



**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 September 5, 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 (entered during Public Comment), Patrick McFadden, Joseph Nevius, Kevin Ochalla, Lawrence Wilson

**Staff Present:** Regina Tuczak, Executive Director, Margaret Fahrenbach, Legal Advisor; Brent Lewandowski, Director, Member Services; Gary LeDonne, Director, Benefits Administration; Michael Maratea, Director, Finance and Administration; Beverly Romanini, Director, Administrative Services; Jane Hawes, Director, Health Benefits; Fernando Vinzons, Director, Investments; Saron Tegegne, Comptroller; Bravetta Hassell, Sr. Communications Specialist

**Others Present:** Mary Pat Burns, Burke Burns & Pinelli, Ltd.; John McCabe & Associates, Ltd.; Bob Molaro, John McCabe & Associates, Ltd.; Dan Levin, Segal Consulting; Elliot Mallen, UNITE HERE Local 1; Adrienne Quig, Crain's Chicago Business; Kevin Wright, Cook County Bureau of Finance

**Public Comment**

Trustee Wilson, President of the Board, opened the meeting for public comment. Mr. Elliott Mallen of UNITE HERE Local 1 addressed the Board and discussed some labor matters pertaining to properties owned by CBRE Global Investors U.S. Strategic Partners Fund VII. It was noted that CBRE had retained a third party to manage the hotel property under consideration. The commenter was thanked for addressing the Board.

**1. Review and Consideration of:**

- a. August 1, 2019, Board Meeting Minutes

It was moved by Trustee Fitzgerald and seconded by Trustee Nevius that the presented minutes of the Board meeting on August 1, 2019, 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 Fitzgerald, that the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in August, 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 Nevius, having received confirmation from Fund staff that the presented bills for operating expenses incurred in August, 2019, were 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 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 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, 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 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, Goode, Kouruklis, McFadden, Nevius, Ochalla, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

3. Benefit Matters

a. Furlough Legislation Calculation Considerations

Regina Tuczak, Executive Director, reported that when the Fund staff began to implement newly enacted P.A. 101-0011, they found discrepancies between the salary information certified by the employer and the salary data maintained by the Fund. Under P.A. 101-0011, now codified as Section 9-179.4 of the Illinois Pension Code, employees who were on furlough or received salary reductions in the period December 1, 2017, through November 30, 2018, were allowed to purchase additional service or earnings credit for that period. She stated that the Fund had met with the employer and learned that the differences resulted from a new payroll system that had been implemented prior to December 1, 2017. The pay rates of the steps under the new system were not always identical to the pay rates of the steps under the old system. When there was not an identical match for an employee's step rate, the employee was placed into the next highest rate. The salary reductions beginning on December 1, 2017, were calculated from the new pay rate. The discrepancies mostly impacted non-union salaried employees. The trustees discussed that the actual salaries paid to the employees were accurate and that the discrepancies found in implementing P.A. 101-0011 were relatively small.

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden that the Board approve a procedure permitting the use of the salary reduction certified by the employer, when the higher step rate used as the basis for the reduction can be verified through documentation of the payroll system change, rather than the salary data maintained from the Fund's pension administration system, for the calculations required under Section 9-179.4 of the Illinois Pension Code.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Member #136780 Calculations

The Executive Director stated that Member #136780 had requested to purchase additional salary and service credit pursuant to Section 9-179.4 of the Illinois Pension Code under the circumstances previously discussed by the Board. By applying the presented methodology, the member would receive a monthly annuity benefit in the amount of \$6,365.87 effective as of August 1, 2019.

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden after due consideration of the application presented for Member #136780 and having confirmed that the Fund staff followed the Fund's procedures in reviewing and processing the application, including but not limited to the calculation for the purchase of service or earnings credit during a period of furlough or salary reduction as permitted by Section 9-179.4 of the Illinois Pension Code that the Board approve the Member's application for monthly annuity benefits in the amount of \$6,365.87 effective as of August 1, 2019.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

4. Legislative Matters

a. Review and Consideration of August 21, 2019, Legislative Committee Recommendation Regarding Draft Legislation

Trustee McFadden, Chair of the Legislative Committee, stated that the Committee had met on August 21, 2019, and considered proposed legislation which would provide for actuarial based funding for both the County Fund and the Forest Preserve Fund. The legislation included a three-year ramp and would provide a 100% funding level amortized over 30 years. The Legislative Committee recommended that the Board approve the legislation and have it introduced before the General Assembly. Trustee McFadden stated that the Committee had directed the Executive Director to prepare draft correspondence for County representatives and labor stakeholders that would be sent with copies of the proposed legislation, requesting support for such legislation. Trustee McFadden added that the Fund's Legislative Representative had been authorized to submit the proposed legislation to the Legislative Reference Bureau ("LRB") so that the legislation would be ready for introduction before the General Assembly.

