

**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 March 5, 2020, 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: John Blair, Diahann Goode, Stephen Hughes, Bill Kouruklis, Patrick McFadden, Joseph Nevius (by phone), Kevin Ochalla, James O'Rourke, Lawrence Wilson

Staff Present: Regina Tuczak, Executive Director; Margaret Fahrenbach, Legal Advisor; Michael Maratea, Director, Finance and Administration; Gary LeDonne, Director, Benefits Administration; Jane Hawes, Director, Health Benefits; Fernando Vinzons, Director, Investments, Saron Tegegne, Comptroller

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Vincent Pinelli, Burke Burns & Pinelli, Ltd. (Ent'd during Item 4); Caitlyn Devitt, Debtwire; Cathryn Marsico, Cook County, Bureau of Finance; John McCabe, John McCabe and Associates (Ent'd by phone during Item 3)

Regina Tuczak, Executive Director, stated that Trustee Nevius had requested that he be allowed to participate in the meeting by telephone due to his unavailability due to a family reason. After confirming that a quorum of the Board was physically present at the meeting, it was moved by Trustee McFadden and seconded by Trustee Blair that Trustee Nevius be allowed to participate by telephone pursuant to Section 7 of the Open Meetings Act, 5 ILCS 120/7.

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. February 6, 2020, Board Meeting Minutes

It was moved by Trustee O'Rourke and seconded by Trustee Hughes that the presented minutes of the Board meeting on February 6, 2020, be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

2. Review and Consideration of:

a. Bills, Payroll Records

The trustees discussed that the expenses for the Medicare Event scheduled for March 18, 2020, could be submitted as a wellness item to be paid as provided by the Fund's agreements with its health benefits vendors, rather than as a direct Fund expense. It was proposed that the motion to approve invoices received in February, 2020, be amended to reflect that the expenses for the Medicare Event be submitted as a wellness item.

After receiving confirmation from Fund staff that the presented payments were consistent with the approved 2019 Administrative Budget, it was moved by Trustee Goode and seconded by Trustee McFadden that the Board ratify the action taken by Fund staff in remitting the indicated payments for the presented bills incurred in December, 2019.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

After receiving confirmation from Fund staff that the presented invoices for operating expenses in December, 2019, were consistent with the 2019 Administrative Budget, it was moved by Trustee Goode and seconded by Trustee McFadden that the Board approve the recommendations from Fund staff to remit payments for such presented bills.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

After receiving confirmation from Fund staff that the presented payments were consistent with the approved 2020 Administrative Budget, it was moved by Trustee Goode and seconded by Trustee McFadden that the Board ratify the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in February, 2020.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

After receiving confirmation from Fund staff that the presented invoices for expenses in February, 2020, were consistent with the 2020 Administrative Budget, it was moved by Trustee Goode and seconded by Trustee McFadden that the Board approve the recommendations from Fund staff to remit payments for such presented bills, with the

exception that the expenses for the Medicare Event scheduled for March 18, 2020, be submitted as wellness items and not be paid directly by the Fund.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

3. Legislative Matters

- a. Review and Consideration of Proposed Legislation relating to 40 ILCS 5/9-169 and 40 ILCS 40 ILCS 5/10-107

Regina Tuczak, Executive Director, stated that the Fund's Legislative Consultant, John McCabe was in Springfield and would join the discussion about the legislative items on the agenda by calling in to the Board's meeting. She stated that draft legislation had been prepared by fiduciary counsel, in coordination with the Fund's actuary, for both the County Fund and the Forest Preserve District Fund to achieve 90% funding by the end of levy 2061 (payment year 2062). The Fund's actuary had provided projections based upon the funding methodology presented in the legislation, for each fund. The Executive Director stated that the Fund, with the Board's approval, had already filed legislation to amend Section 10-107 of the Illinois Pension Code, 40 ILCS 5/10-107, which would allow the Forest Preserve District to pay contributions to the Fund from any lawfully available source. (See: HB 4472, SB 2767) She added that HB 4472 and SB 2767 were still pending. The Executive Director also stated that the County's Chief Financial Officer, Ammar Rizki, had sent a letter to the Trustees in which he requested to introduce himself to the new trustees and address the Board at their meeting on April 2, 2020, regarding the County's legislation to amend the Pension Code.

