



**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 January 10, 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, Diahann Goode, Bill Kouruklis (entered during Item 3a and left after Item 6a), Patrick McFadden, Joseph Nevius, Kevin Ochalla, Lawrence Wilson

Staff Present: Regina Tuczak, Executive Director, Brent Lewandowski, Director, Member Services; Margaret Fahrenbach, Legal Advisor; 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; Dan Levin, Segal Consulting

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. December 6, 2018, Board Meeting Minutes

It was moved by Trustee Ochalla and seconded by Trustee DeGraff that the presented minutes of the Board meeting on December 6, 2018, be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

2. Review and Consideration of:

a. Bills, Payroll Records

It was moved by Trustee McFadden and seconded by Trustee Goode that the action taken by the Fund's staff in remitting the indicated payments for the presented bills and payroll records in December, 2018, the Board having received confirmation from Fund staff that the payments made were consistent with the approved 2018 administrative budget, be ratified.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Goode, having received confirmation from Fund staff that the presented bills for expenses incurred in December, 2018, are consistent with the 2018 administrative budget, that the Board approve the recommendations from Fund staff to remit payment for such presented bills.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Goode, having received confirmation from Fund staff that the presented bills for expenses incurred in January, 2019, are consistent with the current administrative budget, that the Board approve the recommendations from Fund staff to remit payment for such presented bills.

Roll Call Vote:

AYES: DeGraff, Goode, McFadden, Nevius, Ochalla, 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 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 DeGraff and seconded by Trustee Goode 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, Goode, McFadden, Nevius, Ochalla, 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, Goode, McFadden, Nevius, Ochalla, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Matters

a. Review and Consideration of Proposed 2019 Committee Meeting Schedule

The trustees discussed the proposed Committee meeting schedule and considered the possibility of convening two separate committee meetings on the same day. While scheduling two meetings on the same day would be possible in some months, that type of scheduling could be difficult if a trustee were a member on both committees.

It was moved by Trustee Nevius and seconded by Trustee DeGraff that the Board approve the Proposed 2019 Committee Meeting Schedule.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Review and Consideration of Interim Executive Director Resolutions – D. White, B. Lewandowski

Executive Director Regina Tuzak presented the resolutions prepared by Fund staff that the Board requested in commendation of the service provided by Dennis White and Brent Lewandowski for their respective service as Interim Executive Directors during the recent transition period.

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board adopt the presented Resolution commending Dennis A. White for his service as an Interim Executive Director.

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board adopt the presented Resolution commending Brent Lewandowski for his service as an Interim Executive Director.

Vote Result: MOTION ADOPTED BY VOICE VOTE

4. Administrative Matters

a. Certification of 2018 Trustee Education

The Executive Director presented the Annual Certification of Trustee Training, pursuant to Public Act 096-0006, that was prepared for submission to the Illinois Department of Financial and Professional Regulation, and was based upon the Fund's records. The Annual Certification stated that all of the trustees had received the ethics, fiduciary duty and investment training required by the Illinois Pension Code in 2018.

It was moved by Trustee McFadden and seconded by Trustee Goode pursuant to Section 1-113.18 of the Illinois Pension Code and based upon the report establishing the hours of training that the trustees received as of December 31, 2018, that the Board approve the proposed Annual Certification of Trustee Training. It was further moved that the President of the Board be authorized to execute the same on behalf of the Board and that the Fund's staff should file the certification as required by the Illinois Pension Code.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Email Addresses for Trustees

The Executive Director stated that each of the trustees has been assigned an email address using the Fund's domain name and that the email addresses for each trustee will be included on the Fund's website. The trustees received instructions for implementing the new email addresses, which can be accessed from mobile devices. The Fund staff were requested to use the new email addresses when communicating with trustees. In order to remain in compliance with the Open Meetings Act, the trustees were advised not to communicate with each other through these emails or any other emails. Any emails the trustees received could be forwarded to Fund staff for any response that might be necessary.

