

**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 W. Madison, Suite 1925  
Chicago, IL 60602**

**Minutes for the August 6, 2020, Meeting of the Board**

**The meeting was conducted to allow any trustees and other attendees to participate by video conference as permitted by the Illinois Governor Gubernatorial Disaster Proclamation issued on July 24, 2020, the Governor's Executive Order Number 42, as well as the provisions of Public Act 101-0640.**

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: John Blair, Diahann Goode, Stephen Hughes, Bill Kouruklis, Patrick McFadden, Joseph Nevius, Kevin Ochalla, Lawrence Wilson

Staff Present: Regina Tuczak, Executive Director; Caroline Vullmahn, Deputy Executive Director; Margaret Fahrenbach, Legal Advisor; Michael Maratea, Director, Finance and Administration; Gary LeDonne, Director, Benefits Administration; Jane Hawes, Director, Health Benefits; Brent Lewandowski, Director, Member Services; Fernando Vinzons, Director, Investments

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd; Sarah A. Boeckman, Burke Burns & Pinelli, Ltd; Cathryn Marsico, Bureau of Finance, Cook County; John Johnson, Callan; Timothy Walsh, Timothy Walsh & Associates; Gary Ryczyn, Timothy Walsh & Associates; Martha Merrill, AFSCME

President Wilson stated that a quorum of the Board was present and that Trustee Hughes had requested that he be allowed to participate by video conference pursuant to Section 7(a) of the Open Meetings Act, 5 ILCS 120/7(a). It was then moved by Trustee McFadden and seconded by Trustee Blair that Trustee Hughes be allowed to participate by video conference pursuant to Section 7(a) of the Open Meetings Act, 5 ILCS 120/7(a).

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

Public Comment

Trustee Wilson, President of the Board, opened the meeting for public comment and Martha Merrill, of AFSCME Council 31 addressed the Board regarding upcoming election procedures.

1. Review and Consideration of:

President Wilson asked for a motion that would allow the Board's consideration of Items 1(a) and 1(b) to be consolidated into a single motion.

- a. July 9, 2020, Board Meeting Minutes
- b. July 9, 2020, Audio Transcript of Board Meeting

It was moved by Trustee Blair and seconded by Trustee Goode that the Board approve the minutes from the Board meeting on July 9, 2020, and that the presented transcription of the audio recording of the Board meeting on July 9, 2020, be accepted and filed.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

2. Review and Consideration of:

- a. Bills, Payroll Records

President Wilson asked for a single motion to ratify the bills and payrolls records that were paid in July, 2020, and to approve the request to remit payments for the presented bills for expenses incurred in July, 2020.

After receiving confirmation from Fund staff that the presented payments were consistent with the approved 2020 administrative budget, it was moved by Trustee Blair and seconded by Trustee Goode that the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in June, 2020, be ratified and that the Board approve the recommendations from Fund staff to remit payments for the presented bills for expenses incurred in June, 2020.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, 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, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, 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 Goode and seconded by Trustee Blair 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, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Review and Consideration of Election Matters for the October 28, 2020 Election

a. Consideration and Possible Action in Regard to October 2020 Election

President Wilson stated that the next item on the agenda was consideration and possible action in regard to the October, 2020, election process. Trustee Kouruklis stated that he would move to rescind the action taken by the Board at the last meeting regarding the ballot process. Trustee Goode moved to second the motion. The trustees discussed that they did not want the members to have difficulty in participating in the election since it will not be possible to vote in-person this year and asked for a summary of the current process.

The Executive Director stated that under the current rules, the election by mail-in ballot is a two-step process. Each member is mailed an application for a ballot that must be verified by the member's social security number or employee number. If the verification provided on the application is consistent with the records that the Fund provided to the Election Vendor, the member would be mailed a ballot. Upon receipt of the ballot, the member designates their candidate vote and places the ballot in a secrecy envelope that had been provided. The secrecy envelope would be placed in another pre-addressed 'outer' envelope to be signed by the member. The member must sign the outer envelope verifying, under the penalty of perjury, that the member voted the ballot. Each member is assigned a unique identifier that is represented by a bar code on the outer envelope. The outer envelope is then mailed to a designated P.O. Box.

