



**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 12, 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, Diahann Goode, Bill Kouruklis, Patrick McFadden, Joseph Nevius, Kevin Ochalla, Lawrence Wilson

Staff Present: Nickol R. Hackett, Executive Director & CIO; Margaret Fahrenbach, Legal Advisor, Gary LeDonne, Director, Benefits Administration; Brent Lewandowski, Director, Member Services; Michael Maratea, Director of Finance and Administration; Beverly Romanini, Director, Administrative Services; Jane Hawes, Director, Health Benefits; Saron Tegegne, Comptroller

Others Present: Mary Pat Burns, Burke Burns & Pinelli; Sarah Boeckman, Burke Burns & Pinelli (entered during Item 8)

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. June 7, 2018 Board Meeting Minutes

It was moved by Trustee Nevius and seconded by Trustee Goode that the minutes of the June 7, 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 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, 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 Ochalla 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, Goode, Kouruklis, McFadden, Nevius, Ochalla,
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 Nevius 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,
Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Review and Consideration of May 17, 2018 Health Benefits Committee Recommendations

a. Voluntary Dental Plan Renewal

Jane Hawes, Director of Health Benefits, advised that Guardian had presented rates for the Voluntary Dental Plan offered to annuitants for the period from January 1, 2019 through December 31, 2020. She stated that the rates reflected a 9% decrease from the current offering and that the Fund had received written confirmation from Guardian confirming the proposal. The proposed rates had been presented to the Health Benefits Committee and it was the Committee's recommendation that the Board approve the renewal of the Voluntary Dental Plan.

It was moved by Trustee McFadden and seconded by Trustee Kouruklis that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on May 17, 2018, to approve the rates for the Voluntary Dental Plan proposed by Guardian for the period of January 1, 2019 through December 31, 2020, as presented.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

4. Review and Consideration of May 31, 2018 Investment Committee Agenda Items

a. Manager Update

The Executive Director, stated that the Fund received notice that Piedmont Investment Advisors entered an agreement to sell all its assets to FIS Group, Inc., that is scheduled to close in 3Q 2018. It currently manages approximately \$223M for the County Fund in a domestic core plus fixed income strategy. Piedmont has requested that the Fund consent to the transfer and assignment of the Piedmont Fixed Income mandate to the FIS Group, Inc. Upon reviews conducted with the principals of the combined entity, Fund staff and Callan Associates jointly recommended approval of the consent.

Mary Pat Burns, of Burke Burns & Pinelli, Fund counsel, advised that any such consent to the transfer of the mandate be exercised only upon the closing of the sale of assets transaction and so long as FIS assumes the liabilities of Piedmont.

It was moved by Trustee Fitzgerald and seconded by Trustee Goode that the Board authorize the County Fund to consent to the transfer and assignment of the Piedmont Fixed Income mandate to the FIS Group, Inc., such consent is to be exercised only upon the closing of the sale of assets and so long as FIS assumes Piedmont's liabilities. It was further moved that the Fund staff be authorized to take any reasonable actions necessary to effectuate the foregoing, including, the execution and delivery of related documents on behalf of the County Fund by the Executive Director.

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

5. Election Rule Changes

Brent Lewandowski, Director, Member Services, presented certain amendments to the Election Rules that govern the elections of the members to the Retirement Board. The proposed amendments were developed by Fund staff working collaboratively with the Independent Election Administrator ("IEA"). The first amendment related to the identifiers to be used when a person signed a petition for annuitant candidates. The current rule requires voters to provide the last four digits of their social security numbers, but voters have expressed reluctance to give that information due to privacy concerns. The proposed amendment would allow the voter to provide either their employee number or the last four digits of their social security number. This change would bring the rule for annuitant voters in line with the requirements for employee voters. The Board discussed the proposed amendment and noted that while annuitant voters might not easily recall their employee identification numbers, it provides them a reasonable alternative.