Mr. John McCabe, of John McCabe & Associates, the Legislative Representative, stated that the legislation had been submitted to the LRB and had been returned to him. He stated that Senator Martwick was a possible sponsor in the Senate, but that a sponsor in the House had not yet been determined. He added that Senator Martwick wanted the Fund to continue discussions with the County about the funding legislation.

The trustees then considered a motion to adopt the Legislative Committee's recommendation that the legislation be introduced. Trustee Wilson stated that while he was willing to proceed with the Legislative Committee's recommendation, he noted that, per the guidance of our legislative representatives, to increase the likelihood of success we should continue try to collaborate with the County.

It was moved by Trustee McFadden and seconded by Trustee Kouruklis that the Board adopt the recommendation made by the Legislative Committee at the meeting on August 21, 2019, that the Board approve the presented amendment to Section 9-169 of the Illinois Pension Code, 40 ILCS 5/9-169, that includes, but is not limited to, actuarially based contributions from Cook County, the employer, which is anticipated to achieve 100% funding by the levy year 2051 and 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. It was further moved that the Executive Director be authorized to advise the employer and other stakeholders, on behalf of the Board, of the legislation that will be introduced by transmitting the proposed amendment with the presented correspondence.

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 adopt the recommendation made by the Legislative Committee at the meeting on August 21, 2019, that the Board approve the presented amendment to Section 10-107 of the Illinois Pension Code, 40 ILCS 5/10-107, that includes, but is not limited to, actuarially based contributions from the Forest Preserve District of Cook County, the employer, which is anticipated to achieve 100% funding by the levy year 2051 and 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. It was further moved that the Executive Director be authorized to advise the employer and other stakeholders, on behalf of the Board, of the legislation that will be introduced by transmitting the proposed amendment with the presented correspondence.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Ochalla, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

b. Discussion and Possible Action Regarding Other Legislative Matters

The Executive Director asked for direction regarding a response should the County inquire about the legislation after it was delivered as the Board had directed. The trustees discussed that they were open to continued dialogue with the County, but that the funding legislation needed to be advanced and was of utmost importance. They also discussed that if trustees would be needed to attend a meeting with County representatives that Trustee McFadden and Trustee Ochalla would participate and Trustee Fitzgerald would serve as an alternate.

5. Health Benefit Matters

a. Review and Consideration of August 6, 2019, Health Benefits Committee Recommendation Regarding Health Plan Rates for 2020

Jane Hawes, Director of Health Benefits, stated that the Health Benefits Committee had met on August 6, 2019, and considered the proposed health plan rates prepared by Segal, which were to be effective from January 1, 2020 through December 31, 2020. The Committee had recommended that the Board approve the rates. Dan Levin, from Segal Consulting, presented the rates that were to be provided under the CCPF Health Plan.

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on August 6, 2019, that the annuitant and survivor rates for the CCPF Health Plan as proposed and prepared by Segal be approved effective from January 1, 2020 through December 31, 2020.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Medicare Premium Reduction for Those Ineligible for Free Medicare Part A

Mr. Levin presented the rates for those members who were required to purchase Medicare Part A and Medicare Part B. He noted that it was beneficial to the CCPF Health Plan to provide a premium reduction to those members who would now be required to participate in Medicare, but are not eligible for premium free Medicare Part A.

It was moved by Trustee Fitzgerald and seconded by Trustee Goode that the Board adopt the reduced rates as proposed and prepared by Segal, for retirees participating in the CCPF Health Plan who also are required to purchase Medicare Part A and Part B to be approved effective from January 1, 2020 through December 31, 2020.

