Fahrenbach, Legal Advisor; Brent Lewandowski, Director, Member Services; Michael Maratea, Director, Finance and Administration; Beverly Romanini, Director, Administrative Services; Jane Hawes, Director, Health Benefits; Saron Teegne, Comptroller

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd.; John Blair, Cook County Employee; James O'Rourke, Cook County Annuitant; Jennifer Bamberg, City Bureau; Donald Angelini, Attorney; Edward Nelson, Cook County Office of the CFO

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.

1. Review and Consideration of:

- a. October 3, 2019, Board Meeting Minutes

It was moved by Trustee Nevius and seconded by Trustee DeGraff that the presented minutes of the Board meeting on October 3, 2019, be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

2. Review and Consideration of:

a. Bills, Payroll Records

It was moved by Trustee Fitzgerald and seconded by Trustee Nevius, that the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in October, 2019, the Board having received confirmation from Fund staff that the payments were consistent with the approved 2019 administrative budget, that the payments be ratified.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee DeGraff and seconded by Trustee Nevius, having received confirmation from Fund staff that the presented bills for operating expenses incurred in October, 2019, were consistent with the 2019 administrative budget, that the Board approve the recommendations from Fund staff to remit payments for such presented bills.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, McFadden, Nevius, Wilson

NAYS: None

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 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 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: DeGraff, Fitzgerald, Goode, 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 McFadden and seconded by Trustee DeGraff 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, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Matters

Regina Tuczak, Executive Director, reported that several employees of the Forest Preserve District had expressed their respective interests in being appointed to fill the vacancy on the Board as a member for the Forest Preserve District employees. She stated that the submissions received from the interested parties had been provided to the trustees for their consideration.

It was moved by Trustee Nevius and seconded by Trustee Fitzgerald that the Board convene an Executive Session pursuant to Section 2(c)(3) and Section 2(c)(11) of the Open Meetings Act, 5 ILCS 120/2(c)(3) to discuss the selection of a person to fill the vacancy of the Forest Preserve District Employee Member of the Board as directed by Section 9-187 of the Illinois Pension Code and to discuss litigation matters.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden that the Board adjourn the Executive Session pursuant to Section 2(c)(3) of the Open Meetings Act and return to open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

a. Review of Submission for Forest Preserve Trustee Vacancy

It was moved by Trustee DeGraff and seconded by Trustee Goode that the Executive Director contact the person(s) identified during the Executive Session and invite them to appear before the Board at a Special Meeting to be convened on November 14, 2019, for purposes of the selection of a person to

fill the vacancy of the Forest Preserve District Employee Member of the Board pursuant to Section 9-187 of the Illinois Pension Code.

Vote Result: MOTION ADOPTED BY VOICE VOTE

4. Election Matters – Proclamation of Election and Declaration of the Winner of the Cook County Member Election held on October 30, 2019

The Executive Director reported that an election had been held on October 30, 2019, to elect a person to serve as a County Employee Member Trustee. She stated that the Fund had received the Final Report from the Independent Election Administrator (“IEA”) which described the election process and reported that Mr. John Blair had prevailed in the election. The IEA’s Final Report had been submitted for the Board’s consideration. The IEA had also prepared a Proclamation for the trustees’ consideration declaring that Mr. John Blair the winner of the election.

It was moved by Trustee McFadden and seconded by Trustee Goode that the “Final Report of the Independent Election Administrator dated November 5, 2019, Concerning The Results of the Election that was held on October 30, 2019 for the Cook County Employee Member Trustee Position of the Cook County Pension Fund” be accepted as a true and accurate report and that, consistent therewith, that Mr. John Blair was elected as the Cook County Employee Member.

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee McFadden and seconded by Trustee Goode that the “Proclamation of Election and Declaration of the Winner of the Cook County Employee Member Election held on October 30, 2019”, be accepted and, consistent therewith, that Mr. John Blair be declared the winner of that election and that he be administered and execute the Oath of Office. It is further moved that the Fund staff take all action necessary to file a copy of the Oath of Office with the Cook County Clerk as required by Section 9-186 of the Illinois Pension Code.