c. Update on 33 North Dearborn True-up

Michael Maratea, Director of Finance and Administration, stated that the Fund staff had prepared and delivered a release for the Landlord at 33 N. Dearborn before remitting the payment for the Fund's share of the 2017 expenses and taxes ("True-Ups") due under the Lease. The Landlord would not agree to sign the release or otherwise provide written assurances to the Board that the invoice for the True-Ups was the final obligation of the Fund

under the Lease. The Fund staff was directed by the Board, with the concurrence of Mary Pat Burns, Fiduciary Counsel, that the payment of the “True-Ups” be remitted to the Landlord with an indication on the check that it was tendered in ‘accord and satisfaction’ of the amount due.

d. Executive Director Report

The Executive Director reported that she had an introductory meeting with Commissioner Gainer who is the Chair of the Pension Committee of the Cook County Board of Commissioners. She reported that Commissioner Gainer invited her to the next meeting of the Pension Committee of the Cook County Board of Commissioners. The meeting date had not yet been determined, but the Executive Director invited any trustee to also attend when the meeting date was determined. She would also ask the Fund’s actuary and possibly the Fund Investment staff to join her at the meeting.

The Executive Director reported that the IGA for 2019 had been executed and that the Fund received \$25M on December 31, 2018, pursuant to the agreement. She added that the services agreement with the new actuary Cavanaugh MacDonald Consulting, LLC had been finalized and that the pension benefit administration contract with Novitas, including a fee reduction of \$10,000, had been successfully negotiated. The contract with John McCabe and Associates, while still pending, has been revised to reflect a two-year engagement, as directed by the Board. The Executive Director stated that she is in the process of preparing a list of all vendors and related contract terms for presentation to the Board at the meeting on February 6, 2019. The trustees requested that there be one list detailing specific contract information for vendors who receive \$10,000 or more annually, and another accounts payable list detailing all vendors.

The Executive Director stated that the holidays observed by Cook County are also observed by the Fund. She noted that two holidays observed by Cook County, Lincoln’s Birthday on February 12, 2019, and Casimir Pulaski Day on March 4, 2019, might be substituted for other days in the calendar year as holidays at the Fund. If the Fund were to remain open on February 12, 2019, and March 4, 2019, it would allow Fund staff more time to process the anticipated high volume of annuity applications for presentation at the March Board meeting and to better serve its members, who may find it convenient to visit or call the Fund on a traditional holiday when the member is not working. It was suggested that the Fund’s offices be closed on July 5, 2019, and December 24, 2019, in lieu of these holidays. The trustees requested that the Fund indicate on its website these open days of member service.

The Executive Director presented a request to attend continuing education seminars necessary to satisfy her CPA license requirements. It was discussed that travel by trustees required pre-approval under the Pension Code, but that the same pre-approval was not required for reimbursement of continuing education expenses that the Executive Director might incur.

It was moved by Trustee McFadden and seconded by Trustee Goode, that the expenses, including any associated travel expenses, incurred by the Executive Director 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 Reimbursement Policy.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

5. Health Benefits Matters

a. Status of EGWP Renewal Request for Proposal (RFP)

Jane Hawes, Director of Health Benefits, stated that some progress had been made with CVS regarding more favorable fees and terms for the EGWP contract, but no firm proposal had been received. The Fund received a proposal from Segal for an RFP regarding a search for a new EGWP vendor, but Ms. Hawes proposed that the Board defer any decision on proceeding with such RFP at the present time.

b. Segal's Communication Regarding Bid on Cook County Health Consulting Work

Ms. Hawes stated that Cook County is conducting an RFP for a health consultant. Dan Levin, of Segal Consulting, had provided a letter to the Fund stating that Segal is interested in responding to the County's RFP and that, if it were the successful candidate, Segal would be able to continue its services to the Fund without disruption. Mr. Levin addressed the Board and stated that the primary team members working with the Fund's account would not be assigned to the County's account. He confirmed that Segal never shares data from one client with another and that the Fund's data would remain secure. Mr. Levin was advised that some members of the Board who are in active service and that the Fund's employees receive health benefits through the County employee plan. The trustees requested that the letter submitted by Segal regarding this matter be revised to include that, consistent with the current contract between Segal and the Fund, Segal would notify the Fund of any conflict of interest that might arise during any engagement with the County.

c. Open Enrollment Results

Ms. Hawes stated that 12,787 members enrolled in the Retiree Health Plan for 2019, which was a slight increase from 2018. She added that 2,719 members enrolled in the voluntary dental plan, which was an increase of 10%.

