

**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 West Madison, Suite 1925  
Chicago, IL 60602**

**December 2, 2021 - 9:30 A.M.**

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:** Lawrence Wilson, President; Patrick McFadden, Vice President; Stephen Hughes, Secretary; John Blair; Bill Kouruklis, Joseph Nevius, Kevin Ochalla, Tracy Reed

**Staff Present:** Regina Tuczak, Executive Director; Margaret Fahrenbach, Legal Advisor; Fernando Vinzons, Director, Investments; Michael Maratea, Director, Finance and Administration; Gary LeDonne, Director, Benefits Administration

**Others Present:** Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Derek Blaida, Legislative Representative

There was no member of the public present who asked to address the Board.

President Wilson welcomed Trustee Tracy Reed who was newly elected as a County Employee Member to the Retirement Board. Trustee Reed stated that she was open to learning about the Fund and hoped to contribute to the Retirement Board while serving as a trustee.

1. Review and Consideration of November 4, 2021, Board Meeting Minutes

It was moved by Trustee McFadden and seconded by Trustee Kouruklis that the Board approve the minutes from the Board meeting on November 4, 2021.

Vote Result: MOTION ADOPTED BY VOICE VOTE

2. Review and Consideration of:
  - a. Bills, Payroll Records

After receiving confirmation from Fund staff that the presented payments were consistent with the administrative budget approved for 2021, and that the

presented bills for expenses incurred in November, 2021, were consistent with the administrative budget approved for 2021, it was moved by Trustee McFadden and seconded by Trustee Blair that the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in November, 2021, be ratified and that the Board approve the recommendations from Fund staff to remit payments for the expenses incurred in November, 2021.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Annuities, Spouse and Child Annuities, and Refunds

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 Blair 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, Hughes, Kouruklis, McFadden, Nevius, Ochalla, Reed,  
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 Nevius and seconded by Trustee McFadden 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, Hughes, Kouruklis, McFadden, Nevius, Ochalla, Reed,  
Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Matters

a. Proposed Election of Officers and Committee Assignments

The trustees then considered those members who should serve as officers on the Board and the following motions were made:

It was moved by Trustee McFadden and seconded by Trustee Nevius that Trustee Wilson be nominated and be elected to serve as the President of the Board until a successor is duly elected.

Vote Result: MOTION ADOPTED BY VOICE VOTE

President Wilson nominated Trustee McFadden to serve as Vice-President of the Board.

It was then moved by Trustee Nevius and seconded by Trustee Hughes that Trustee McFadden be elected to serve as Vice-President of the Board until a successor is duly elected.

Vote Result: MOTION ADOPTED BY VOICE VOTE

President Wilson nominated Trustee Hughes to serve as Secretary of the Board. It was then moved by Trustee McFadden and seconded by Trustee Nevius that Trustee Hughes be elected serve as Secretary of the Board until a successor is duly elected.

Vote Result: MOTION ADOPTED BY VOICE VOTE

President Wilson then proposed that Trustee Ochalla be nominated as the Chair of the Investment Committee and that all the trustees be appointed to serve as members. It was moved by Trustee Kouruklis and seconded by Trustee Hughes that Trustee Ochalla serve as Chair of the Investment Committee until a successor is duly elected or appointed.

Vote Result: MOTION ADOPTED BY VOICE VOTE

President Wilson then proposed that Trustee Nevius be nominated as the Chair of the Emerging Managers Sub Investment Committee (“EMIC”) and that Trustees Kouruklis, Ochalla, Reed and Wilson be appointed as members. It was moved by Trustee McFadden and seconded by Trustee Blair that Trustee Nevius serve as the Chair of the EMIC until a successor is duly elected or appointed.

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was proposed by President Wilson that Trustee McFadden be nominated as the Chair of the Health Benefits Committee (“HBC”) and that Trustees Hughes, Kouruklis, Ochalla, O’Rourke, Reed and Wilson be appointed as members. It was moved by Trustee Kouruklis and seconded by Trustee Hughes that Trustee McFadden serve as the Chair of the HBC until a successor is duly elected or appointed.