Vote Result: MOTION ADOPTED BY VOICE VOTE

5. Legislative Matters – Update Regarding Communication with County Regarding Draft Legislation

The Executive Director reported that the County representatives had asked if representatives from the Board and the Fund could meet during the week of November 25, 2019, to discuss how to proceed on the County’s proposed legislation and that she had prepared a draft response for the County. She reported that the Fund had drafted a similar letter as directed by the Board at the meeting on November 7, 2019, but it had not been delivered because the County had notified the Fund that because of budget briefings they were unable to schedule meetings with the Fund.

It was moved by Trustee Goode and seconded by Trustee McFadden that the Board approve the presented communication regarding the Board’s request to schedule meetings for discussions of the County’s proposed legislation and for copies of the actuarial analyses used by the employer to prepare the proposed legislation. It

is further moved that the Executive Director be authorized to deliver the communication to the identified recipients as soon as might be practicable.

Vote Result: MOTION ADOPTED BY VOICE VOTE

6. Benefit Matters – Felony Conviction Matter, Office #129466

The Board was advised that a Memorandum had been filed on behalf of the Member identified by Office #129466 asserting that her annuity benefits were not subject to termination under Section 9-235 of the Illinois Pension Code due to a felony conviction. The Fund had requested leave to file a response.

It was moved by Trustee McFadden and seconded by Trustee Nevius that the Board accept the Member's Memorandum, filed by her attorney, regarding whether her annuity benefits should be terminated pursuant to Section 9-235 of the Illinois Pension Code and allow the Fund, through fiduciary counsel, to respond by December 2, 2019. It was further moved that the Board, having taken notice of the sentencing hearing scheduled for the Member on November 19, 2019, that the Member's annuity benefits be suspended effective with the payment due on December 1, 2019, until the Board makes a final determination about whether the Member's annuity benefits should be revoked pursuant to Section 9-235 of the Illinois Pension Code.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

7. Review and Consideration of October 24, 2019, Health Benefits Committee Recommendations

a. Transform Diabetes Care Program April 1, 2020 for Choice and Choice Plus Members

The Board was advised of some recommendations that had been made by the Health Benefits Committee. It was then moved by Trustee McFadden and seconded by Trustee Goode that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on October 24, 2019, that the CVS Transform Diabetes Care Program with Livongo be approved for the Choice plan and the Choice Plus plan effective April 1, 2020, as presented.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Utilization of Remaining 2019 and Full 2020 Wellness Budget and CVS Administrative Credits to Diabetes Care Program Fees

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on October 24, 2019, that

the balance remaining in the UHC wellness allocation for 2019, the total UHC wellness allocation for 2020 and the total CVS administrative credits for 2020 be utilized to pay for participation in the CVS Transform Diabetes Care Program with Livongo from April 1, 2020 through December 31, 2020.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

c. Availability of Modified SPDs

The Executive Director reported that a Summary Plan Description (“SPD”) had been prepared regarding the health benefits available for retirees. It will be posted on BoardEffect and then on the Fund’s website. Trustee Fitzgerald, the Chair for the Health Benefits Committee, stated that he had reviewed the SPD and found that most of it contained boilerplate provisions. He requested that Fund staff review the SPD to verify that the benefits were correctly stated. Jane Hawes, Director of Health Benefits, stated that she had reviewed the SPD and found that the benefits were accurately described. The Board then directed that the staff post the SPD on the Fund’s website. .

8. Review and Consideration of October 24, 2019, Investment Committee Recommendations

a. Real Estate Follow-On Investment – LaSalle Income & Growth Fund VIII

The Executive Director reported that the Investment Committee had recommended at their meeting on October 24, 2019, that the Board approve a follow-on investment of \$30M as presented by LaSalle Investment Management, Inc. into the LaSalle Income and Growth Fund VIII.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board, having received the Disclosure Schedule Certification required by Section 1-113 of the Illinois Pension Code from the Investment Manager, adopt the recommendation made by the Investment Committee at their meeting on October 24, 2019, to approve a \$30M follow-on investment by the County Fund in the LaSalle Income and Growth Fund VIII, including the execution and delivery of any related written documents by the Executive Director on behalf of the County Fund.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Investment Manager Fee Agreements

