

**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 July 9, 2020, Meeting of the Board

The meeting was conducted to allow any trustees and other attendees to participate by video conference as permitted by the Illinois Governor Gubernatorial Disaster Proclamation issued on June 26, 2020, the Governor's Executive Order Number 42, as well as the provisions of Public Act 101-0640.

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, Kevin Ochalla, Lawrence Wilson

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

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd; Noureen Hashim, Office of Commissioner Gainer; Gary Ryczyn, Timothy Walsh & Associates; Gar Chung, Financial Investment News

President Wilson stated that a quorum of the Board was present and that Trustee Hughes and Trustee Kouruklis had requested that they be allowed to participate by video conference pursuant to Section 7(a) of the Open Meetings Act, 5 ILCS 120/7(a). It was then moved by Trustee Goode and seconded by Trustee Ochalla that Trustee Hughes and Trustee Kouruklis be allowed to participate by video conference pursuant to Section 7(a) of the Open Meetings Act, 5 ILCS 120/7(a).

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

Public Comment

Trustee Wilson, President of the Board, opened the meeting for public comment and no one asked to address the Board. The next item of business on the Agenda was considered.

1. Review and Consideration of:

President Wilson asked for a motion that would allow the Board's consideration of Items 1(a) and 1(b) to be consolidated into a single motion.

- a. June 4, 2020, Board Meeting Minutes
- b. June 4, 2020, Audio Transcript of Board Meeting

It was moved by Trustee Hughes and seconded by Trustee Nevius that the Board approve the minutes from the Board meeting on June 4, 2020, and that the presented transcription of the audio recording of the Board meeting on June 4, 2020, be accepted and filed.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

2. Review and Consideration of:

- a. Bills, Payroll Records

President Wilson asked for a single motion to ratify the bills and payrolls records that were paid in June, 2020, and to approve the request to remit payments for the presented bills for expenses incurred in June, 2020.

After receiving confirmation from Fund staff that the presented payments were consistent with the approved 2020 administrative budget, it was moved by Trustee McFadden and seconded by Trustee Goode that the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in June, 2020, be ratified and that the Board approve the recommendations from Fund staff to remit payments for the presented bills for expenses incurred in June, 2020.

Roll Call Vote:

AYES: Blair, Goode, Hughes, McFadden, Nevius, Ochalla, Wilson

PRESENT: Kouruklis

NAYS: None

Vote Result: MOTION ADOPTED

- b. Annuities, Spouse and Child Annuities and Refunds

Regina Tuczak, Executive Director, stated that the application for an annuity submitted by the member identified by office number 141197 was based upon about 29 years of service credit and the member is entitled to such amount. The Board would be asked later in the meeting to discuss whether the member was eligible for additional service credit that would increase the annuity. Mary Pat Burns, Fiduciary counsel, stated that the annuity would not be final at this time, but that it was in the member's best interests to approve the presented amount.

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 McFadden and seconded by Trustee Goode, 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, 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 Fund 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, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

3. Review and Consideration of Election Matters

a. Election Options for 2020

The Executive Director had prepared and distributed a presentation of the issues and options for consideration regarding the upcoming election. Ms. Tuczak first discussed the procedures for elections in prior years, noting that each member eligible to vote receives a notice of election and an application for a ballot. A mail-in ballot is provided to each member that submits an application. On the day of election, in addition to tabulating all of the mailed ballots, members were able to cast votes in-person on the eight floor of the County building. The Executive Director described the procedures that the Election Vendors performed including the printing and mailing of the notices and applications for mail-in ballots, the retrieval of the applications for ballots from the lock box, the retrieval of the returned mail-in ballots and the processes needed on the day of the election. She added that at the Board's meeting in June, she had recommended that the process for in-person voting for the 2020 election be eliminated because of the current public health restrictions. The Board asked the Fund staff to present options for election formats in 2020 for further review.