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was then proposed by President Wilson that Trustee Blair be nominated as the Chair of the Legislative Committee and that Trustees Hughes, Kouruklis, McFadden, Nevius, Ochalla, and Reed be appointed as members. It was moved by Trustee McFadden and seconded by Trustee Hughes that Trustee Blair serve as the Chair of the Legislative Committee until a successor is duly elected or appointed.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Review and Consideration of Amended 2022 Board Meeting Schedule

Regina Tuczak, Executive Director, stated that the 2022 Board Meeting schedule had been revised to show the dates of the County Board’s scheduled meetings. She noted that the Board meeting scheduled for April 7, 2022, conflicted with the County Board meeting scheduled on the same date. The trustees proposed that their Board meeting be scheduled for Monday, April 4, 2022.

It was moved by Trustee McFadden and seconded by Trustee Blair that the Amended 2022 Board Meeting Schedule be further amended to show that the Board would meet on April 4, 2022, and that the Schedule be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

c. Review and Consideration of Proposed 2022 Investment Committee Meeting Schedule

The Executive Director presented the Proposed 2022 Investment Committee Meeting Schedule. Trustee Ochalla, the Chair of the Investment Committee, stated that he might need to propose changes to the November meeting date if necessary, but any such changes could be considered at a later time.

It was moved by Trustee McFadden and seconded by Trustee Reed that the Proposed 2022 Investment Committee Meeting Schedule be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

d. Ethics Training Opportunities and Reminder

The Executive Director reminded the trustees that they are each required by the Pension Code to annually complete 8 hours of training on fiduciary, investment and ethics matters. The trustees are to be in compliance with this requirement by December 31, 2021. She asked that the trustees acknowledge that they had completed the required sexual harassment awareness training and cyber security training by signing the certification attached to the training materials and returning it to her. It was noted that 4.5 hours of training had been provided at various Board and committee meetings during the year. In addition, the training for sexual harassment awareness and cyber security cumulatively totaled an additional 2 hours of training. The Executive Director and fiduciary counsel would assist the newly elected trustee in completing the necessary training. If any trustee needed additional training, a list of webinars had been included with the Board materials that could be used.

4. Legislative Matters

a. Ratification of 2022 Intergovernmental Agreement

The Executive Director stated that the Intergovernmental Agreement (“IGA”) between Cook County and the County Employees’ and Officers’ Annuity and Benefit Fund of Cook County had been prepared for 2022. The trustees discussed that the IGA called for payments in the approximate amount of \$324M which was based upon an actuarial calculation for pension liabilities in 2022 amortized over 30 years. Based on the actuarial calculation for pension liabilities, the County Fund would be fully funded in 30 years. It also included health benefit expenses that were expected for 2022.

It was moved by Trustee McFadden and seconded by Trustee Hughes that the Board approve the presented Intergovernmental Agreement (“IGA”) with Cook County to provide additional employer contributions to the County Fund. It was further moved that Fund staff and fiduciary counsel should take all action reasonably necessary to effectuate the foregoing, including the execution and delivery of the IGA on behalf of the Fund by the President of the Board and delivery to the County.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Consideration and Possible Action Regarding Legislative-Related Matters

The Executive Director stated that draft legislation had been prepared to amend both Article 9 and Article 10 which would provide for actuarial based funding for both the County Fund and the Forest Fund. The proposed legislation is substantially similar to the legislation approved by the Board last year, but the numbers were revised to reflect the current circumstances.

The trustees discussed that the Forest Fund would benefit from an IGA with the Forest Preserve District. Discussion of recent events at the Forest Preserve District regarding pension funding was discussed, with the Trustees noting an IGA was still necessary. The letter sent by the County Fund in June, 2021, to the County Board to provide information needed for the 2022 IGA, noted that the Forest Fund does not receive additional funding.

The trustees discussed the proposed legislation and the procedures to follow for it to be introduced before the General Assembly. The legislation needs to be provided to the Legislative Reference Bureau (“LRB”) before it can be introduced. The Board would like the Fund to discuss the legislative proposals with labor representatives. Mr. Derek Blaida, who along with McCabe and Associates serves as the Fund’s legislative representative, stated that the legislation should be sent to the LRB as soon as possible; it can be delivered to the LRB by email. Once the legislation has been prepared by the LRB, he can go to Springfield and obtain sponsors in both houses so that it can be introduced. Mr. Blaida indicated he would follow up with the Board about the status of the legislation, including the sponsors.

