



**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 February 1, 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, Diahann Goode, Bill Kouruklis (entered during Item 1a), Patrick McFadden (departed during Old Business), Joseph Nevius, Kevin Ochalla, Dennis White (left during Item 4a and re-entered during Item 5), Lawrence Wilson

Staff Present: Nickol R. Hackett, Executive Director & CIO; Margaret Fahrenbach, Legal Advisor, Gary LeDonne, Senior Policy Advisor; Brent Lewandowski, Senior Benefits Manager; Michael Maratea, Director of Finance and Administration; Beverly Romanini, Office Manager; Jane Hawes, Senior Manager of Health Benefits

Others Present: Sarah Boeckman, Burke Burns & Pinelli; Marcos Feldman, Unite Here

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. January 4, 2018 Board Meeting Minutes

It was moved by Trustee Ochalla and seconded by Trustee Goode that the minutes of the January 4, 2018, Board meeting be adopted.

Vote Result: Trustee White voting “Present” and the other trustees voting “Aye”;
MOTION ADOPTED BY VOICE VOTE

2. Review and Consideration of:

a. Bills, Payroll Records

It was moved by Trustee Goode and seconded by Trustee Nevius 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, Goode, Kouruklis, McFadden (Trustee McFadden voted “Aye” but following the vote requested his vote be amended to “Aye” with the exception of payment to Robert Half Legal), Nevius, Ochalla, White, 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 White 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, Goode, Kouruklis, McFadden, Nevius, Ochalla, White, 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 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, Kouruklis, McFadden, Nevius, Ochalla, White, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

3. Administrative Report

a. 2016 PAFR Postings

Nickol R. Hackett Executive Director & CIO presented the Popular Annual Financial Reports ("PAFR") for both the County and the Forest funds for the fiscal year ending on December 31, 2016. The PAFRs are based upon the Comprehensive Annual Financial Reports ("CAFRs") that the trustees have previously received, but the financial information is provided in a more simplified format. The PAFRs are available only on the CCPF website.

b. Certification of 2017 Trustee Education

The Executive Director stated that the Board is obligated under the Illinois Pension Code to certify as to the hours of education and training that the members of the Board received in 2017 and that the certification be reported to the Division of Insurance, State of Illinois. She added that the certification had been prepared for the Board's consideration.

It was moved by Trustee Goode and seconded by Trustee Nevius pursuant to Section 1-113.18 of the Illinois Pension Code and based upon the report establishing the hours of training that the trustees have received as of December 31, 2017, that the Board approve the proposed Annual Certification of Trustee Training. It is 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 shall file the certification as required by the Illinois Pension Code.

Vote Result: MOTION ADOPTED BY VOICE VOTE

c. Disposal Update

Executive Director stated that the Fund had reached a tentative agreement with the Landlord regarding the removals that were required under the lease at 33 N. Dearborn, but added that the Agreement is limited to the removal matters only. Under the Lease, the Fund may be liable for any adjustments due for its share of operating expenses and taxes in 2017.

d. Medicare Education Event

Jane Hawes, Senior Manager of Health Benefits, reported that Fund members need to enroll in Medicare upon their eligibility to do so and to maintain their eligibility in the program. She stated that the Fund invited members who were near age 65 or who had allowed their Medicare coverage to lapse, to an informational meeting about the process for enrolling in Medicare to be held on February 28, 2018, at the 70 W. Madison conference facility. In addition to Fund staff, representatives from the Social Security Administration, UHC and CVS will be present to answer general questions about the enrollment process and benefits provided under Medicare.

4. Legislative Matters

a. Legislative Summary

Trustee Goode summarized the matters that were considered by the Legislative Committee at the meeting on January 24, 2018. Ms. Goode stated that the Committee reviewed the proposed funding legislation for both the County Fund and the Forest Fund and the proposed legislation that would allow annuity payments to be made to nursing homes where members resided in limited circumstances and recommended that all the legislation be introduced. She stated that the Committee had also reviewed the Sexual Harassment Policy and had made certain revisions for the Board's consideration. Ms. Goode stated that the review of Board By-laws was under consideration by the Committee. She added that the Committee discussed that the Fund should consider an RFP in 2018 for the engagement of a lobbyist and that the proposed agreement from McCabe & Associates be limited to a single year.

The Executive Director reported that all the proposed legislation had been shared and discussed with the employer. She reported that the employer supported the legislation regarding nursing homes, but requested that the Board not proceed with introducing the funding legislation. The trustees discussed that they would prefer to introduce legislation for actuarial based funding as had been proposed in prior years but would also be interested in considering other proposals if presented. The Board discussed the importance, as fiduciaries to the Fund, in introducing legislation that addresses a prudent funding mechanism. Trustee

Wilson noted that the proposed funding legislation presented an opportunity for the Fund to work with the County in a collaborative manner to address appropriate funding for the Fund such that funding legislation be introduced in the General Assembly alongside the Fund's goal of working collaboratively with the County on funding issues. They also discussed that a letter could be prepared for the County Board at the time that the Fund's financial results for 2017 were submitted in June to request discussions about how legislation for actuarially based funding might be jointly introduced with the employer.

b. Review and Approval of Legislation

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board adopt the recommendation made by the Legislative Committee at their meeting on January 24, 2018, that the proposed legislation for actuarially based funding for the County Fund be submitted for introduction before the Illinois General Assembly.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee DeGraff and seconded by Trustee Ochalla that the Board adopt the recommendation made by the Legislative Committee at their meeting on January 24, 2018, that the proposed legislation for actuarially based funding for the Forest Fund be submitted for introduction before the Illinois General Assembly.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

The Board considered the proposed legislation regarding the remittance of annuity benefits to nursing homes where members resided. The Board discussed that the Fund would need to develop rules and procedures to ensure that no such payments were made to a nursing home without certification that the member's circumstances allowed such payments to be made and that the annuity payments would be used for the member's sole benefit, as required by the proposed legislation.

