

**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  
33 N Dearborn St, Suite 1000  
Chicago, IL 60602**

**Minutes for the September 7, 2017 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, Andrew Jatiko, Bill Kouruklis (entered during Item 2a), Patrick McFadden, Joseph Nevius, Lawrence Wilson

**Staff Present:** Nickol R. Hackett, Executive Director & CIO; 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; Rachelle Howliet, Health Benefits Team Lead

**Others Present:** Mary Pat Burns, Burke Burns & Pinelli; Cynthia Dillard, Retiree, Stephen James, Linea Solutions

Public Comment

Trustee Fitzgerald, 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. August 3, 2017 Board Meeting Minutes

It was moved by Trustee Goode and seconded by Trustee DeGraff that the minutes of the August 3, 2017, Board meeting be amended at Item 3a to replace the word "will" with "need" and to strike language after Election Consultant.

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

b. August 24, 2017 Special Board Meeting Minutes

It was moved by Trustee Nevius and seconded by Trustee DeGraff that the minutes of the August 24, 2017, Special Board meeting be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

2. Review and Consideration of:

a. Bills, Payroll Records

Trustee McFadden requested detail of services that are being performed by Robert Half Legal. It was moved by Trustee Nevius and seconded by Trustee Goode 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, Goode, Fitzgerald, Jatiko, Kouruklis, McFadden (except as noted below), Nevius, Wilson

NAYS: McFadden (as to payment to Robert Half Legal)

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 DeGraff, 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, Goode, Fitzgerald, Jatiko, 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 McFadden 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, Goode, Fitzgerald, Jatico, Kouruklis, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Administrative Report

a. Travel Education

Nickol R. Hackett, Executive Director and CIO, stated that several members of the Board were not in compliance with the annual requirements for trustee education. She stated that there were seminars for the remainder of the year for those members who needed additional hours. It was requested by Trustee Nevius that information regarding the Callan conferences be provided.

It was moved by Trustee Nevius and seconded by Trustee DeGraff, consistent with the recommendations of the Fund staff and Fund counsel, 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, Goode, Fitzgerald, Jatico, Kourkulis, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Review of 2018 Contract Renewals

Nickol Hackett, Executive Director and CIO, presented a summary of professional service providers pending review either during the fourth quarter of 2017 or 2018. It was recommended by staff that the list of vendor renewals that was presented include dates of a potential RFP.

4. Committee Reports

a. Review and Approval of August 24, 2017 Health Benefits Committee Recommendations

Jane Hawes, Senior Manager of Health Benefits, stated that the Health Benefits Committee met on August 24, 2017, and reviewed the 2018 expected plan expenses and made a recommendation to the Board about the contributions that would be due from the members and the Fund for health benefits. Ms. Hawes reported that the plan's 2018 expenses are expected to be a 6.4% increase over the 2017 projected expenses. The 2018 projected increase includes medical and pharmacy trends; reflects actual plan experience through June 30, 2017, and also includes additional savings estimates from the implementation of the EGWP program. Pharmacy expense projections made last year for 2017 were based on RDS subsidies only and did not include the additional impact of EGWP savings.

It was moved by Trustee McFadden and seconded by Trustee DeGraff that the Board approve the recommendation made by the Health Benefits Committee at their meeting on August 24, 2017 to change the 2018 subsidy to 50% for annuitants and 65% for survivors for the Choice Plan Medicare, the Choice Plan Non-Medicare and for the ChoicePlus Plan with Medicare.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee DeGraff that the Board approve the recommendation made by the Health Benefits Committee at their meeting on August 24, 2017 to change the 2018 subsidy to 45% for annuitants and 60% for survivors for the ChoicePlus Plan for Non-Medicare.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee DeGraff that the Board approve the recommendation made by the Health Benefits Committee at their meeting on August 24, 2017 to reduce the Choice Plus out-of-network urgent-care benefit from 40% co-insurance per visit to 15% per visit to align with the in-network urgent care benefit.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Review and Approval of Investment Committee Recommendations

The Board considered the recommendations made by the Investment Committee at their meeting on July 27, 2017, regarding the transfer of the Russell 1000 Growth account into a lower cost vehicle as part of Callan's Domestic Equity Structure Review. This move would save the County Fund approximately \$408,000 in annual management fees. Ms. Hackett also informed the board that the security lending search performed by Callan could not be applied in accordance with the contract and not be waived.