The Executive Director stated that she and Fund staff had conference calls with the Election Vendor to discuss various options for proceeding with the election in 2020. Ms. Tuczak

noted that one of the election vendors, Joe Griseta, has resigned his position. With respect to the options presented, Ms. Tuczak noted that the first option was to proceed with the traditional format which allowed for both in-person voting and a mail-in ballot that would be sent upon the member's completed application. She noted that it would be difficult to have in-person voting given the current public health guidelines in the State of Illinois. Considerations with respect to in-person voting were discussed, including sanitization requirements, personal protective equipment needs, and limits on the number of people in one space. The second option would eliminate in-person voting, but follow the traditional format for mail-in voting which required a member to send an application requesting a ballot. The third option would eliminate in-person voting, but mail-in ballots would be sent to all members without the requirement that an application for such a ballot be submitted. The fourth option would be to have a mail-in ballot requested by application. If the application was returned, the member would receive a written ballot and an internet telephonic credential that could be used to vote in lieu of returning the paper ballot. She also presented the various positive and negative aspects to each option.

The trustees engaged in a vigorous discussion about the two different mail-in ballot processes. They discussed the need to increase member participation in the election process and how a one-step process might increase voter turnout. It was also considered that unanticipated consequences might arise if there were a change from the mail-in processes that had been implemented in earlier elections, including verification requirements of members submitting the ballots and secrecy of ballots received. The trustees acknowledged that the proposal to eliminate in-person voting was considered for only the 2020 election. The differences in costs and the means for verifying the mail-in ballots were also discussed. It was also noted that the Board could adopt rules to allow for electronic voting and that the Illinois Pension Code required that the votes be cast by secret ballot.

It was then moved by Trustee McFadden and seconded by Trustee Nevius that the Board, for purposes of the election of a County Employee Trustee in October, 2020, allow eligible members to cast ballots by mail after the receipt of an application for such ballot and that in-person voting be suspended in 2020. It was further moved that election rules, consistent with the Board's decision, be presented for approval at a later meeting.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, McFadden, Nevius, Wilson
NAYS: Goode, Ochalla
PRESENT: Wilson

Vote Result: MOTION ADOPTED

b. Resignation of Independent Election Administrator and Alternatives for 2020 Election

The Executive Director noted that as previously stated and as the Board had been advised, the Independent Election Administrator ("IEA") who provided election services to the Fund resigned in June. The Board accepted his resignation and his contract has been terminated. The functions that the IEA performed need to be reassigned to other parties. The Executive Director said that based upon meetings with Fund staff and Fiduciary counsel, she had three options for the Board to consider now that the IEA would no longer perform certain responsibilities. The first option was to retain another person to perform the responsibilities of the IEA in whole. The second option was to form an ad-hoc Election Committee from three members of the Board. The Election Committee would make some of the decisions

formerly made by the IEA and that Fund staff would absorb the IEA's ministerial functions. The third option would be to form an Election Committee who would perform some of the IEA's functions with staff support, but that an independent third-party could be retained to make recommendations to the Election Committee about substantive issues, if necessary.

The trustees discussed that the formation of an Election Committee could be useful to evaluate the voting process, including electronic voting, beyond the immediate needs of the 2020 Election. They discussed how the committee would be formed and whether it should be a sub-committee of the Legislative Committee to perform functions of the IEA for the election in 2020, with the support of Fund staff and an outside attorney, if needed.

It was moved by Trustee McFadden and seconded by Trustee Blair that the Board establish a 2020 Election Committee as an ad hoc sub-committee of the Legislative Committee, consisting of three members from the Legislative Committee, to perform the functions previously provided by the IEA and that the 2020 Election Committee may refer matters for resolution to an outside attorney previously approved by the Board, as it might deem necessary. It was further moved that that Fund counsel and Fund staff be authorized to identify an attorney to perform these services for the Board's consideration at their meeting on August 6, 2020. It was further moved that election rules, consistent with the Board's decision, be presented for approval at a later meeting.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, McFadden, Nevius, Wilson