Vote Result: MOTION ADOPTED BY VOICE VOTE

c. Review and Consideration of August 6, 2019, Health Benefits Committee Recommendation Regarding Co-Pay Decision for Bowel Prep Medications

The Director of Health Benefits stated that the CCPF Health Plan currently requires a co-pay for medications needed to prepare for colonoscopies, but that under the Affordable Health Care Act, such services do not require co-pays as they are considered preventive services. The Health Benefits Committee recommended that the co-pay for medications needed to prepare for a colonoscopy be eliminated.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on August 6, 2019, that the

CCPF Health Plan be amended so that no co-pay would be required for colon screening prep medication effective January 1, 2020.

Vote Result: MOTION ADOPTED BY VOICE VOTE

d. Open Enrollment Incentives and Wellness Budget Considerations

The Director of Health Benefits stated that there was approximately \$74,000 remaining to be spent on wellness items reimbursable from UHC. She proposed that certain incentives, possibly similar to a sweepstakes coupon, be included with the open enrollment packets so that the members would have an incentive to read the materials provided. The trustees discussed whether the proposals had been considered by the Health Benefits Committee and received confirmation that they had not been presented to the Committee. Mary Pat Burns, fiduciary counsel, advised that federal law may prohibit the use of a sweepstakes incentive in the selection of health care providers and that the matter should be considered by the Health Benefits Committee.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the proposed open enrollment incentives and wellness budget considerations be deferred to the Health Benefits Committee.

Vote Result: MOTION ADOPTED BY VOICE VOTE

e. Acute Rehab Services and Plan Provision Change

The trustees considered the continuation of coverage for a member who required more time in acute rehabilitation than the CCPF Health Plan currently provided. Because of the emergency circumstances, the extended coverage had been approved by the Fund with the concurrence of the Chair of the Health Benefits Committee. Mr. Levin stated that most plans would not have the limitation in the coverage that the CCPF Plan had been interpreted to provide. The trustees discussed that the coverage should have mirrored the County employee plan and was most likely an error in the implementation of coverage when the Plan transitioned to UHC.

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden that the Board ratify the action taken by the Fund, under emergency circumstances and with the consent of the Chair of the Health Benefits Committee, to approve an exception to the CCPF Retiree Health Plan for medical services required by the Member for a total of 140 days. It was further moved that the Fund obtain further information regarding coverage of this type and to defer further consideration of the matter to the Health Benefits Committee.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

f. Health Benefits Exception Policy

The Director of Health Benefits presented a policy for approving exceptions to the CCPF Health Plan. This matter was deferred to the Health Benefits Committee.

6. Administrative Matters

a. Network Security and Privacy (Cyber) Liability Insurance

The Executive Director stated that the Fund's Cyber Liability Insurance Policy will expire on October 8, 2019, and that the Fund had received a proposal from the current provider to extend the policy for an

additional year on the same terms. She stated that the Fund's broker had confirmed that the proposed policy and its limits were appropriate for the Fund.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that the Board approve the renewal of the Network Security and Privacy (Cyber) Liability Insurance as offered by Beazley Insurance Co. to be effective from October 8, 2019, to October 8, 2020, upon the terms presented at an annual premium not to exceed \$4,000. It was further moved that the Fund staff shall take all reasonable action necessary to effectuate the foregoing including the execution of any related written documents on behalf of the Fund by the Executive Director.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

- b. Technology Service Contract/SOW Continuations
  - i. CDW-G

The Executive Director reported that she met with representatives of AIS, who provide services related to the Fund's IT systems through its agreements with CDW-G, and has learned that while the current infrastructure is unnecessarily complex, it should not be dismantled at the present time. It is necessary for the Fund to continue its engagement with CDW-G to maintain the current systems. She stated that the Fund is currently within the approved budget for IT services, but may exceed the budgeted amount by the year's end. She reported that a posting had been made to find a Director of IT and that the Fund is actively seeking to fill the position. The Fund is currently below budget with respect to salaries of the IT department.

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden that the Board approve the retention of CDW-G to provide the network support services as presented at a cost not to exceed \$61,580 and it was further moved that the Executive Director be authorized to negotiate, execute and deliver on behalf of the Fund the Statements of Work necessary to effectuate the foregoing.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

- ii. Cogent

This matter was deferred to a later meeting; no action was taken.