It was moved by Trustee Kouruklis and seconded by Trustee Ochalla that the Board approve the presented amendment to Section 9-169 of the Illinois Pension Code, 40 ILCS 5/9-169, that provides for actuarially based contributions from Cook County, the employer, to achieve 90% funding by the year 2064 and that it approve the presented amendment to Section 10-107 of the Illinois Pension Code, 40 ILCS 5/10-107, that provides for actuarially based contributions from the Forest Preserve District, the employer, to achieve 90% funding by the year 2064. It was further moved that the Fund’s Legislative Representative be authorized to take all action reasonably necessary, as discussed by the Board, to cause such proposed amendments to be introduced before the Illinois General Assembly.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

c. Update from John McCabe & Assoc. regarding 2022 Deadlines

The Executive Director stated that a schedule of the deadlines for filing legislation in 2022 before the Illinois General Assembly was included with the Board materials. The schedule had been provided by the legislative representative.

5. Benefit Matters-Approval of Referral of Matters Pursuant to 40 ILCS 5/1-135

The Executive Director stated that five checks were presented for payment to BNY/Mellon on or about November 5, 2021 that appear to be fraudulent. Due to security controls in place, none of the checks were honored. Fund staff provided information to the trustees about how such checks are identified. The trustees expressed concern about what action is taken by the State's Attorney's Office when these incidences of possible fraudulent conduct are reported.

It was moved by Trustee McFadden and seconded by Trustee Hughes that the Board find that there are reasonable suspicions that the identified checks presented for payment appear to constitute false statements or falsified records within the meaning of Section 1-135 of the Illinois Pension Code, 40 ILCS 5/1-135. In accordance with 40 ILCS 5/1-135, the Fund was authorized to report the incidents on behalf of the Board to the Cook County State's Attorney.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

6. Investment Matters

a. Private Equity Commitment for 2022

The Executive Director reported that Callan LLC, the Fund's Investment Consultant, had conducted a performance and pacing review of the private equity portfolios for the Cook County Fund. Their review was presented to the Investment Committee at their meeting on November 23, 2021, and Callan had recommended that \$40M of new commitments be made to the Mesirow Private Equity Fund of Funds in 2022, if the IGA for supplemental contributions with the County was approved. If the additional commitment is made for 2022, it would be considered as Pool 8.

It was moved by Trustee Ochalla and seconded by Trustee Kouruklis that the Board adopt the recommendation made by the Investment Committee at the meeting on November 23, 2021, based upon the recommendation made by Callan, LLC, that the County Fund allocate \$40M in 2022 to the Mesirow Private Equity fund of funds

subject to the receipt of contributions from the 2022 Intergovernmental Agreement with Cook County. It was further moved that the Executive Director and Fund staff be authorized to take all action reasonably necessary to effectuate the foregoing including the execution and delivery of related written agreements by the Executive Director, subject to legal review, on behalf of the County Fund. - ***ROLL CALL VOTE REQUIRED***

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Amended Fee: Proposal for BNY Mellon Fixed Income

The Executive Director stated that the Investment Committee had considered a proposal from BNY/Mellon to reduce the fees for the Forest Fund. She stated the BNY/Mellon had provided a reduced fee structure earlier in 2021 to the County Fund, which is separately managed, when higher assets were provided by the County Fund from rebalancing. The fee reduction had not been applied to the Forest Fund which is in a commingled fund. BNY/Mellon had now proposed a fee structure for the Forest Fund based upon the total assets it manages with both the County Fund and the Forest Fund, which would reduce the annual fees for the Forest Fund by approximately \$2,000.

It was moved by Trustee Ochalla and seconded by Trustee Hughes that the Board adopt the recommendation made by the Investment Committee at the meeting on November 23, 2021, to accept the proposal from BNY Mellon to provide the Forest Fund with the same reduced fee structure for combined assets that had been provided to the County Fund. It was further moved that the Executive Director and Fund staff be authorized to take all action reasonably necessary to effectuate the foregoing including the execution and delivery of related written agreements by the Executive Director, subject to legal review, on behalf of the Forest Fund.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

7. Administrative Matters – Executive Director Report

The Executive Director reported that, as discussed at the November meeting, there was a virtual meeting with Commissioner Gainer on October 14, 2021. Several topics were

discussed including the Fund's ESG (Environmental, Social and Corporate Governance) investment practices. A follow-up discussion is to be conducted virtually on December 7, 2021. The Board wanted to provide a letter to Commissioner Gainer to address her questions regarding ESG and the Fund's investments. A draft of the letter was prepared for the Board's review. The trustees discussed the draft letter and proposed revisions. They discussed that the Fund's investment returns were likely improved because of the supplemental payments received under the IGA. The asset liability study to be prepared in January is expected to illustrate the differences between payments made under the IGA and the payments that would be made if actuarial based funding was required by the Pension Code.

