

**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 1, 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."

Call to Order and Roll Call

**Trustees Present:** Lawrence Wilson, President; Patrick McFadden, Vice-President; Jerry Pray, Secretary; Hal Dardick, Diahann Goode, Stephen Hughes, Kevin Ochalla, Tracy Reed, Samuel Richardson, Jr.

**Staff Present:** Brent Lewandowski, Interim Executive Director; Margaret Fahrenbach, Legal Advisor; Michael Maratea, Director, Finance and Administration; Gary LeDonne, Director, Benefits Administration; Francis Gonzalez-Crussi, Senior IT Manager; Saron Tegegne, Comptroller

**Others Present:** Karen Yarborough, Cook County Clerk; Cedric Giles, Office of the Cook County Clerk; Mary Pat Burns, Burke Burns & Pinelli, Ltd.; John McCabe, John McCabe & Associates; Derek Blaida, Legislative Liaison; Adelaide Del Angel, representative from the office of the Cook County Chief Financial Officer

President Wilson asked if any member of the public wanted to address the Board, but no one requested to do so. He then welcomed the new trustees and stated that the Board and the Fund were looking forward to working with them.

1. Review and Consideration of November 3, 2022, Board Meeting Minutes

It was moved by Trustee McFadden and seconded by Trustee Reed that the presented minutes of the Board meeting on November 3, 2022, 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 Hughes, having received confirmation from Fund staff that the indicated payments were consistent with the administrative budget approved for 2022, that the Board ratify the action taken by Fund staff in paying the presented bills and payroll records in November, 2022, and that the Board approve the recommendations from Fund staff to remit payments for the expenses incurred in November, 2022.

Roll Call Vote:

AYES: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Annuities, Spouse and Child Annuities and Refunds

It was moved by Trustee Ochalla and seconded by Trustee McFadden, after due consideration of the applications presented to the Board and having confirmed that the Fund staff followed the Fund's procedures in reviewing and processing the applications, that the recommendations from the Fund's staff for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

It was moved by Trustee McFadden and seconded by Trustee Reed, after due consideration of the applications presented to the Board and having confirmed that the Fund staff followed the Fund's procedures in reviewing and processing the applications, that the recommendations from the Fund's staff for the presented disability applications be approved.

Roll Call Vote:

AYES: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Matters

a. Proposed Election of Officers and Approval of Committee Assignments

The trustees then considered those members who should serve as officers on the Board. It was moved by Trustee McFadden and seconded by Trustee Hughes that Trustee Wilson be nominated and elected to serve as President of the Board until a successor is duly elected. The trustees noted that President Wilson was also currently serving as the acting Chief Financial Officer (“CFO”) for Cook County. President Wilson stated that he has always remained bi-partisan in his roles as President of the Board, as Cook County Comptroller and as the Acting CFO. He noted that he has discussed any potential conflicts, including his role as Acting CFO, with Mary Pat Burns, fiduciary counsel, to ensure no conflict exist. He added that the CFO has responsibility for any legislation that might affect the Fund, and the prior CFO has not included him in meetings regarding drafting legislation affecting the Fund. He noted that the Deputy CFO currently has responsibility for legislation matters and does not report to him on legislation matters that affect the Fund. He stated that he is not a candidate to fill the CFO position at the County and that the new CFO would be name before year-end

Roll Call Vote:

AYES: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

President Wilson stated that Trustee McFadden has been as asset to the Board and asked for a motion to nominate him to serve as Vice-President of the Board.

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

Roll Call Vote:

AYES: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

President Wilson asked for a motion to nominate Trustee Pray to serve as Secretary of the Board. It was then moved by Trustee Hughes and seconded by Trustee Goode that Trustee Hughes be nominated and elected serve as Secretary of the Board until a successor is duly elected.