After the Legislative Consultant joined the meeting by telephone, the trustees discussed that the legislation to provide for actuarial based contributions to achieve 100% funding, had been filed last year but did not move forward. The Board had also filed similar legislation every year since 2010, but none of the bills had passed. The trustees discussed that as fiduciaries, the legislation to provide for actuarial based contributions, should be filed. Negotiations on other matters that the County wanted could still proceed after the legislation had been introduced. The Executive Director was authorized to provide a courtesy notice to the Board of Commissioners of Cook County and the Forest Preserve District, along with the County's Chief Financial Officer and the Superintendent of the Forest Preserve that the legislation would be filed and such communication should be sent as soon as possible. The Executive Director was also asked to notify the County's Chief Financial Officer that he may address the Board at their meeting on April 2, 2020, regarding the County's legislation. The Legislative Representative was asked to file the legislation by March 18, 2020.

It was moved by Trustee Ochalla and seconded by Trustee McFadden that the Board approve the presented amendment to Section 9-169 of the Illinois Pension Code, 40 ILCS 5/9-169, that provides for actuarially based contributions from Cook County, the employer, to achieve 90% funding by the year 2062 and it was further moved that the Fund's Legislative Representative be authorized to take all action reasonably necessary to cause such proposed amendment to be introduced before the Illinois General Assembly.

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 Ochalla and seconded by Trustee Goode that the Board approve the presented amendment to Section 10-107 of the Illinois Pension Code, 40 ILCS 5/10-9-107, that provides for actuarially based contributions from the Forest Preserve District, the employer, to achieve 90% funding by the year 2062 and it was further moved that the Fund's Legislative Representative be authorized to take all action reasonably necessary to cause such proposed amendment to be introduced before the Illinois General Assembly.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Legislative Update

The Legislative Consultant provided an overview of legislation pending before the Illinois General Assembly that would impact the Fund. Particularly, he advised that the Board oppose legislation which would allow the recovery of legal fees for litigation under the Pension Code (SB 2747) and legislation requiring an actuary retained by a pension fund to post a \$2B bond to perform actuarial valuations (HB 3990). He stated that the Board might want to support the bills that would provide immunity to governmental agencies for injuries or damages incurred due to a data breach of the agency's records. (HB 5091/SB 2511) He advised that there were various amendments to the Revised Uniform Unclaimed Property Act ("RUUPA"), but the only amendment affecting the Fund was the change that property left in a pension fund might be considered unclaimed 3 years after the member turned 72, as opposed to age 70, which the law currently provides. (SB 3153) The Legislative Consultant also identified various bills which affected emerging managers under Article 1 of the Illinois Pension Code. The Legislative Consultant added that the Board did not need to decide whether they would support or oppose these legislative matters at the present time. The trustees discussed that these matters might be deferred to the Legislative Committee to consider whether the Board should take a position on any of the legislation.

4. Legal Matters

Mary Pat Burns, Fiduciary Counsel, stated that the next items to be considered by the Board were litigation matters and could be discussed in an Executive Session convened pursuant to Section 2(c)(11) of the Open Meetings Act.

It was then moved by Trustee Goode and seconded by Trustee Ochalla that the Board convene an Executive Session pursuant to Section 2(c)(11) of the Open Meetings Act, 5 ILCS 120/2(c)(11) to discuss pending 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 O'Rourke that the Executive Session be adjourned and that the Board return to an open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

The trustees having completed their discussions in Executive Session, the Board returned to open session and made the following motions.

