

**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**

**November 4, 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:** Patrick McFadden – Vice President; Diahann Goode, Stephen Hughes, Bill Kouruklis, Joseph Nevius, Kevin Ochalla, James O'Rourke

**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; Brent Lewandowski, Director, Member Services

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

Due to the absence of President Lawrence Wilson, Vice-President Patrick J. McFadden presided over the meeting.

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

1. Review and Consideration of October 7, 2021, Board Meeting Minutes

It was moved by Trustee Hughes and seconded by Trustee Goode that the Board approve the minutes from the Board meeting on October 7, 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, it was moved by Trustee Goode and seconded by Trustee Ochalla that the action taken by Fund

staff in remitting the indicated payments for the presented bills and payroll records in October, 2021, be ratified.

Roll Call Vote:

AYES: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke  
NAYS: None

Vote Result: MOTION ADOPTED

After receiving confirmation from Fund staff that the presented bills for expenses incurred in October, 2021, were consistent with the administrative budget approved for 2021, it was moved by Trustee Goode and seconded by Trustee Nevius that the Board approve the recommendations from Fund staff to remit payments for such presented bills.

Roll Call Vote:

AYES: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke  
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 Hughes 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: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke  
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 Goode and seconded by Trustee Nevius 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: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

3. Election Matters – Proclamation of Election and Declaration of Winner of the following Elections:

The trustees were presented with the Final Reports and Proclamations relating to the election of Board members held on October 27, 2021. The trustees extended their congratulations to all the successful candidates. It was moved by Trustee Goode and seconded by Trustee Ochalla that the motions for Items 3a, 3b and 3c be made by consent agenda.

a. Cook County Annuitant Election Member Election held on October 27, 2021

It was moved by Trustee Goode and seconded by Trustee Ochalla that the Final Report of the Retained Attorney, Montana & Welch, LLC, as submitted by Matthew M. Welch, dated November 3, 2021, which concerned the results of the election that was held on October 27, 2021, for the Cook County Annuitant Member Trustee Position be accepted as a true and accurate report and, consistent therewith, that Mr. Patrick J. McFadden was elected as the Cook County Annuitant Member Trustee.

Roll Call Vote:

AYES: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Goode and seconded by Trustee Ochalla that the Proclamation of Election and Declaration of the Winner of the Cook County Annuitant Member Election held on October 27, 2021, be accepted and, consistent therewith, that Mr. Patrick J. McFadden be declared the winner of that election and that he be administered and execute the Oath of Office. It was further moved that the Fund staff take all action necessary to file a copy of the Oath of Office with the Cook County Clerk as required by Section 9-186 of the Illinois Pension Code.

Roll Call Vote:

AYES: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

b. Cook County Employee Member Election held on October 27, 2021

It was moved by Trustee Goode and seconded by Trustee Ochalla that the Final Report of the Retained Attorney, Montana & Welch, LLC, as submitted by Matthew M. Welch, dated November 3, 2021, which concerned the results of the election that was held on October 27, 2021, for the Cook County Employee Member Trustee Position be accepted as a true and accurate report and, consistent therewith, that Ms. Tracy Reed was elected as the Cook County Employee Member Trustee.

Roll Call Vote:

AYES: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Goode and seconded by Trustee Ochalla that the Proclamation of Election and Declaration of the Winner of the Cook County Employee Member Election held on October 27, 2021, be accepted and, consistent therewith, that Ms. Tracy Reed be declared the winner of that election and that she be administered and execute the Oath of Office. It was further moved that the Fund staff take all action necessary to file a copy of the Oath of Office with the Cook County Clerk as required by Section 9-186 of the Illinois Pension Code.

Roll Call Vote:

AYES: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

c. Forest Preserve Employee Member by Acclamation

It was moved by Trustee Goode and seconded by Trustee Ochalla that the Final Report of the Retained Attorney, Montana & Welch, LLC, as submitted by Matthew M. Welch, dated November 3, 2021, which concerned the Sole Candidacy for the Forest Preserve District Employee Member Trustee Position be accepted as a true and accurate report and, consistent therewith, that Mr. Stephen Hughes was elected as the Forest Preserve District Employee Member.