Each day, the Election Vendor picks up the outer envelopes and scans the bar codes to determine if the bar code matches the system. Outer envelopes that do not scan or that are not signed are put aside until Election Day. The Fund receives a report daily about the outer envelopes containing the ballots that have been returned. On Election Day, the outer envelopes are opened and the secrecy envelopes containing the ballots are removed. Then, the secrecy envelopes are opened and the ballots are tallied.

Tim Walsh, the Election Vendor, stated that all the materials including applications and envelopes are kept for a full year in the event that there was a review. The Election Vendor managed elections for several local pension funds and labor organization and compared the procedures of the Fund to his other clients. Mr. Walsh also discussed further the controls associated with the validation of the barcode.

The trustees discussed whether there was sufficient time to change the process, yet ensure that candidates are able to pick up their petitions and also be provided with a copy of the election rules. Brent Lewandowski, Director, Member Services, discussed the items provided to a candidate that picks-up a petition packet, noting such packet includes a copy of the election rules. The trustees also considered whether a verification card should be signed by the member and returned with the ballot, but there were concerns about whether that process could be implemented given the time constraints.

The Election Vendor stated that he was confident in the bar code process and that the procedure had been used by all the private labor unions and pension funds that he represents that vote by mail.

It was moved by Trustee Kouruklis and seconded by Trustee Goode that the Board rescind the determination made at the meeting on July 9, 2020, that eligible members must first submit an application in order to be sent a ballot to be cast by mail in the election of a County Employee Trustee to be held on October 28, 2020.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, Nevius, Ochalla, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

The trustees then considered that all eligible members should be mailed a ballot for the election of the County Employee Trustee in October, 2020, and that there would be no need to submit an application in order to receive a ballot. The postage for the returned ballot would be paid by the member.

It was then moved by Trustee Kouruklis and seconded by Trustee Ochalla that for purposes of the election of a County Employee Trustee on October 28, 2020, that all eligible members be mailed a ballot to be cast in the election that should be returned in accordance with the election rules.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

b. Retention of Attorney Regarding Election Matters

The Executive Director stated that at the last Board meeting, the resignation of the Independent Election Administrator (“IEA”) had been accepted and that his contract had been terminated. Mary Pat Burns, fiduciary counsel, was asked to research and suggest possible replacements to assume some of the responsibilities that had been performed by the IEA.

Ms. Burns stated that she had reached out to various election boards at the county, city and state levels for recommendations about candidates for this position. Based upon her review, the Board was provided with the resumes of two candidates who were extremely competent and able to perform the services for purposes of the upcoming election in October, 2020. She also presented a proposed retainer agreement for the engagement so that the person would be available to the Election Committee and to finalize any matters before August 20, 2020, when the petitions are to be made available to potential candidates.

The trustees discussed the various responsibilities of the IEA, the role of the Election Committee and the responsibilities that the attorney retained for the election would perform. It was discussed that the Election Committee could perform more ministerial acts that did not require policy decisions.

It was moved by Trustee McFadden and seconded by Trustee Goode to rescind the determination made by the Board on July 9, 2020, that the Election Committee be composed only of those trustees who serve on the Legislative Committee.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Wilson  
NAYS: None  
PRESENT: Ochalla

Vote Result: MOTION ADOPTED

The trustees then discussed the Election Committee and the trustees who might be appointed to that ad hoc committee. The Board President, consistent with Fund practices regarding committee assignments, indicated the individuals he recommended serve as the Election Committee members for the October 2020 election.

It was then moved by Trustee Kouruklis and seconded by Trustee Nevius that Trustee Blair, Trustee McFadden and Trustee Hughes be appointed to the Election Committee, the ad hoc committee formed for purposes of the October, 2020 election.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Wilson  
NAYS: None  
PRESENT: Ochalla

Vote Result: MOTION ADOPTED

The trustees then resumed their discussion about the retention of an attorney who would supplement the services provided by Fund staff and fiduciary counsel to the Election Committee.

