

**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, Room 230
Chicago, IL 60602**

February 3, 2022 - 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."

The meeting was conducted via video conference through Microsoft Teams as permitted by Illinois Governor Disaster Proclamation Order dated January 7, 2022.

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, James O'Rourke, 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; Brent Lewandowski, Director, Member Services; Saron Tegegne, Comptroller

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Cathryn Marisco, Bureau of Finance; Derek Blaida, John McCabe & Associates; Larry Langer, Cavanaugh Macdonald, LLC; Wendy Ludbrook, Cavanaugh Macdonald, LLC; Ryan Gunderson, Cavanaugh Macdonald, LLC; Ann O'Bradovich, Callan LLC; John Jackson, Callan LLC; Jay Kloepfer, Callan LLC; Gar Chung, Financial Independent News; Kevin Baload, With. Intelligence

President Wilson asked if any member of the public wanted to address the Board, but no one requested to do so.

1. Review and Consideration of
 - a. January 6, 2022, Board Meeting Minutes
 - b. January 6, 2022, Transcript of Board Meeting

It was moved by Trustee Blair and seconded by Trustee McFadden that the Board adopt the presented minutes from the Board meeting on January 6, 2022, and that the presented transcription of the audio recording of the Board meeting on January 6, 2022, be accepted and filed.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke,
Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

2. Review and Consideration of:

a. Bills, Payroll Records

After receiving confirmation from Fund staff that the presented payments were consistent with the administrative budgets approved for 2021 and 2022, it was moved by Trustee Hughes 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 January, 2022, be ratified and that the Board approve the recommendations from Fund staff to remit payments for the expenses incurred in December, 2021, and January, 2022.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, McFadden, Nevius, Ochalla, O'Rourke,
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 Hughes and seconded by Trustee McFadden 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, O'Rourke,
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 Blair 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, O'Rourke, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Review and Possible Action Regarding the Results of the Actuarial Experience Study for 2017-2020

President Wilson stated that the Board was to consider the recommendations for actuarial assumptions proposed by the Fund's actuary, Cavanaugh Macdonald, LLC, in the presented Actuarial Experience Study. He added that the actuarial assumptions used in the valuations were among the most important decisions to be made by the Board and that any deliberations could be carried over to the March meeting so that they could be given the necessary attention. Regina Tuczak, Executive Director, stated that the study was in the Board's materials. The study included recommendations about the investment rate of return, demographic assumptions and OPEB assumptions.

Mr. Larry Langer, of Cavanaugh Macdonald, LLC, presented the economic assumptions from the study. He stated that in an experience study, a plan's assumed and actual experiences were examined over a multi-year period in order to examine the trends in the actual experience and possibly recommend changes to the assumptions. Generally, optimistic assumptions pushed costs to future generations and pessimistic assumptions put undue pressure on current resources. Mr. Langer added that the recommendation for the investment return was based upon the Asset/Liability Study analysis prepared by Callan LLC. It was recommended that the Board consider a reduction in the investment rate of return from 7.25% to a rate between 6.50% and 7.00%. Mr. Ryan Gunderson of Cavanaugh Macdonald, LLC, presented the demographic assumptions. He stated that the mortality assumption was critical because of its impact on the plan's costs. The public sector tables for mortality assumptions, collectively known as the Pub-2010, were released

in 2019 and better fit the Fund's actual experience than the assumptions currently in place. He also presented assumptions regarding assumed retirement ages, marital status, retiree health plan enrollment and administrative expenses.

The trustees asked questions regarding the investment rate of return that the Fund had experienced over the last 5 year period and 10 year period. They also asked if the presented cost impact analyses regarding the various rates for investment returns included the proposed recommendations for demographic assumptions. They inquired about how the change in the mortality assumption might impact the Fund's costs. The trustees discussed how a change in the investment rate would impact the calculation of the Fund's unfunded liability. It was noted that the unfunded liability did not depend solely on the assumed rate of investment returns, but also depended upon the actual investment returns for each year.

The Executive Director proposed that a summary of the current assumptions, as compared to actual experience over the past four years, be prepared for the Board's meeting in March.

4. Legislative Matters
a. Update from Legislative Liaison

Mr. Derek Blaida, of John McCabe & Associates, the Fund's legislative representative, stated that the legislation to provide 90% funding by 2064 for both the County Fund and the Forest Fund had been introduced as HB 4980. He noted that Cook County had not filed any alternative legislation regarding funding. Mr. Blaida added that a bill to provide 100% funding for the Forest Fund had been introduced as SB 3909. Mr. Blaida requested authority to amend HB 4980 to provide for 100% funding. He also noted that the Fund's legislation filed last year to provide for actuarial based contributions was pending as HB 4100 and might stay in the House Rules Committee.