Roll Call Vote:

AYES: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson  
NAYS: None  
Vote Result: MOTION ADOPTED

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

President Wilson then proposed that Trustee Reed be nominated to serve as the Chair of the Emerging Managers Sub Investment Committee (“EMIC”) and that Trustees Goode, Dardick, Hughes and Ochalla be appointed as members. It was moved by Trustee McFadden and seconded by Trustee Hughes that Trustee Reed 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 Goode, Hughes, Ochalla, Pray, Reed and Richardson be appointed as members. It was moved by Trustee Hughes and seconded by Trustee Reed 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 Pray be nominated as the Chair of the Legislative Committee and that Trustees Goode, Hughes, Dardick, Ochalla, Reed and Richardson be appointed as members. It was moved by Trustee Dardick and seconded by Trustee Reed that Trustee Pray 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 2023 Board Meeting Schedule

Interim Executive Director Brent Lewandowski presented the proposed schedule for Board meetings in 2023. He stated that the Board generally meets on the first Thursday of every month.

It was moved by Trustee Hughes and seconded by Trustee McFadden that the proposed Schedule for Board meetings in 2023 be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

c. Review and Consideration of Proposed 2023 Committee Meetings Schedule

The Interim Executive Director presented the proposed schedule for committee meetings in 2023. He noted that there might be an additional meeting scheduled for the Investment Committee regarding the CIO position.

It was moved by Trustee McFadden and seconded by Trustee Pray that the proposed 2023 Committee Meetings Schedule be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

d. Review and Consideration of Trustee Resolution – B. Kouruklis

The Interim Executive Director stated that Trustee Kouruklis had announced his resignation from the Board at the meeting in November and that a resolution acknowledging his service had been prepared for the Board's consideration.

It was moved by Trustee McFadden and seconded by Trustee Goode that the presented Resolution acknowledging the service performed by Bill Kouruklis as Trustee of the Retirement Board be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

e. Ethics Training Opportunities and Reminder

The Interim Executive Director reminded the trustees that they needed to complete the eight hours of annual training required by the Illinois Pension Code by December 31, 2022. He stated that the newly elected and appointed trustees did not need to complete this training for the current year. He asked that the other trustees advise the Fund about the training that they had completed in 2022.

4. Legislative Matters

a. Ratification of 2023 Intergovernmental Agreement

The Interim Executive Director stated that the Fund had received the proposed Intergovernmental Agreement ("IGA") from the County for 2023 which would provide for additional employer contributions to the County Fund. The payments due under the IGA reflected the actuarial calculations that the Fund had provided to the County in June, 2022. If the Board approved the IGA, it would be considered by the County Board of Commissioners at their meeting the following week.

It was moved by Trustee Goode and seconded by Trustee Hughes that the Board approve the presented IGA with Cook County to provide additional employer contributions to the County Fund. It was further moved that Fund fiduciary counsel and

Fund staff should take all action reasonably necessary to effectuate the foregoing, including the execution of the IGA on behalf of the Fund by the President of the Board and delivery to the County.

Roll Call Vote:

AYES: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Consideration and Possible Action Regarding Legislative-Related Matters

The Interim Executive Director stated that HB 1859 which provided for funding for the Forest Preserve District Fund had passed and was before the Senate. The Forest Preserve District's referendum to provide for additional revenue had recently passed and would be a source for the additional funding. He stated that the Fund staff had reviewed the legislation and noted that the funding methodology used was equivalent to the IGA. While the legislation did not address health benefits, it would resolve the solvency issues for the Forest Preserve District Fund regarding annuity benefits. The Fund staff noted that there were some technical issues that needed to be addressed in a trailer bill, but that the legislation could be administered at the current time.

John McCabe, a legislative representative for the Fund, stated that HB 1859 was on the Senate's calendar for a third reading that day. If approved by the Senate it would likely return to the House for a concurrence, but it might be put off to January before the new session would begin. He added that minor changes to address technical issues tended to pass without controversy.