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board approve amendments to Sections 2.3 and 2.5 of the Cook County Annuitant Member Trustee and Forest Preserve District Annuitant Member Trustee Election Rules to allow the validation of an annuitant's eligibility to vote by the provision of the member's employee number or the last four digits of the member's Social Security Number, and to further allow the rules to reflect the Fund's current address, as presented.

Roll Call Vote:

AYES: DeGraff, Goode, Kouruklis, Nevius, Ochalla, Wilson
PRESENT: Fitzgerald
NAYS: McFadden

Vote Result: MOTION ADOPTED

[NOTE: At this point in the meeting, Trustee Wilson, President, became temporarily absent from the proceedings and Trustee Goode assumed the duties of the presiding officer.]

Mr. Lewandowski then presented an amendment regarding the management of spoiled ballots. The proposed amendment would give specific authority to allow a replacement ballot when a voter presenting himself or herself at the polling place acknowledged that the ballot was spoiled. Any spoiled ballot would be marked 'void', segregated and not tabulated. For ballots submitted by mail, the proposed amendment would allow the IEA to determine the voter's intent and prepare a replacement ballot. The Board discussed whether there should be discretion given regarding the disposition of mail-in ballots that are spoiled. Fund staff was directed to contact the County Clerk and the Chicago Board of Elections to determine how they managed the disposition of spoiled mail-in ballots. Any amendments to the Election Rules regarding spoiled ballots would be deferred to the Board's August meeting.

6. Review and Approval of Actuarial Services Search

Saron Tegegne, Comptroller, presented a Request for Proposal regarding actuarial services that contemplated a release date of July 23, 2018. It was planned that the RFP would be posted to the Fund's website and to the Society of Actuaries website. The Board discussed that the Fund had retained Buck Consultants as an actuary pursuant to an RFP in 2012 and that the current actuary, Conduent Human Resource Consulting, had been providing such services following corporate changes.

It was moved by Trustee Fitzgerald and seconded by Trustee Goode that the Board approve the release of a Request for Proposal for Actuarial Services, as presented, by July 23, 2018.

Vote Result: MOTION ADOPTED BY VOICE VOTE

7. Review and Approval of Legislative Consultant Search

The Executive Director stated that a draft RFP for a Legislative Consultant and that would be ready for release on or about July 26, 2018, and suggested that the matter be referred to the Legislative Committee for final review. In addition to posting the RFP on the Fund's website, it was discussed that distribution of the RFP should be made to lobbyists known to provide services for public entities, particularly public pension funds in Illinois. The Board discussed that the RFP could be

released without referring it to the Legislative Committee, but that a search committee could be convened after the release. The Board also advised that when it is asked to approve an RFP that the Fund staff provide information about the fees and term of service provided by the current vendor.

It was moved by Trustee Kouruklis and seconded by Trustee McFadden that the Board approve the criteria and the release of a Request for Proposal for a Legislative Consultant, as presented, and to convene a search committee.

Vote Result: MOTION ADOPTED BY VOICE VOTE

8. Legal Matters

It was moved by Trustee Goode and seconded by Trustee DeGraff 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, Goode, Kouruklis, McFadden, Nevius, Ochalla,
Wilson

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Kouruklis 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. ARCP Collections – Settlement Proposal

It was moved by Trustee Goode and seconded by Trustee Ochalla that the Board not approve the settlement proposal made by Andrea Goode and that the Fund counsel be authorized to proceed with the trial of the matter pending in the Circuit Court of Cook County.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Tribune Litigation – Possible Referral to Outside Counsel

It was moved by Trustee McFadden and seconded by Trustee Nevius that the Board authorize the Fund, with approval of fiduciary counsel, to retain new counsel for its representation in the Tribune Litigation and to request that the Cook County State's Attorney's Office withdraw.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

9. Discussion and Possible Action Regarding Personnel Matter

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

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved duly moved and seconded by 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

10. Old Business/New Business

There was no old business or new business discussed.

11. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting is scheduled for August 2, 2018, at 9:30 a.m.