Ms. Hawes stated that the Fund staff had been preparing a Health Benefits Guide for members that would be posted to the website soon.

6. Finance Report

a. Review and Consideration of 2019 Budget

The Executive Director presented the Preliminary Proposed 2019 Administration Budget for the trustees' consideration. She noted that in total, the 2019 Administrative Budget reflects a 12% increase over the prior 2018 Administrative Budget. Such increase is entirely due to the anticipated retention of a vendor to provide a new pension administration system. Absent such estimated costs, the 2019 Administrative Budget reflects a 1.45% decrease from the 2018 Administrative Budget.

The trustees discussed the proposed cost-of-living increases in salaries for Fund employees and whether increases in salaries should be merit-based or cost-of-living inflationary adjustments. They also discussed the processes for salary adjustments at the County and whether such processes could be implemented with a smaller employer, such as the Fund. Because the Executive Director was only recently retained, it was not possible to evaluate employees and provide merit-based adjustments for 2019. The Executive Director indicated that she did not intend to bring any other salary adjustments to the Board for this year. The trustees asked for information about increases to salaries in past years, if the adjustments were tied to any specific index, and the compound impact of ten years' of cost-of-living salary increases.

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board approve the presented Fiscal Year 2019 Administration Budget with the exception of Personnel Salaries.

Roll Call Vote:

AYES: DeGraff, Goode, Kouruklis, Nevius, Ochalla, Wilson
PRESENT: McFadden
NAYS: None

Vote Result: MOTION ADOPTED

After further discussion, it was moved by Trustee Goode and seconded by Trustee DeGraff to withdraw the previous motion.

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee Ochalla and seconded by Trustee Goode that the Board approve the presented Fiscal Year 2019 Administration Budget.

Roll Call Vote:

AYES: DeGraff, Goode, Nevius, Ochalla, Wilson
NAYS: Kouruklis, McFadden

Vote Result: MOTION ADOPTED

7. Legislative Matters

a. Legislative Report from John McCabe and Robert Molaro

The Executive Director presented the memorandum received from the Fund's Legislative Representative, John McCabe & Associates, Ltd. It was noted that requests for drafts of bills to be prepared by the Legislative Reference Bureau were to be submitted by February 1,

2019, which was before the Board's next meeting. The trustees discussed whether they should seek to introduce the same funding legislation as had been done in earlier years. Mary Pat Burns, Fiduciary Counsel, suggested that the proposed legislation be circulated for comment to all trustees. Such draft legislation can be presented for approval at the next Board meeting on February 7, 2019.

b. Deadlines of Filing Dates for 101st General Assembly

The Executive Director presented the schedule of the 101st General Assembly that had been received from Mr. McCabe. The schedule provided that February 15, 2019, was the last date for the introduction of new bills.

Ms. Burns then stated that some new bills were to be introduced that were of interest to the Fund. First, the bill that required a broadcast of Board meetings that had been introduced in an earlier session, was to be re-introduced before the General Assembly in the current session. Second, legislation was to be proposed to amend the Illinois Pension Code regarding the definition of an emerging manager. The amendment would provide that if an investment manager was identified as an emerging manager, their status as an emerging manager would not be changed regardless of assets under management.

8. Old Business/New Business

a. Proposed Communication to CBRE Regarding UNITE HERE!

The Executive Director presented a communication for the Board's consideration that was to direct the Fund's Investment Consultant, to discuss the issues presented at the December 3, 2018, Board meeting by UNITE HERE!, with the Fund's related Investment Manager. Ms. Burns noted that under Department of Labor guidelines, the Board should only consider economic factors when making investment decisions. An investment manager can consider whether labor issues impact the value of an investment.

It was moved by Trustee McFadden and seconded by Trustee DeGraff that the presented communication regarding UNITE HERE! be sent and signed by the Executive Director.

Vote Result: MOTION ADOPTED BY VOICE VOTE

9. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting is scheduled for February 7, 2019, at 9:30 a.m.