The trustees discussed that since SB 3909 provided for 100% funding for the Forest Fund that, as fiduciaries, they would support the legislation before the General Assembly. The trustees noted that the Forest Preserve District wanted to proceed with the legislation because the Forest Fund has not received supplemental employer contributions that the County Fund has received under the Intergovernmental Agreements that have been negotiated over the past few years. President Wilson stated that the Legislative Committee could meet to work with Mr. Blaida during the legislative session, if necessary, with respect to the other pending funding bills. The trustees discussed that they should move forward with HB 4980, rather than HB 4100, which was filed last year. The trustees noted that labor representatives should be involved in this legislative process, to the extent that labor representatives were willing to be so involved.

b. Review and Possible Action Regarding Proposed Legislation
Following the discussion about the Board's intention to support SB 3909 which provided for 100% funding for the Forest Fund, it was moved by Trustee McFadden and seconded by Trustee Blair that the Board authorize the Fund's legislative

representative, Derek Blaida, to file a statement before the General Assembly, or its committees, reflecting the Board’s support of SB 3909 as it is currently written and pending.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

5. Benefit Matters

a. Consideration and Possible Approval of Referral of Matters Pursuant to 40 ILCS 5/1-135

The Executive Director reported that that Fund received what appeared to be fraudulent records related to a direct deposit authorization, various address change requests and an altered check. She stated that the direct deposit authorization appeared to have been completed by the member and that the January 1, 2022, annuity payment had been directed to the bank designated on the direct deposit authorization form. The amount that had been misdirected had not yet been reclaimed. The member has confirmed that he did not receive any payment of the annuity due on January 1, 2022, and did not participate in submitting the fraudulent form. The Executive Director noted that the Fund determined that the various address change requests were not made by the members and did not make any changes. Additionally, the falsified check was not honored by BNY/Mellon due to certain security controls in place.

It was moved by Trustee Hughes and seconded by Trustee Blair that the Board find that there were reasonable suspicions that the identified direct deposit authorization, address change requests and fraudulent check appeared 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 is authorized to report the incidents on behalf of the Board to the Cook County State’s Attorney.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, O’Rourke, Reed,
Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Consideration and Possible Approval of Reimbursement to Member #126904

It was moved by Trustee McFadden and seconded by Trustee Blair that the Board authorize the Fund to remit to the member identified by Office Number 126904 the net

monthly annuity due on January 1, 2022, in the amount of \$20,338.22 that was deposited into an incorrect account, the Fund having received documentation from the member that he had no knowledge of and did not benefit from the misdirected payment.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, O'Rourke, Reed,
Wilson

NAYS: None

Vote Result: MOTION ADOPTED

6. Administrative Matters

a. Review and Possible Approval of Concentra Contract Extension

The Executive Director stated that Occupational Health Centers of Illinois d/b/a Concentra Medical Centers performs disability evaluations for the Fund as required under the Illinois Pension Code. The Fund was seeking authority to extend the current agreement for an additional year by entering a Fourth Amendment to the current agreement. She stated that the vendor would now charge \$54 per evaluation, which was an increase from the current charge of \$52. She noted that the County retains Concentra for a variety of services and that the vendor charges the same rate to the County.

It was moved by Trustee Hughes and seconded by Trustee Reed that the Board approve the proposed Fourth Amendment to the Agreement with Occupational Health Centers of Illinois, P.C., d/b/a Concentra Medical Centers to perform disability evaluations as required under the Illinois Pension Code extending the engagement from March 1, 2022, through February 28, 2023, at a rate of \$54 per evaluation, as presented and as signed on behalf of Concentra and approved as to form by Fiduciary Counsel. It was further moved that the Executive Director be authorized to sign the presented Amendment to effectuate the foregoing on behalf of the Fund.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, O'Rourke, Reed,
Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Review and Possible Approval of Engagement Letters with RSM LLP

The Executive Director stated that RSM US LLP had provided executed engagement letters detailing the price and terms of services to be provided to the County Fund and the Forest Fund for the audits of the financial statements as of the year ended December 31, 2021. Once the engagement letters have been executed on behalf of the Fund, the audits would begin.

It was moved by Trustee Blair and seconded by Trustee Hughes that the Board approve the proposed Audit Arrangement Letters from RSM US LLP (“RSM”) to perform the 2021 Audits for the County Fund and the Forest Fund as presented and signed on behalf of RSM and approved as to form by Fiduciary Counsel. It was further moved that the Executive Director be authorized to sign the presented Audit Arrangement Letters to effectuate the foregoing on behalf of the County Fund and the Forest Fund.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, O’Rourke, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

c. Consideration and Possible Response to Correspondence from Commissioner Gainer