It was moved by Trustee DeGraff and seconded by Trustee Ochalla that the Board adopt the recommendation made by the Legislative Committee at their meeting on January 24, 2018,

that the proposed amendment to Section 9-228 of the Illinois Pension Code to allow the Fund to make annuity payments for the benefit of members to nursing homes where they reside, under limited circumstances, be submitted for introduction before the Illinois General Assembly.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

c. Review and Approval of Liaison Contract

Sarah Boeckman of Burke Burns and Pinelli presented proposed revisions to the Legislative Representation Agreement that had been submitted to the Fund by John McCabe & Associates. It was also discussed that an RFP should be prepared for the engagement of a lobbyist and that a proposed timeline for such an RFP should be considered.

It was moved by Trustee Nevius and seconded by Trustee DeGraff that the Board adopt the recommendation made by the Legislative Committee at their meeting on January 24, 2018, that John McCabe & Associates be retained as the Fund's Legislative Representative for the period of January 1, 2018 through December 31, 2018, subject to the revisions proposed by Burke Burns & Pinelli, at a cost of \$28,000 and it is further moved that Fund staff shall take all action reasonably necessary to effectuate the foregoing, including the execution and delivery, after legal review, of any related written agreement on behalf of the Fund by the Executive Director.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

d. Review and Approval of Amended Sexual Harassment Policy

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board adopt the recommendation made by the Legislative Committee at their meeting on January 24, 2018, to approve the Amended Sexual Harassment Policy, as presented.

Vote Result: MOTION ADOPTED BY VOICE VOTE

5. Discussion of PAS RFP

Michael Maratea Director of Finance and Administration presented an update about the RFP process for the selection of a vendor to replace the current pension administration system. He stated that Linea Solutions had prepared an operational needs assessment of the Fund and the requirements needed for a PAS. Linea had prepared an RFP based upon its assessment and the Fund's specific requirements. Mr. Maratea stated that, subject to Board approval, it was anticipated that the RFP could be released as of the next meeting and that the vendor could be selected in the fall of 2018. He stated that the steering committee for the RFP included Fund staff and asked that two trustees also participate on the committee. Trustees Kouruklis and White agreed to serve on the steering committee. It was also discussed that a proposed Professional Services Agreement be including as an addendum to the RFP.

6. Legal Matters

Margaret Fahrenbach, Legal Advisor, stated that the Fund staff had identified three requests for administrative hearings that did not require a referral to an administrative hearing officer because there were no disputed facts or legal issues to be resolved. The member identified by Office Number 194813 failed to provide the required medical documentation needed to support the application for ordinary disability benefits. The member identified by Office Number 151578 had filed two applications for duty disability benefits, neither of which was filed while the member was disabled. The member did not provide a reasonable explanation for the delay in filing the applications. Because these members did not provide the documentation or evidence needed to support their claims for disability benefits, the Board was requested to affirm its earlier denials as final administrative decisions.

a. Proposed Findings of Fact and Conclusions of Law

i. Office Number 194813

It was moved by Trustee Ochalla and seconded by Trustee Goode that the Board reaffirm its earlier decision that the member identified by Office Number 194813 is not eligible for the ordinary disability benefits that she requested and that the Board adopt the proposed Findings of Fact, Conclusions of Law and Decision as a final administrative decision pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

ii. Office Number 151578 (Case 1)

It was moved by Trustee Ochalla and seconded by Trustee Goode that the Board reaffirm its earlier decision that the member identified by Office Number 151578 is not eligible for the duty disability benefits that she requested for injuries that were incurred on or about May 5, 2009, and that the Board adopt the presented Findings of Fact, Conclusions of Law and Decision as a final administrative decision pursuant to Section 9-236 of the Illinois Pension Code.”

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

iii. Office Number 151578 (Case 2)

It was moved by Trustee Ochalla and seconded by Trustee Goode that the Board reaffirm its earlier decision that the member identified by Office Number 151578 is not eligible for the duty disability benefits that she requested for injuries that were incurred on or about April 17, 2011, and that the Board adopt the presented Findings of Fact, Conclusions of Law and Decision as a final administrative decision pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

7. Old Business/New Business

Ms. Boeckman stated that on January 30, 2018, the Circuit Court entered an order reversing the Board’s decision denying the disability benefits requested by Lowell Feinstein. It was the recommendation of Burke Burns & Pinelli and Ms. Fahrenbach that the Board not appeal the decision. Based on the recommendation of Fiduciary Counsel and Ms. Fahrenbach, the Board agreed that it was not prudent to appeal the Circuit Court decision in the Feinstein matter. The Board directed Fiduciary Counsel to work with Fund staff to review the Fund’s disability process and procedures to ensure it is prudent and consistent with best practices and applicable legal requirements.

8. Adjournment

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

The next Board meeting is scheduled for March 8, 2018, at 9:30 a.m.