The Board discussed whether it should take a position on HB 1859. If there was a delay until January, the legislative representative might be asked if the Board had a position on the bill.

It was moved by Trustee Goode and seconded by Trustee McFadden that the Board support HB 1859 as amended and presented to the Board and that the Fund's Legislative Representative be authorized to express the Board's support of the legislation so long as no further amendments were made.

Roll Call Vote:

AYES: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

The Legislative Representative stated that if the Board wanted to introduce legislation in 2023, it should approve that legislation at the meeting in January so that it could be

submitted to the Legislative Reference Bureau (“LRB”). He added that if the Board waited until February to approve legislation, the LRB might not have time to review the proposal and it becomes more difficult to find sponsors to introduce the legislation.

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

The Interim Executive Director stated that the Fund had received two direct deposit authorizations (“DDA”) that appeared fraudulent. One DDA was purportedly from a person who was not a participant in the Fund. The other DDA was from a person who was an annuitant, but the identifying information was not consistent with the Fund’s records. In addition, the annuitant confirmed that he did not send the DDA. The Fund did not take any action in regard to the DDAs, but the Board should consider whether the incidents should be reported to the Cook County State’s Attorney.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board find that there were reasonable suspicions that the identified direct deposit authorizations presented to the Fund 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 was authorized to report the incidents on behalf of the Board to the Cook County State’s Attorney.

Vote Result: MOTION ADOPTED BY VOICE VOTE

6. Investment Matters – Review and Consideration of Investment Committee Recommendations

a. Review and Consideration of a Recommendation to Approve Modifications to the Investment Policy Statements for the Cook County and the Forest Preserve Pension Funds

The Investment Committee had recommended certain modifications to the Investment Policy Statements (“IPS”) for both the County Fund and the Forest Fund that had been prepared by Callan, LLC. While the IPS for each of the Funds included an Exhibit E which stated the utilization goals for the Funds, the utilization goals were to be considered by the Investment Committee at a later meeting and possibly changed. The recommendation from the Investment Committee to approve the proposed modifications to the IPS did not include any modifications to Exhibit E.

It was moved by Trustee Ochalla and seconded by Trustee Goode that the Board adopt the recommendation made by the Investment Committee at the meeting on November 22, 2022, to make the identified modifications to the Investment Policy Statements (“IPS”) for the County Fund and the Forest Preserve District Fund that had been proposed by Callan, LLC, with the exception of any modifications to the respective Exhibit E to each IPS, that would be considered at a later date.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Review and Consideration of Recommendation to Approve Asset Liquidation for Benefit Payments

The Interim Executive Director said that the Fund requested approval to redeem assets for the County Fund in order to meet its payment obligations in the coming months. The trustees discussed how the redemptions would be made and that, while the process was necessary in the present environment, it was not the Fund's practice to liquidate assets to meet benefit obligations.

It was moved by Trustee Reed and seconded by Trustee Goode that the Board approve the proposed redemption requests as recommended by Callan, LLC and Fund staff for the County Fund.

Roll Call Vote:

AYES: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

c. Review and Consideration of Recommendation to Approve Response to Servpro

The Interim Executive Director stated that the President of the Board had received an email from a third party who had concerns about the Fund's investment in Blackstone Group's Core Equity Partners who had recently acquired Servpro. The email had been shared with the trustees and discussed at the Investment Committee. He said that the Fund does not have any investment in Blackstone Group's Core Equity Partners and that a response had been prepared to the third party for the Board's consideration to advise them about the status. The Investment Committee recommended that the Fund be authorized to send the prepared response.

It was moved by Trustee Reed and seconded by Trustee McFadden that the Board adopt the recommendation made by the Investment Committee at their meeting on November 22, 2022, approving the presented letter in response to a third party's inquiry regarding Blackstone Group's Core Equity Partners Fund's acquisition of Servpro and related concerns and that the Interim Executive Director be authorized to send the response as indicated.