The Executive Director stated that Commissioner Gainer sent a letter dated January 24, 2022, requesting various matters pertaining to environmental, social and governance (“ESG”) factors on the investments made for the Cook County Pension Fund, along with a request for dates for a public hearing. The Executive Director stated that she had discussed the letter with Callan and Fiduciary Counsel and would prepare a response that would be presented to the Investment Committee at their meeting on February 22, 2022.

d. Open Enrollment Results and Retiree Health Plan Counts

The Executive Director presented the estimated enrollments in the Retiree Health Plan administered by the Fund and other enrollment activity. She noted that the estimates showed a slight decline in the number of annuitants and covered lives receiving the health benefits as of January, 2022, as compared to the previous year.

e. Executive Director Report

The Executive Director presented a schedule for the proposed RFP for actuary services. She stated that the proposed RFP would be distributed to the Board at their meeting on April 4, 2022. The scheduled was designed so that the successful candidate could be retained under a contract to commence on November 1, 2022.

She noted that the Fund staff could elect to work remotely during January, 2022, due to increased COVID 19 activity. All staff returned as of January 31st, but the situation will be evaluated and adjusted as might be necessary.

The FDA had approved an oral antiviral therapy for COVID 19. The federal government would purchase the initial supply of the medications, but CVS would

charge a \$10 dispensing fee. CVS recommended for their book of business, that plan sponsors pay the dispensing fee, unless further direction was provided, thus the retiree health plan now includes this antiviral therapy.

As of January 15, 2022, health insurers are required to pay the cost of at-home Covid tests. This requirement does not currently apply to retiree plans and CVS and UHC will not reimburse members for costs of these tests. It was noted that Medicare does not currently reimburse its participants for these tests.

The Executive Director stated that a meeting of the Investment Committee was scheduled for Tuesday, February 22, 2022 at 9:30 am. She added that the 4Q 2021 investment results, capital markets outlook and a continuation of the asset liability study will be significant topics of discussion at the meeting.

The trustees noted that members can meet with counselors in person at the Fund or by telephone, but that there was no capability to meet virtually. One of the trustees stated that he could recommend some software that might allow for virtual meetings with members and will get the information to the Executive Director.

7. Legal Matters

The Executive Director reported that the Fund had received eight recommendations from Mr. William P. Motto, the hearing officer who had conducted administrative reviews of denials of certain members' disability applications on January 26, 2022. She noted that three of the eight recommendations applied to one member. In each of the matters, the hearing officer made findings of fact, conclusions of law and a recommendation that the Board's denial of the benefits be upheld. The recommendations were presented to the Board for their consideration. Fiduciary counsel stated that she had reviewed the recommendations and that they were in compliance with administrative review requirements.

The Board, having reviewed the proposed recommendations, made the following motions by Consent Agenda:

- a. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #132496

It was moved by Trustee Reed and seconded by Trustee Blair that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 132496 in Cases 1, 2 and 3 and that the Board reaffirm its earlier denial of the benefits the Member had requested. It was further moved that the Board's action be a final agency decision pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, O'Rourke, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

- b. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #158482

It was moved by Trustee Reed and seconded by Trustee Blair that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 158482 and that the Board reaffirm its earlier denial of the benefits the Member had requested. It was further moved that the Board's action be a final agency decision pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, O'Rourke, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

- c. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #195434

It was moved by Trustee Reed and seconded by Trustee Blair that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 195434 and that the Board reaffirm its earlier denial of the benefits the Member had requested. It was further moved that the Board's action be a final agency decision pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, O'Rourke, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

- d. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #165707

It was moved by Trustee Reed and seconded by Trustee Blair that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 165707 and that the Board reaffirm its earlier denial of the benefits the Member had requested. It was further moved that the Board's action be a final agency decision pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, O'Rourke, Reed,
Wilson

NAYS: None

Vote Result: MOTION ADOPTED

- e. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #177620

It was moved by Trustee Reed and seconded by Trustee Blair that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 177620 and that the Board reaffirm its earlier denial of the benefits the Member had requested. It was further moved that the Board's action be a final agency decision pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, O'Rourke, Reed,
Wilson

NAYS: None

Vote Result: MOTION ADOPTED

- f. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #141146

It was moved by Trustee Reed and seconded by Trustee Blair that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 141146 and that the Board reaffirm its earlier denial of the benefits the Member had requested. It was further moved that the Board's action be a final agency decision pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

AYES: Blair, Hughes, Kouruklis, Nevius, Ochalla, O'Rourke, Reed,
Wilson

NAYS: None

Vote Result: MOTION ADOPTED

8. Consideration and Possible Action Regarding Personnel Matters

It was moved by Trustee Hughes and seconded by Trustee Blair 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: Blair, Hughes, Kouruklis, Nevius, Ochalla, O'Rourke, Reed,
Wilson
NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Kouruklis 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

9. Old Business/New Business

There was no old business or new business discussed.

10. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting was scheduled for March 3, 2022, at 9:30 am.