



**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 May 2, 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, Bill Kouruklis, Patrick McFadden, Joseph Nevius, Kevin Ochalla, Dennis White, (entered during Item 2b); 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 (entered during Item 5c); Jane Hawes, Director, Health Benefits; Saron Teegne, Comptroller; Bravetta Hassell, Sr. Communications Specialist

**Others Present:** Mary Pat Burns, Burke Burns & Pinelli, Ltd.

**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. April 4, 2019, Board Meeting Minutes**

It was moved by Trustee Nevius and seconded by Trustee DeGraff that the presented minutes of the Board meeting on April 4, 2019, be adopted.

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

2. Review and Consideration of:

a. Bills, Payroll Records

It was moved by Trustee Goode and seconded by Trustee DeGraff, having received confirmation from Fund staff that the presented bills for operating expenses incurred in fiscal year 2018, are to be allocated to and are consistent with the 2018 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, Kouruklis, McFadden, Nevius, Ochalla, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Goode and seconded by Trustee DeGraff, that the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in April, 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, Kouruklis, McFadden, Nevius, Ochalla, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Goode and seconded by Trustee DeGraff, having received confirmation from Fund staff that the presented bills for operating expenses incurred in April, 2019, are 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, Kouruklis, 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 Goode and seconded by Trustee Nevius 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, 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 DeGraff and seconded by Trustee Kouruklis 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, Ochalla, White, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Matters

a. Election Contract Change Suggestion of Tim Walsh

Regina Tuczak, Executive Director, stated that she and Fund staff were planning for the upcoming trustee elections and met with the election consultants regarding the renewals of their service agreements. She had asked the consultants if any concessions could be extended to reduce fees for their services. Mr. Tim Walsh suggested that the fees could be reduced by \$2,300 per year if 'Caller Services' at the Post Office were discontinued. With 'Caller Services' the Post Office is to certify the number of the pieces of mail provided daily to the vendor when they arrive to retrieve the PO Box mail. Recently, the postal employees have been reluctant to provide the certification requested. Mr. Walsh would be willing to discontinue the services and reduce the fees due from the Fund.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the Board approve a renewal of the services agreement with Tim Walsh & Associates for the elections to occur in 2019 and 2020 and that such agreement not include certain Caller Services as presented. It is further moved that Fund staff and external Fund counsel negotiate the terms of such renewal agreement and present the final contract to the Board before it is executed on behalf of the Fund.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

4. Benefit Matters

a. Benefit Application Consideration – Office #130505

The Executive Director stated that the member identified by Office Number 130505 had requested

and received four different estimates from the Fund indicating that she would have obtained 30 years of contributory service by February 28, 2019. The member subsequently withdrew from County service on February 28, 2019, and applied for an annuity benefit. While processing the application for annuity benefits, it was determined that due to an error in payroll reporting for service performed in June, 2000, the member had earned less than 30 years of contributory service. The missing service had a substantial impact on her monthly annuity benefit. The member did not have unused sick leave or sufficient accumulated vacation time to be used for the missing service credit. She had retained other employment and was not able to return to work at the County to perform additional service.

The Board discussed how the error occurred and the audit procedures of Fund staff regarding a member's service credit at the time of final annuity calculation. It was also noted that members are encouraged to extend their employment when possible to allow some leeway should an error in reporting contributory service be discovered after the member has withdrawn from County service. It was discussed that it would be prudent, based upon these particular facts, to allow the member to purchase six days of contributory service.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board approve the purchase of six days of service credit by the member identified by Office Number 130505 for the reasons presented and that following such purchase, her application for annuity benefits be processed and presented to the Board for approval.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

5. Legislative Matters

a. SB 1264

The Executive Director reported that SB 1264, regarding the Unclaimed Property Act, passed from the Senate without exempting the Fund from its provisions. She stated that the Fund's Legislative Representative, John McCabe, had reported that the House sponsor for the bill was willing to include the amendatory language exempting the Fund and that the Senate sponsor would accept the amendatory language when the bill was returned to that chamber.

b. CCPF-Sponsored Legislation - Updates

It was reported by the Executive Director that SB 1300, regarding the source of funds that the County may use to pay employer contributions, had passed through the Senate and was before the House.

The trustees discussed the proposed source of funds legislation and whether similar legislation should be proposed for the Forest Fund. It was moved by Trustee Fitzgerald and seconded by Trustee DeGraff that the Fund instruct John McCabe & Associates to file a similar bill for the Forest Fund to expand the source of funds that could be used to pay employer contributions in a subsequent legislative session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

c. County Legislation

The Executive Director reported that the Fund had very recently received the draft of the County's proposed legislation from the County's Chief Financial Officer ("CFO") which provided for actuarial based funding ("ARC"), changed the composition of the Board, addressed the administration and funding for retiree health benefits and a few other matters as presented by the CFO at the April Board meeting. Because the County had only delivered the draft to the Fund and the trustees the day before the Board's meeting, she proposed that a special meeting be convened so that there would be adequate time to review the legislation before any discussions commenced. The Executive Director stated that the CFO had confirmed that the County had not introduced the legislation and wanted to work with the Fund and other stakeholders on the proposal.

The trustees discussed that the Fund's actuary should look at the proposed ARC funding language to determine whether it would provide the funding levels needed to sustain benefits to the members. They expressed concerns about how health care benefits would be administered and the level of funding that the County would provide for such benefits. They also had reservations about changes to the Board's composition particularly because the elected members would not retain their majority. There were questions about the proposed merger of the County Fund and the Forest Fund, whether benefit changes could be implemented without specific reference in the statute and other matters.