NAYS: Ochalla

PRESENT: Goode

Vote Result: MOTION ADOPTED

4. Implementation of Court Orders and Administrative Actions

The Executive Director advised the Board of the steps taken by Fund staff to comply with recent developments in on-going litigation. She reported that the Fund had identified approximately 35 persons as of June 5, 2020, who had pending applications for annuities, including spouse annuities, who did not have either Cook County or the Forest Preserve District identified as their last employer. These applicants were notified of their eligibility to receive retiree health benefits from the Fund. After June 4, 2020, all members and surviving spouses who file for annuity benefits receive applications for enrollment in the retiree health benefits plan and waiver of coverage forms. The Fund was working with Fiduciary counsel to update its application forms and Health Benefits Handbook to delete statements that the member's last employer must be Cook County or the Forest Preserve District in order to be eligible for retiree health benefits coverage. She stated that the Fund, through Fiduciary counsel, had provided the health benefits enrollment forms to the plaintiff's attorney. The completed enrollment forms had been returned and were currently being processed.

The trustees discussed whether persons who waived coverage under the retiree health benefits plan could enroll during a subsequent open enrollment period. The Executive Director confirmed that at the present time, an annuitant who waived coverage would be eligible to enroll during an open enrollment period. Also, if a member lost coverage due to a qualifying event, such as the loss of employer coverage through a spouse, the member could be eligible to enroll outside the open enrollment period. Also, it was noted that only members currently enrolled in the retiree health plan are mailed open enrollment materials.

5. Review and Consideration of Blackstone Alternative Asset Management (BAAM) – Burnham Harbor Fund – Elliott International Limited matters pertaining to conversion of Class A Shares

The Executive Director stated that Blackstone Alternative Asset Management (BAAM) manages a fund-of-funds vehicle on behalf of the County Fund and the Forest Fund. BAAM sent notice that one of the underlying funds, Elliott International Limited, had eliminated its Class A shares and that such shares are now Class B shares. The Class B shares have a slightly lower management fee, but have more limits on the redemption of the shares which reduce the investment’s liquidity. BAAM had now offered to allow the Funds to transfer the Class B shares into a newly created pool that could provide the investors with more liquidity. The Executive Director stated that Fund staff had discussed the proposed transaction with Callan, the Fund’s Investment Consultant, and received a recommendation from them.

The trustees discussed the relative merits of holding the Class B shares directly, rather than transferring the shares to the newly formed pool. They also discussed the limits on the redemption of the Class B shares if they were directly held by the Funds or if they would be held in the pool formed by BAAM. It was noted that the value of the Class B shares did not comprise a great percentage of the Fund’s entire investment managed BAAM. It was also noted that the improved liquidity by holding the shares in a pool formed by BAAM would only be effective in the event redemption was needed in a normal business environment. In the event many shareholders in the BAAM pool simultaneously desired a redemption or Blackstone required a significant redemption, the same liquidity constraints would apply.

It was moved by Trustee Nevius and seconded by Trustee Hughes, based upon the recommendations from Callan, the Fund’s Investment Consultant, and upon the Fund’s staff analysis of the liquidity process that the Fund remain a direct investor in Elliott International and retain the Class B shares.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Ochalla, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

6. Administrative Matters

a. Review and Consideration of Proposed August 18, 2020 Health Benefits Committee Meeting

The Executive Director stated that a meeting of the Health Benefits Committee Meeting was scheduled for August 18, 2020. The purpose of the meeting was to review the health insurance premiums rates for 2021 and to make a recommend to the Board. A representative from the Fund’s health consultant, Segal, would be present for discussion and analysis.

b. Executive Director Report

The Executive Director stated that the Fund continued to operate with the same procedures as discussed at the Board’s meeting in June. The staff had been divided into three separate groups who rotated between working on-site and working remotely. There were approximately five other staff members who worked on-site every day. The Executive Director indicated that this process has worked well and should continue. The Fund was operating with about 45% of the staff working from the office each day. The members were

still receiving counseling services remotely, but if a member requested, the Fund would accept applications or documents in the building's lobby.