It was reported that the Fund typically observed the same holidays as did Cook County government and the Executive Director provided the Board with the holidays prepared by the Bureau of Human Resources at Cook County. The County schedule noted that employees were allowed a floating holiday in addition to the scheduled holidays. In the past, the Fund has stayed open for Lincoln's birthday to accommodate an increased volume of annuity applications. It was proposed that the Fund remain open on February 11th, Lincoln's birthday and then be closed on Friday, December 23<sup>rd</sup>. The Fund has not allowed employees to elect a floating holiday, but has assigned the Friday after Thanksgiving to be a floating holiday taken by all Fund employees. These holidays will be posted on the Fund website and are anticipated to provide members access to services at times that are of more value to them.

The Executive Director reported that the hearing officer, Mr. William Motto, conducted administrative hearings on November 9, 2021, and has provided 4 recommendations to the Board regarding those matters. The other remaining hearings assigned were continued at the members' requests for December 6, 2021. The Executive Director proposed that 10 additional matters be referred to Mr. Motto for administrative hearings on a date in January, 2022.

The Fund staff and fiduciary counsel continue to work with BNY/Mellon to finalize the terms of the amendment to the custody agreement and an amendment for securities lending which are expected to be finalized by December 31, 2021. If the amendments are not finalized, she will ask that the current custody agreement be extended. Benefit payment services are not expected to be implemented by January 1, 2022, and might be delayed until January 1, 2023. An earlier date might be possible if only one 1099R can be issued to each member for 2022.

The Executive Director stated that the contracts with CVS for both Medicare and non-Medicare members expire on December 31, 2021, and that amendments to those agreements are under review. It is Segal's recommendation that further negotiation on the amendments be held to obtain more favorable terms for the Fund. She will provide a status at the Board meeting in January.

The trustees asked that a schedule be prepared showing the Fund's contracts with vendors and their respective termination dates.

8. 2022 Finance Matters-Review and Consideration of 2022 Budget or Extension of 2021 Budget

It was moved by Trustee Nevius and seconded by Trustee Hughes pursuant to Sections 2(c)(1) and 2(c)(11) of the Open Meetings Act, 5 ILCS 120/2(c)(1) and 2(c)(11), that the Board convene an Executive Session to discuss personnel and litigation matters.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

After the Executive Session was adjourned, the following motions were made:

It was moved by Trustee Hughes and seconded by Trustee Nevus, that the Board approve the proposed 2022 Administrative Budget, including the payment of identified invoices for expenses incurred in December, 2021 that are consistent with the approved Budget. It was further moved that any adjustments provided in the Budget to personnel salaries be made on or after the first payroll period in 2022.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

9. Legal Matters

The following motions for items 9a, 9b, 9c and 9d were made by consent agenda.

a. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #189139

It was moved by Trustee Ochalla and seconded by Trustee Hughes that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 189139 and that the Board reaffirm its earlier decision to deny the

benefits the Member had requested. It was further moved that the Board's action be a final agency decision pursuant to Section 236 of the Illinois Pension Code.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

- b. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #150522

It was moved by Trustee Ochalla and seconded by Trustee Hughes that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 150522 and that the Board reaffirm its earlier decision to deny the benefits the Member had requested. It was further moved that the Board's action be a final agency decision pursuant to Section 236 of the Illinois Pension Code.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

- c. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #174566

It was moved by Trustee Ochalla and seconded by Trustee Hughes that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 174566 and that the Board reaffirm its earlier decision to deny the benefits the Member had requested. It was further moved that the Board's action be a final agency decision pursuant to Section 236 of the Illinois Pension Code.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

- d. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #158611

It was moved by Trustee Ochalla and seconded by Trustee Hughes that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 158611 and that the Board reaffirm its earlier decision to deny the benefits the Member had requested. It was further moved that the Board's action be a

final agency decision pursuant to Section 236 of the Illinois Pension Code.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

e. Update regarding Supreme Court Case No. 127594

No motion was made or required to be made after the Board returned to open session.

10. Consideration and possible action regarding personnel matters

No motion was made or required after the Board returned to open session.

11. Old Business/New Business

The Executive Director stated that the virtual meeting with Commissioner Gainer on December 7, 2021, had been changed to December 3, 2021, at 10:30 am.

12. Adjournment

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

The next Board meeting was scheduled for January 6, 2022, at 9:30 am.