The Executive Director stated that the Investment Committee had considered additional recommendations about renegotiating fees from certain identified investment managers pursuant to a

study prepared by Callan Associates. They also discussed how a declining funding status might impact continued investment into private equities.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board adopt the recommendation made by the Investment Committee at their meeting on October 24, 2019, that the proposal to reduce the investment manager fees due to Russell Investments be accepted as presented, and it is further moved that Fund staff shall 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: DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board adopt the recommendation made by the Investment Committee at their meeting on October 24, 2019, that the proposal to reduce the investment manager fees due to JP Morgan EAFE & JP Morgan SPF be accepted as presented, and it is further moved that Fund staff shall 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: DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board adopt the recommendation made by the Investment Committee at their meeting on October 24, 2019, that the proposal to reduce the investment manager fees due to Franklin Templeton be accepted as presented, and it is further moved that Fund staff shall 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: DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

9. Administrative Matters

- a. Approval of Referral of Matter Pursuant to 40 ILCS §5/1-135

The Executive Director reported that BNY/Mellon had been presented with five checks in October, 2019, that were presented for payment from the Fund's account that appear fraudulent. The checks were not honored because of security controls in place. The checks showed that the Retirement Board was the payer and included the Fund's correct account number. The payee and the payee's address were the same on all the checks. The trustees discussed the characteristics of the attempted transactions and whether fraudulent activity had possibly occurred.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board find that there is a reasonable suspicion that false statements or falsified records were made relating to certain checks presented for payment from the Fund's account at BNY/Mellon and that in accordance with Section 1-135 of the Illinois Pension Code, 40 ILCS 5/1-135 that the incidents be reported to the Cook County State's Attorney by the Executive Director.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

b. Suspension of Out-of-State Annuitant Benefits Pending Further Notification

The Executive Director reported on the status of the Fund's efforts to contact approximately 2,700 annuitants who live outside the State of Illinois and 40 annuitants who live outside the United States to verify their continued eligibility for benefits. She stated that the Fund staff had not received any return communication from 12 of these annuitants. It was recommended that the annuity benefits paid to these 12 members be suspended as of December 1, 2019.

It was moved by Trustee McFadden and seconded by Trustee DeGraff, due to the identified annuitants' failures to respond to communications from the Fund to verify their continued eligibility for benefits, that the Board approve the suspension of the annuity payments, excluding health benefits, due to such annuitants effective December 1, 2019. It was further moved that should any of these annuitants provide verification of their continued eligibility for annuity benefits, that such benefits be paid without requiring further approval from the Board.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

c. Executive Director Report

The Executive Director reported that the Fund had received an amendment to extend the current Reciprocal Data Exchange Agreement with the reciprocal funds to December 31, 2024. The Agreement formalized the reciprocal fund's responsibilities in sending, receiving and maintaining

confidential member information used for purposes of calculating benefits under the Retirement Systems Reciprocal Act, 40 ILCS 5/20. There would be no cost incurred for extending the Agreement.

It was reported that the Fund has engaged COTG to service and maintain all the Fund's copiers and printers, but the agreement had expired. The Fund had paid \$715.72 each month to support 29 printers under the agreement. The Executive Director proposed to extend the COTG agreement through December 31, 2019, to allow time to investigate the most efficient and cost effective solutions for the Fund regarding maintenance and service of its printers.

The Executive Director stated that Burke Burns & Pinelli, Ltd, had filed the Appellant's brief on behalf of the Fund before the Illinois Supreme Court in the Lori Levin litigation. Copies of the brief would be provided to any trustee upon request.

It was also reported that Bravetta Hassell, Senior Communications Specialist, had resigned from her position at the Fund to pursue other opportunities. An evaluation of the position would be conducted as part of the 2020 budget process.

10. Old Business/New Business

The Executive Director noted that Trustee Fitzgerald and Trustee DeGraff would be concluding their respective terms on the Board effective December 1, 2019. She extended her appreciation to both trustees for their dedication and service to the Fund. Trustee Fitzgerald's guidance would be particularly missed because of his tenure both as a Fund employee, including his experience as Executive Director, and his participation as a long-standing annuitant trustee.

11. Adjournment

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

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

The next Board meeting is scheduled for December 5, 2019, at 9:30 a.m.