The trustees directed the Executive Director to send a letter to the CFO, the President of the County Board and each of the Commissioners acknowledging their receipt of the draft legislation, but stating that the trustees and their consultants needed additional time to review the legislation before providing a response.

The trustees determined that a Special Meeting of the Retirement Board should be convened on May 10, 2019, at 9:30 am to discuss the legislation proposed by the County. Trustee Goode stated that she would not be available to attend the Special Meeting at that time.

## 6. Administrative Matters

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

It was reported by the Executive Director that Fund staff had become aware that two annuitants had falsely represented that they were divorced at the time of their respective retirements. Each received a refund of spousal contributions, despite being married to one another, at the time they filed their annuity applications. The Fund learned of the false representations when one of the annuitants died and the survivor applied for a surviving spouse annuity. A third party reported to the Fund that the deceased member had been married to another annuitant.

The Fund contacted the surviving spouse and stated that he needed to return the spousal contributions he had wrongfully received when he had applied for his own annuity benefit. He was also informed that the refund of spouse contributions paid to his deceased spouse needed to be remitted to the Fund before he would be eligible for a spouse annuity. She reported that the Fund had received checks in repayment of the spousal refunds made to each of the annuitants. The trustees were asked to confirm, based upon the facts and documentation presented, that there was a reasonable suspicion that false statements had been made to the Fund and should be reported to the Cook County State's Attorney pursuant to Section 1-135 of the Illinois Pension Code.

Based on the discussion and documentation provided, 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 relating to the refund of spouse contributions were presented to the Fund and that in accordance with Section 1-135 of the Illinois Pension Code, 40 ILCS 5/1-135 that the incident be reported to the Cook County State's Attorney.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Contract Extension Approval – CDW

The Executive Director stated that the Fund was evaluating two Statements of Work (“SOW”) from CDW, one which provided for a continuation of Backup and Recovery Services and the other for Network Support Services. Both of the SOWs were under evaluation for the services rendered and fees charged. The Fund had requested and received a proposal for a ninety-day extension of the Backup and Recovery Services, which the Board was asked to approve. The Executive Director stated that a report to the Board about an extension of the Network Support Services SOW would be made at a subsequent meeting after further evaluation had been made.

The trustees discussed the extension of the Backup and Recovery Services SOW and suggested that the Fund request an additional 90 day extension of its terms.

It was moved by Trustee McFadden and seconded by Trustee Nevius that the Board approve the extension of the CDW SOW for Backup and Recovery Services for 90 days and that the Fund request an option to extend the SOW for an additional 90 days, if needed, upon the terms presented.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

c. PAS RFP Extension Update

The Executive Director stated that she had proposed at the Board meeting on April 4, 2019, that the implementation of the Pension Administration System (“PAS”) project be postponed to January 1, 2020. Since April 4, 2019, the Executive Director had contacted each of the two finalists and briefly discussed the new timeframe. Both of the finalists agreed to extend their proposals until January 1, 2020, but stated that it may be necessary to assign new team members due to the extension. She also reported that a tentative meeting had been scheduled later in May with Stephen James of Linea Solutions to discuss the scope of their work and proposed future services they might perform once the project is underway.

d. Hartford Worker’s Comp/General Liability Insurance Renewal

The Executive Director reported that the Fund’s Workers’ Compensation Policy and its General Liability Policy each expire on May 17, 2019. She stated that Fund staff had reached out to Aon Insurance, the broker who obtained the coverage, and Hartford Insurance to review the policies. The Board was asked to approve the renewal of the policies, but that any changes to the coverage or premiums would be reported to the Board after the discussions with Aon and Hartford had been concluded.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the Board approve the renewals of the General Liability Insurance Policy and the Workers' Compensation Insurance Policy as presented.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

e. Investments Travel Update

The Executive Director stated that there were some inadvertent omissions on the list of conferences approved by the Board for attendance by trustees and staff at the meeting on January 10, 2019. She provided a list of additional conferences that could be attended by trustees and Fund staff for approval by the Board. No change in budgetary amounts is expected due to this change.

It was moved by Trustee Goode and seconded by Trustee McFadden, consistent with the recommendations of Fund staff that the expenses, including any associated travel expenses, incurred by any Trustee or Fund staff 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, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Ochalla, White, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

f. Executive Director's Report

The Executive Director's report was presented and included a presentation of the controls in place regarding outgoing wire transfers from the Custodial Account pursuant to a direction letter and other transfers. She reported that certain changes had been made in the procedures to provide better controls. It was also reported that a recommendation had been made by the Health Benefits Committee to allow Fund staff some latitude to make minor exceptions to the policies provided in the Health Benefits Guide, such as permitting members to submit later personal payments or applications in limited circumstances. With respect to such proposed policy, the Board requested further clarification on the scope of anticipated exceptions.

It was reported that the Fund will send annual certification forms to out-of-state annuitants to confirm continued eligibility for benefits. She noted that in-state annuitants are verified through the Illinois Department of Public Health and do not require separate certification letters. She also reported that the annual contribution statements will be sent to active members shortly. Last, Ms. Tuczak reported that the Fund participated in a compensation survey that was conducted by a consulting firm in partnership with the Chicago Teachers' Pension Fund. The Fund will receive a complimentary copy of the survey upon completion. The Board was reminded of the committee meeting dates scheduled in May.

The Executive Director stated that there were personnel matters that she would like to discuss with the Board and requested that they convene an Executive Session to do so.

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

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Fitzgerald and seconded by Trustee Ochalla that the Board adjourn the Executive Session called pursuant to Section 2(c)(1) of the OMA to discuss personnel matters and return to open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

7. Old Business/New Business

There was no old business or new business discussed.

8. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting is scheduled for June 6, 2019, at 9:30 a.m.