



**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 3, 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, Jack Fitzgerald, Bill Kouruklis, Patrick McFadden, Joseph Nevius, Kevin Ochalla (entered during Item 4a), Dennis White (entered during Item 4a), 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: Mary Pat Burns, Burke Burns & Pinelli;

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 5, 2018 Board Meeting Minutes

It was moved by Trustee McFadden and seconded by Trustee DeGraff that the minutes of the April 5, 2018, Board meeting 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 DeGraff 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, Fitzgerald, Kouruklis, McFadden (except voted "Nay" on Robert Half Legal), 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 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 Fitzgerald and seconded by Trustee Nevius 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, Fitzgerald, Kouruklis, 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 Fitzgerald 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, Kouruklis, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Administrative Report

a. Trustee Education

i. Trustee Leadership Forum June 2018

Nickol R. Hackett, Executive Director & CIO, stated that Trustee Ochalla expressed interest in attending the National Convention of the Trustee Leadership Forum for Retirement Security in Cambridge, Massachusetts on June 11-13, 2018. Trustee Ochalla withdrew his specific request due to personal scheduling conflicts, but the matter was considered for possible attendance by other trustees.

It was moved by Trustee Fitzgerald and seconded by Trustee DeGraff that the expenses, including any associated travel expenses, incurred by any trustee in attending the indicated conference be approved provided that any reimbursement be in and for amounts consistent with the Fund's Travel Reimbursement Expense Policy.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. PAS Update

The Executive Director reported that the bidders for the PAS RFP had submitted various questions to the Fund that had been answered and that the final proposals were due on May 15, 2018. She added that the proposals will be reviewed by Linea and the Fund staff, who will confer with the PAS Steering Committee to identify the semi-finalists. At the Board meeting in June, Linea will report to the Board about the selection of the semi-finalists and the next steps in the RFP process.

4. Legal Matters

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald pursuant to Section 2(c)(11) of the Open Meetings Act that the Board convene an Executive Session to discuss matters in litigation.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Kouruklis and seconded by Trustee Ochalla that the Board adjourn the Executive Session convened pursuant to Section 2(c)(11) of the Open Meetings Act and return to open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

a. Nomellini v. CEAB

It was moved by Trustee Ochalla and seconded by Trustee McFadden that the Board notify the Attorney Registration and Disciplinary Committee and the Cook County State's Attorney's Office of the failure to give timely notice to the Fund about the Illinois Appellate Court decision in *Nomellini v. The County Employees' and Officers' Annuity and Benefit Fund*, 1-16-2594. It was further moved that Fund counsel should prepare the necessary communications.

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee Ochalla and seconded by Trustee McFadden that the Fund receive Board approval before any legal matter is referred to the Cook County State's Attorney's Office.

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee McFadden and seconded by Trustee DeGraff that the firm of Burke Burns & Pinelli, Ltd. be substituted for the Cook County State's Attorney's Office on the remand of *Nomellini v. The County Employees' and Officers' Annuity and Benefit Fund*, 1-16-2594.

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee McFadden and seconded by Trustee DeGraff that the Fund staff prepare an inventory of all matters that have been referred to the Cook County State's Attorney's Office.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. In the Matter of Office #140893

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that, given disputed facts about whether the member had received notice of the Board's decision, the request for an administrative hearing made by the member identified by Office #140893 be allowed even though the request was made more than 60 days after the date of the Board's decision.

Vote Result: MOTION ADOPTED BY VOICE VOTE

c. Hearing Officer Recommendation

The Board considered the request from Mr. Christopher Cohen to serve as an administrative hearing officer and deferred action on his request to a later date.

5. IT Business Continuity Summary

The Executive Director presented a summary of the Fund's information technology infrastructure and objectives. She recapped the 2014 review and findings as indicated by an independent third party. The study assessed the Fund's IT infrastructure and made recommendations regarding data security controls, the risk management of service providers and vendors and the development of disaster recovery plans. She reported that controls had been implemented to limit access to the Fund's systems and server rooms and that processes were being designed to address risk management issues and business continuity. She noted that the pending PAS RFP were in response to the issues raised by the assessment. It was recommended that the Fund continue to develop IT governance activities and implement further general controls to access, business continuity and network operations.

6. Trustee Training

a. Cybersecurity

Mary Pat Burns of Burke Burns & Pinelli, Ltd., fiduciary counsel, then addressed the Board about Cyber-security training. She provided the trustees with the State of Illinois Security Fundamentals 2017/2018 materials that they were to review independently. They were to

complete the acknowledgement that the materials had been reviewed and return the form to the Fund.

b. Sexual Harassment

Ms. Burns then gave the Board a training session on how to identify, address and prevent sexual harassment. She stated that the Fund has a written sexual harassment policy in place that had been adopted by the Board in January, 2018. The policy provides a procedure for employees to report sexual harassment. She stated that a trustee who observes an incident of sexual harassment must report it, ensure that the matter is investigated, take all steps necessary to eliminate the harassment and observe strict confidentiality. Ms. Burns further noted that the Fund could be liable for an employee's sexual harassment if it knew or should have known of the misconduct and failed to take immediate and appropriate action to stop the offending behavior. The Fund can be strictly liable for a supervisor's sexual harassment whether or not management was aware of the wrongful conduct.

7. Old Business/New Business

Ms. Burns stated that HB 2575 was pending before the General Assembly and would allow local governments to file for bankruptcy. The Fund's legislative representative should notify the Fund if there was any activity regarding the bill

Trustee Fitzgerald noted that the Executive Director's contract was pending review prior to the June Board meeting with reference to the Sub-Committee that had been formed to address the matter. Trustee Kouruklis stated that he was no longer able to serve as either the Chair or as a member of the Sub-Committee.

It was moved by Trustee McFadden and seconded by Trustee DeGraff that Trustee Kouruklis' resignation as the chair and member of the Sub-Committee be accepted and that Trustee White be substituted in his place. It was further moved that Trustee Fitzgerald be appointed to fill the vacant position on the Sub-Committee that had been held by former Trustee Jatiko.

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee McFadden and seconded by Trustee Kouruklis that Trustee White would serve as the chair of the Sub-Committee and that Trustees DeGraff, Goode, Fitzgerald and Wilson would serve as members of the Sub-Committee.

Vote Result: MOTION ADOPTED BY VOICE VOTE

8. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting is scheduled for June 7, 2018, at 9:30 a.m.