- a. Consideration and Possible Adoption of Hearing Officer Recommendation in Case No. 16 RBCC 0002

It was moved by Trustee O'Rourke and seconded by Trustee Blair that the Board take the Hearing Officer's Recommendation in Case No. 16 RBCC 0002 under advisement for review and consideration by the members of the Board.

Vote Result: MOTION ADOPTED BY VOICE VOTE

- b. Discussion and Possible Approval of Settlement in Cox versus Nolan in Case No. 14-cv-10456

After a vigorous discussion of the merits and all the components of the Settlement Offer received from the Plaintiff's counsel and presented to the Board, it was moved by Trustee Ochalla and seconded by Trustee Goode that the Board direct the attorneys representing the trustees and the other defendants in Cox v. Nolan, Case No. 14-cv-10456 to proceed as discussed in the Executive session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

- c. Approval of Representation in Patel v. Retirement Board in Case No. 2020 CH 01781

It was moved by Trustee Ochalla and seconded by Trustee McFadden that the Board authorize the Fund to retain the firm of Burke Burns & Pinelli, Ltd. to provide legal representation of the defendants in the identified litigation matter.

Vote Result: MOTION ADOPTED BY VOICE VOTE

- d. Consideration and Possible Adoption of Proposed Findings of Fact in Office No. 137167

It was moved by Trustee Goode and seconded by Trustee McFadden 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 137167 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

5. Administrative Matters

- a. Review and Consideration of COTG Maintenance Agreement

The Executive Director reported that the Fund utilizes COTG to provide toner supplies and maintenance support for the 29 printers used by Fund staff and the two large copiers. The monthly fees for these services were to rise from \$980.24 to \$1,024.15 as of January, 2020. The Fund had also paid overage fees of \$1,400 in 2019, because the Fund had exceeded the allotted number of copies under the existing agreement. After evaluation, it was determined that Fund staff could provide maintenance support for the printers. COTG could continue to provide toner for the staff printers and the copiers, and maintenance support on the copiers. The printers would still be subject to allotment volumes. The Executive Director negotiated a monthly fee of \$908.10 for a renewal of the COTG agreement.

It was moved by Trustee McFadden and seconded by Trustee Hughes that the Board authorize the Fund to retain COTG to provide toner supplies and maintenance support as presented and that the Fund staff shall take all reasonable action necessary to effectuate the foregoing including, subject to legal review, the execution and delivery of any related written agreement on behalf of the Fund by the Executive Director.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Executive Director Report

The Executive Director reported that on February 26, 2020, she made a presentation before the Pension Committee of the Cook County Board of Commissioners as requested by Commissioner Bridget Gainer. She noted that Fund staff, Fernando Vinzons, Virgilio Calahong, Gary LeDonne and Michael Maratea had been particularly helpful in preparing the slides used in the presentation and thanked the Fund's staff and vendors for their support in preparing the presentation. Trustee Kouruklis stated that everyone had done a great job before the Pension Committee. He suggested that the slide presentation be made available to the Legislative Consultant because it might be useful to explain the need for the funding legislation that is to be introduced before the General Assembly.

It was noted, as reported by that the Fund's Investment Consultant, Callan LLC, at the Investment Committee meeting on February 28, 2020, that in 2019, the County Fund had earned 19.07% (net of fees) and the Forest Fund had earned 18.60% (net of fees).

The Health Benefits Committee is scheduled to meet on April 28, 2020. No committee meetings were scheduled for March, 2020.

The Deputy Executive Director was scheduled to begin her employment at the Fund on March 16, 2020.

6. Old Business/New Business

It was noted by the trustees that it might be useful to have someone testify about the proposed legislation for funding when it is before a committee of the General Assembly. The Legislative Consultant could be asked to schedule such testimony.

7. Adjournment

It was moved by Trustee O'Rourke and seconded by Trustee Goode that the meeting be adjourned.

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting was scheduled for April 2, 2020.