It was moved by Trustee Wilson and seconded by Trustee Jatico that the Board approve the recommendation made by the Investment Committee at their meeting on July 27, 2017, to transfer the Russell 1000 Growth account from ETFs to a separately managed account in order to reduce the management fees.

Vote Result: MOTION ADOPTED BY VOICE VOTE

5. Presentation of Linea Solutions – Operational Needs Assessment

Stephen James, of Linea Solutions, presented a summary of the operational needs assessment that was made of the Fund's pension administration system, PBMS. He said that PBMS, which was developed and currently maintained by Novitas, is loosely integrated with other platforms, particularly MS Office suite products. Mr. James stated that while the data appears to be well preserved on the current technology, manual interventions by Fund staff are required for most processes. The reliance of PBMS on key personnel and the obsolescence of its technology, which is not likely to accommodate statutory reform, are serious limitations for its future use.

The limitations of PBMS could be resolved by pursuing one of four options: 1) to further modify PBMS, 2) to develop a fully customized PAS, 3) to customize certain 'off the shelf' solutions ("COTS") or 4) to develop framework phased components for specific PBMS solutions. He stated that a COTS solution would likely be the most efficient and economic approach for the Fund. The Board discussed the assessment made by Linnea and how the various presented solutions would impact Fund operations.

6. Review and Approval of 70 West Relocation Vendor

Nickol Hackett presented a summary of the status of the communications and technology infrastructure in preparation for the relocation to 70 W. Madison. She explained that the Fund's current infrastructure and equipment has reached end of life status and cannot be supported in a cost effective way. Current infrastructure is inflexible and cannot support a

growing service base and is too slow for operations performed as well as approaching obsolesce for VOIP communication upgrades being performed. Additional recommendations would be revisited at the October 2017 board meeting relating to movers, firewall, and enterprise-wide Wi-Fi solution.

It was moved by Trustee Kouruklis and seconded by Trustee DeGraff that the Board approve the recommendation to purchase hardware, support and services from CDW to provide network flexibility and additional storage space and engage them to facilitate network upgrades in compliance with County and building standards at an estimated cost of \$151,916.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

7. Legal Matters

a. Office #172971 Felony Conviction

Brent Lewandowski, Senior Benefits Manager reported to the Board about the member identified by Office #172971, who pled guilty to charges of official misconduct in violation of 720 ILCS 5/33-3(b) and theft, in violation of 720 ILCS 5/16-1(a)(1), in the Circuit Court of Cook County. Mr. Lewandowski stated that on August 1, 2017, the member was sentenced to twenty-four months of probation and was ordered to pay restitution in the amount of \$40,000, by February 1, 2018.

The member was terminated from County service on June 25, 2014, and had earned 11 years and 7 months of pensionable service credit. If the facts underlying the charges are related to her service as a County employee, she would not be eligible for benefits from the Fund pursuant to Section 9-235 of the Illinois Pension Code. The member is not eligible to receive a refund pursuant to Section 9-164(1) of the Illinois Pension Code because she is 64 years old and has more than 10 years of service.

It was moved by Trustee DeGraff and seconded by Trustee McFadden that the Board will consider whether the member is eligible for benefits pursuant to Section 9-235 of the Illinois Pension Code at their next regular meeting. The Fund staff is to notify the member of the hearing date, that she has the right to consult with an attorney and to present evidence. Fund staff should contact the member to consider how the facts underlying the conviction will be presented to the Board.

Vote Result: MOTION ADOPTED BY VOICE VOTE

8. Old Business/ New Business

It was moved by Trustee Wilson and seconded by Trustee Kouruklis that the Board convene

an Executive Session pursuant to Section 2(c)(1) of the Open Meetings Act to discuss personnel matters.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Wilson that the Board adjourn the Executive Session and return to open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

Upon return to open session, President Fitzgerald formed a temporary subcommittee to perform the annual review of the Executive Director. Trustees DeGraff, Goode, Jatico, Kouruklis and Wilson volunteered to serve on the temporary subcommittee and were so appointed by President Fitzgerald.

9. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting is scheduled for October 5, 2017 at 9:30 am.