- c. Executive Director Report

The Executive Director reported that on August 6, 2019, Burns Burke & Pinelli, Ltd. had filed a Petition for Leave to Appeal to the Illinois Supreme Court in *Levin v. The Retirement Board*. Ms. Levin, through her attorney, has filed a response. Copies of the briefs are available on BoardEffect or can be provided to the trustees upon request.

It was reported that the expenses anticipated for the intended member communications survey in 2019 would exceed the budgeted amount of \$4,000 and that an additional \$3,000 would be needed. The survey



would provide an assessment from members about communications with the Fund and would identify opportunities for improvement.

The Executive Director reported that the outreach to Out-of-State Annuitants to confirm their addresses and validate continuation of benefits was continuing. A second mailing will be sent advising annuitants that they will have until no later than October 15, 2019 to respond. Fund staff expects to present requests to terminate or suspend the annuities of those member who do not respond to the Board at their meeting on November 7, 2019.

The Member identified by Office Number 129466 has been convicted of a felony and her sentencing is scheduled for November 17, 2019. She is already receiving an annuity and the Board will need to consider whether her annuity benefits should be terminated pursuant to Section 9-235 of the Illinois Pension Code. The Fund's external counsel has advised that the Board should schedule a hearing to make this determination at their meeting on November 7, 2019. The Fund will send the required notice to the Member.

The Fund has been advised by external counsel that the proposed rental agreements for the open enrollment venues include 'hold harmless' clauses that could expose the Fund's assets to unnecessary risks and should be limited to the available insurance. The Fund has contacted the venues to determine if the clauses can be limited, but a final determination about the agreements has not been obtained. The Trustees presented a few alternatives for consideration of other venues.

The Executive Director reminded that trustees that they each are required to have eight hours of ethics training each year. She noted some upcoming opportunities for the trustees to fulfill this obligation and that Fund staff would be available to register any trustee for attendance at these events.

The trustees were advised that the Health Benefits Committee would meet on September 19, 2019, at 9:30 am; that the Legislative Committee would meet on September 19, 2019 at 12:30 pm; and that the Investment Committee would meet on September 26, 2019, at 9:30 am.

The Executive Director stated that the Director of Risk Management for Cook County had invited Fund representatives to participate in a presentation to staff members of the Board of Commissioners and members of the President's cabinet on September 6, 2019. The Fund was asked to make a short presentation about pension and health care benefits.

The Fund has been notified that the Senate Special Committee on State and Pension Fund Investments will convene its hearings on Wednesday, October 23, 2019 and Thursday, October 24, 2019. The Senate Committee requested that, at a minimum, the Executive Director, the Director of Investments, the President of the Retirement Board and the CEO of the Fund's consulting firm be present to testify. Other trustees are also encouraged to attend. She will ask that the Fund be scheduled to appear on Wednesday, October 23, 2019, to avoid any conflict with the Investment Committee meeting scheduled on October 24, 2019.

The Executive Director reported that a different vendor would be used to print and mail the open enrollment materials. The selected vendor, Fuse, had been successfully retained by the Fund to print the most recent Comprehensive Annual Financial Reports ("CAFR"). The costs for Fuse to print and mail the open enrollment materials will be about \$1,000 more than the prior vendor. She added that Fuse will provide a more efficient process and will better limit the transfer of annuitant data. It was anticipated that the Fund will be reimbursed for this expense through the UHC Wellness budget.

At the conclusion of the Executive Director's report, it was moved by Trustee McFadden and seconded by Trustee Goode that the Board approve the additional anticipated expenditure of \$3,000 over the budgeted amount to execute a communications survey in 2019, which will be included in the final Pension Notes newsletter for 2019 for either the active member group or the retiree group.



Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Ochalla, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Fitzgerald and seconded by Trustee McFadden pursuant to Section 2(c)(1) of the Open Meetings Act, 5 ILCS 120/2(c)(1), that the Board convene an Executive Session to discuss personnel matters.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, McFadden, Nevius, Ochalla, 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 Open Meetings Act 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 Fitzgerald and seconded by Trustee McFadden the meeting be adjourned.

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting is scheduled for October 3, 2019, at 9:30 a.m.