She reported that the Fund had received the \$25M under the Intergovernmental Agreement ("IGA") from the County in June, 2020, as scheduled. Additionally, the Fund had provided the financial information requested by the County for the 2021 IGA by June 15, 2020, with the exception of the Cook County Fund financials which were delivered four days later. As discussed at the June Board meeting, the IGA letter from the Fund's actuary was to be amended to include a statement that a long-term statutory solution is needed. The Executive Director made the requested amendment which was reviewed by the trustee who had asked for the change, but did not circulate the letter to the full Board before it was sent to the County. A copy of the letter was included with the Board's materials.

The Executive Director stated that the audits for both the County Fund and the Forest Fund had been completed and that the financial statements had been issued. She noted that the final financial statements had no significant changes from the draft statements that had been presented to the Board at the meeting in June. She also stated that the letters from the auditor to those charged with governance, the trustees, as required by auditing standards, were included with the Board materials. The Executive Director noted that there are about ten matters the auditors are required to document and communicate, however, there is nothing concerning in the letters.

It was reported that Commissioner Gainer had requested the Executive Director to make a presentation about the status of the Pension Fund to the County Board's Pension Committee. The trustees asked that the presentation continue to include commentary that the Forest Fund does not have an intergovernmental agreement for supplemental funding, such as those received by the County Fund.

The Executive Director stated that the County's CFO, Mr. Ammar Rizki, would like to address the Board at the August meeting regarding legislative matters. He had made this request in March, but because of public health considerations, his appearance had been delayed. The trustees asked that Mr. Rizki be provided with the Fund's legislation and that the Fund receive a report from John McCabe about the status of pension legislation before Mr. Rizki appears.

It was reported that the Fund staff was planning to conduct due diligence interviews with the semifinalist candidates for the Investment Consultant RFP. It was anticipated that the interviews would be conducted using a video conference platform given many travel restrictions in place, both long distance and in-town.

The Executive Director reported that the RFP for a custodian continued and that Callan had been retained to provide consulting services. Progress on the RFP had been delayed due to travel restrictions and the need to concentrate on finalizing the Fund's financial reports to meet IGA deadlines. The Executive Director had made an informal inquiry to the current custodian, BNY/Mellon, to ask if they would extend the contract for an additional year on the same terms. BNY/Mellon was open to such an extension and the Executive Director stated that she would return to the Board with a more formal request. She noted that the Fund prepared about 1,000 checks each month and that the need for a benefit pay agent was made even more apparent during the pandemic. She stated that the Fund would be better served by out-sourcing this process.

The Executive Director stated that the Fund had been advised that CVS had severed their relationship with Livongo and such program would not be included in the final contracts pending with CVS. The program had not been implemented by the Fund because contractual terms with CVS (both Medicare and non-Medicare) had not been finalized. The trustees discussed how the Livongo program had been introduced to the Health Benefits Committee and then the Board, in November, 2019. Some trustees had received positive reports about the program as it had been administered for active employees and were hopeful that it could also be available to annuitants. The trustees asked that the matter be placed on the agenda for the Health Benefits Committee meeting on August 18, 2020. The Executive Director was directed to send a letter to CVS requesting information in writing regarding the severing of the relationship with Livongo.

It was reported that the Communication Survey was intended to be sent with a newsletter last March. Due to the problems presented by the pandemic, both the survey and the newsletter had been delayed. The Executive Director intended to revive the process for issuing the survey and the newsletter.

The Executive Director reminded the trustees that their Statements of Economic Interests should be filed by August 1, 2020.

The trustees had no further discussion following the conclusion of the Executive Director's report. It was then moved by Trustee Goode and seconded by Trustee Blair 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 litigation matters.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Ochalla, Nevius, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

President Wilson advised that the Board would proceed to a closed session. He stated that the Board would return to the video conference after the Executive Session had been completed and that those persons who were observing the proceedings could remain on the video conference.

It was moved by Trustee Blair and seconded by Trustee Nevius that the Executive Session be adjourned and that the Board return to an open session.

7. Old Business/New Business

There was no old business or new business discussed.

8. Adjournment

It was moved by Trustee Nevius and seconded by Trustee Blair that the meeting be adjourned.

The next meeting of the Board is scheduled for August 6, 2020, at 9:30 am.