Vote Result: MOTION ADOPTED BY VOICE VOTE

7. Health Benefit Matters – Review and Consideration of Approval of 2022 Prescription Benefit Services Agreement with Caremark PCS Health, LLC

The Interim Executive Director stated that the Fund was seeking approval to sign the presented amendment to the Prescription Benefit Services Agreement with Caremark PCS



Health, LLC that would be effective from January 1, 2022 through December 31, 2023. He stated that the Fund had been receiving the benefits of the agreement as negotiated by the RFP offered through the City of Chicago Agency Coalition even though the amendment had not been finalized and executed.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board approve the proposed Amendment to the agreement with Caremark PCS Health, LLC, to provide services consistent with the City of Chicago Agency Coalition for pricing and other benefit terms effective as of January 1, 2022, through December 31, 2023, which has been signed on behalf of Caremark and approved as to form in a side letter signed by fiduciary counsel. It was further moved that the Interim Executive Director be authorized to execute and deliver the Amendment on behalf of the Fund, to effectuate the foregoing.

Roll Call Vote:

AYES: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

8. Administrative Matters – Interim Executive Director Report

The Interim Executive Director presented the schedule for proposed holidays in 2023 and stated that the Fund follows the holiday schedule designated by the Cook County Bureau of Human Resources. However, the Fund generally does not take the holiday scheduled for Lincoln’s birthday, which will be observed on February 13, 2023, because of the large number of retirement applications traditionally presented to the Board at the March meeting. It was more efficient for the Fund to be open on Lincoln’s birthday and to substitute another designated holiday later in the year. The presented schedule proposed that the Fund be closed on July 3, 2023, rather than on February 13, 2023. In addition, the County allows employees to use a floating holiday at their discretion and the Fund follows this practice. The Fund has designated that all employees will use the day after Thanksgiving as their floating holiday. The schedule will be posted on the Fund’s website.

The Fund had received notice from UHC of a class action settlement involving the use of Remicade, a prescription drug. The drug was dispensed through the Fund’s medical plan and the Fund timely filed a claim in the class action.

A summary of the current pension administration system (“PAS”) , the engagement of a PAS consultant, and the RFP for a new PAS was provided to the Board. The Interim Executive Director stated that he would contact the consultant and the RFP finalists to determine the next steps for this project and would provide a report to the Board.

The Interim Executive Director said that the Fund welcomed Kimberly Ploucek as a new staff accountant on November 29, 2022, to replace Debora Pemberton who had given

notice of her retirement. He thanked Ms. Pemberton for her 15 years of service to the Fund and extended congratulations to her.

The Interim Executive Director stated that the Fund staff would have a Holiday Party on December 14, 2022, at the office beginning about 12:30 pm. The trustees were invited to attend.

9. Finance Matters – Review and Consideration of 2023 Budget

The Interim Executive Director stated that a draft of the proposed administrative budget for 2023 had been presented to the Board at the November meeting. He had prepared a memorandum which summarized the changes made to the budget following comments from the trustees. The trustees discussed that the employees should have performance standards, but recognized that such objectives were not always measurable. They also discussed the need for additional professional guidance regarding health benefits and how that need could be addressed. The Fund had prepared a policy for employees to work remotely, but it had not been implemented other than in circumstances when an employee had a medical reason to do so.

It was moved by Trustee McFadden and seconded by Trustee Reed 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: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee Goode and seconded by Trustee McFadden that the Board approve the proposed 2023 Administrative Budget, including the payment of identified invoices for expenses incurred in December, 2022 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 2023.

Roll Call Vote:

AYES: Dardick, Goode, Hughes, McFadden, Ochalla, Pray, Reed,  
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

10. Consideration and Possible Action Regarding Personnel Matters

There was no motion made or required to be made following the return to open session.

11. Old Business/New Business

There was no old business or new business discussed.

12. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting was scheduled for January 5, 2023, at 9:30 am.