Roll Call Vote:

AYES: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Goode and seconded by Trustee Ochalla that the Proclamation of Election and Declaration of the Winner of the Forest Preserve District Employee Member Election held on October 27, 2021, be accepted and that, consistent therewith, that Mr. Stephen Hughes be declared the winner of that election and that he be administered and execute the Oath of Office. It was further moved that the Fund staff take all action necessary to file a copy of the Oath of Office with the Cook County Clerk as required by Section 9-186 of the Illinois Pension Code.

Roll Call Vote:

AYES: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

4. Health Benefit Matters – Review and Consideration of Segal Consulting Services  
Renewal 2022-2024

Trustee McFadden stated that the Fund had received a signed offer from Segal proposing a renewal of services from January 1, 2021 through December 31, 2024. The proposal included a Master Services Consulting Agreement along with a Statement of Work (“SOW #1”) specific to the proposal. The annual fee would be \$120,000 and out-of-scope services would be provided at an hourly rate of \$365. The trustees discussed that the services included in the annual fee, did not include special projects.

It was moved by Trustee Nevius and seconded by Trustee Goode that the Board authorize the Fund to enter a Master Services Consulting Agreement and SOW #1 with The Segal Group Inc., effective January 1, 2022, through December 31, 2024, upon the terms presented. It was further moved that the Fund should take all reasonable action necessary to effectuate the foregoing including, subject to review by fiduciary counsel, the execution and delivery of any related written agreement on behalf of the Fund by the Executive Director.

Roll Call Vote:

AYES: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

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

Regina Tuczak, Executive Director, stated that there were two incidents regarding separate refund checks that appeared to have been fraudulently presented for payment. In one incident the correct payee's name had been altered and in the other incident the payee's signature had been forged. Neither of the altered checks had been paid due to security controls in place. The trustees were asked to determine if the incidents should be reported to the Cook County State's Attorney in accordance with Section 1-135 of the Illinois Pension Code. The trustees noted that though such matters are referred to the State's Attorney, charges were rarely brought against the wrongdoers. The trustees discussed that the even if charges are never filed, the Illinois Pension Code requires the Board to report such events to the State's Attorney.

It was moved by Trustee Goode and seconded by Trustee O'Rourke that the Board find that there were reasonable suspicions that the identified refund checks appeared to have been presented for payment with alterations to the name of the payee or with a forged signature and 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: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

6. Review and Consideration of BNY Mellon to Provide Benefit Payment Services

Trustee McFadden stated that the engagement of BNY/Mellon to provide benefit payment services was part of the RFP process. These services are currently provided in-house, but the Fund was requesting approval to transfer the function to BNY.

The Executive Director stated that it was proposed that BNY would begin to issue checks for annuity payments effective January 1, 2022, if the systems could be adequately tested by that time, or at a later date to ensure that the process was secure. The authority to issue checks for refunds and disability payments would follow. The Fund would not realize savings for out-sourcing this function, but would instead provide better assurance that benefit payments would be made in the event that staff could not access the administrative offices due to external events or if key Fund staff were not able to perform the services. In addition, the Fund would benefit from more sophisticated cyber security and IT controls that would be provided by BNY.

The trustees discussed the impact of this change on the members. The Executive Director stated that the members would be able to contact the Fund staff to address problems

regarding missing checks. Changes regarding direct deposit information and mailing addresses would also be sent to the Fund. The trustees discussed that the quality of the service provided to the members might decrease if this function were out-sourced. The trustees discussed that there should be a process to recall this function from BNY if their service was not satisfactory.

It was moved by Trustee Goode and seconded by Trustee Hughes that the Board authorize the Fund to engage BNY Mellon to provide benefit payment services for annuity, refund and disability payments due to the members and, if authorized, that any agreement for such services be presented to the Board for approval before execution on behalf of the Fund.

Roll Call Vote:

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

NAYS: O'Rourke

Vote Result: MOTION ADOPTED

7. Administrative Matters – Executive Director Report

The Executive Director reported that Commissioner Bridget Gainer had requested that the Fund make a presentation to the Pension Committee of the Cook County Board of Commissioners in December. In addition to the financial information usually presented, the Commissioner asked that the Fund provide information about its Environmental, Social and Corporate Governance (“ESG”) metrics. The trustees discussed that the Board has the sole authority to make investment decisions, so long as they are consistent with the Illinois Pension Code, and expressed concern that the request was an attempt to circumvent the Board’s authority and place restrictions on investment opportunities. The trustees also noted that its focus, especially with a lack of codified actuarial funding, is to optimize investment returns, with acceptable risk, rather than ESG metrics. The trustees requested that the Fund’s Investment Consultant and Fund’s actuary be consulted to provide support about the required focus of the Fund’s investment strategies.

The Executive Director also stated that the Fund had reached an agreement with LM Capital about the interest to be paid on the overcharges for investment manager fees. It was agreed that LM Capital would pay a total of \$184,000 in two installments; one installment would be paid immediately and the second installment would be made in 60 days.

The Executive Director reported that Hearing Officer Motto would conduct ten administrative hearings on November 9, 2021 regarding the review of the Board’s decisions to deny disability. His recommendations on these reviews were expected to be presented to the Board at the meeting on December 2, 2021.

The trustees were reminded that their required training regarding sexual harassment and cyber security needed to be completed by the end of the year. They also needed to complete a total of 8.0 hours of ethics training by that date.

The trustees were advised that a meeting of the Investment Committee was scheduled for Tuesday, November 23, 2021 at 9:30 am.

8. Finance Matters

- a. Presentation of Agreed-Upon Procedures Reports for Cook County Fund and Forest Preserve Fund

The Executive Director stated that Agreed-Upon Procedures Reports are prepared every three years by the auditor and submitted by the Fund to the Illinois Department of Insurance (“DOI”) as required under the Illinois Pension Code. The Fund’s auditor, RSM LLP US had prepared the required reports and the Fund had submitted them to the DOI.

It was moved by Trustee Hughes and seconded by Trustee Goode that the Board receive and file the presented Agreed-Upon Procedures Report as prepared by RSM US LLP for the County Fund and ratify the Fund’s action in submitting the report to the DOI.

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee Hughes and seconded by Trustee Goode that the Board receive and file the presented Agreed-Upon Procedures Report as prepared by RSM US LLP for the Forest Preserve District Fund and ratify the Fund’s action in submitting the report to the DOI.

Vote Result: MOTION ADOPTED BY VOICE VOTE

- b. 2022 Draft Budget

It was moved by Trustee Kouruklis and seconded by Trustee Ochalla, 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 matters and litigation matters.

Roll Call Vote:

AYES: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O’Rourke  
NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Hughes that the Board return to an open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE



c. 2022 Education and Travel Pre-Approval

After returning to open session, the Executive Director stated that the Board was asked to approve the attendance of any trustee or staff at the seminars included with the budget discussion. It was moved by Trustee Hughes and seconded by Trustee Goode, 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 reimbursement shall be in and for amounts that are consistent with the Fund's Travel Expense Reimbursement Policy.

Roll Call Vote:

AYES: Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke

NAYS: None

Vote Result: MOTION ADOPTED

9. Review and Consideration of Plaintiff's Proposal in Case No. 14-cv-10456

No motion was made or required 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. Trustee Matters:

a. Proposed 2022 Board Meeting Schedule

The Executive Director stated that a meeting schedule had been prepared for 2022. The trustees asked that the dates of the County Board meetings be included on the schedule for informational purposes.

It was moved by Trustee Goode and seconded by Trustee Kouruklis, consistent with the recommendation of the Fund's Executive Director and the Fund's fiduciary counsel, that the proposed 2022 Meeting Schedule be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Review and Consideration of Trustee Resolution – D. Goode

The trustees acknowledged Trustee Goode's service to the Board and Trustee McFadden read the resolution recognizing her contributions.

It was duly moved and seconded that the presented Resolution acknowledging the service performed by Diahann Goode as a Trustee of the Retirement Board be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

12. Old Business/New Business

There was no old business or new business discussed.

13. Adjournment

It was moved by Trustee Goode and seconded by Trustee Kouruklis that the meeting be adjourned.

The next Board meeting was scheduled for December 2, 2021, at 9:30 am.