It was moved by Trustee Goode and seconded by Trustee Kouruklis that the Fund retain Matthew M. Welch to perform services that might be directed by the Election Committee and that he be paid an hourly rate of \$200, not to exceed the cumulative amount of \$30,000. It is further moved that the Fund, subject to review by fiduciary counsel, take all action reasonably necessary to effectuate the foregoing, including the execution and delivery of any related written agreement on behalf of the Fund by the Executive Director.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, Nevius, Wilson

NAYS: McFadden

PRESENT: Ochalla

Vote Result: MOTION ADOPTED

c. Amended Contract With Tim Walsh & Associates

The Executive Director stated that the Fund was in the second year of a two-year contract with Timothy Walsh & Associates, the Election Vendor, that needed to be revised to reflect the new procedures for the election of a County Employee Trustee in October, 2020. Upon the advice of fiduciary counsel, a new contract that eliminated in-person voting had been prepared for the Board's review. Now that the Board had changed the process for casting mail-in ballots, the contract would require further revisions.

The trustees discussed the process for the contract renewal and that they would like to give the Executive Director the authority to negotiate with the Election Vendor and present a revised contract for the Board to approve before it is executed. The trustees noted that the services the Election Vendor was to perform would begin before the next Board meeting. The Election Vendor agreed that he would perform the services in good faith under the old contract to allow time for the new agreement to be negotiated and approved by the Board.

It was moved by Trustee McFadden and seconded by Trustee Kouruklis that the Executive Director be authorized to negotiate the terms of the Election Vendor Agreement with Timothy Walsh & Associates to reflect the changed procedures for the October, 2020 election of a County Employee Trustee, subject to review by fiduciary counsel, and that the contract be presented for approval to the Board before it is executed on behalf of the Fund.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

d. Election Rules and Approval of Election Committee Members

The Executive Director said that the Election Rules had been revised to reflect the elimination of in-person voting and to have an Election Committee. She added that given the action taken by the Board during this meeting, the Election Rules would require further

revisions that could not be approved by the Board before August 20, 2020, when potential candidates could begin to pick up the petitions.

The trustees discussed a process whereby the action taken by the Board during the meeting could be incorporated into the Election Rules which would be revised by Fund staff and fiduciary counsel, subject to review by the ad hoc Election Committee. The rules would then be distributed to potential candidates when they picked up the petitions as had been scheduled.

It was moved by Trustee Blair and seconded by Trustee Nevius that Fund staff and fiduciary counsel, subject to the approval of the Election Committee, be directed to revise the Election Rules to reflect the changes in the procedures for the October, 2020 election of a County Employee Trustee, so that the revised Election Rules could be included with the information to be picked up by potential candidates beginning on August 20, 2020.

Roll Call Vote:

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

NAYS: Goode

PRESENT: Ochalla

Vote Result: MOTION ADOPTED

4. Benefit Matter – Update Regarding Office Number 141197

The Executive Director provided an update about a benefit matter that the Board had considered at their last meeting. The member wanted to purchase unused sick time to increase his service credit to over 30 years, but the payment had not been received by the Fund within 30 days after the member withdrew from service. She stated that an attorney representing the member was working on the member's separation date and thus the matter should be deferred rather than making a final decision today.

It was moved by Trustee McFadden and seconded by Trustee Ochalla that the final decision on the annuity application submitted by the Member identified by Office Number 141197 be deferred upon the request of the Member's attorney.

Vote Result: MOTION ADOPTED BY VOICE VOTE

5. Finance Matters

a. Presentation of GASB Reporting for Pension and Postemployment Healthcare Amounts

The Executive Director stated that when the Fund's auditor completed the Financial Statements for both the County Fund and the Forest Fund, the auditor has typically prepared some reporting for the employer, required under Governmental Accounting Standards Board, that provides information related to pension and healthcare obligations that needs to be included on the employer's financial statements. The auditor's reports prepared by Legacy Professionals, LLP, for the employers were provided to the trustees for their review.

It was moved by Trustee McFadden and seconded by Trustee Blair that the 2019 Schedules of Pension Amounts and 2019 Schedules for Postemployment Healthcare Amounts for the County Fund and the Forest Preserve Fund as prepared by Legacy Professionals, LLP, be received and filed.

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

b. Distribution of Bound Financial Statements and Actuary Reports

It was reported that bound copies of the 2019 Financial Statements and 2019 Actuarial Valuations were available for the trustees.

6. Administrative Matters

a. Consideration and Possible Action Relating to Stimulus Request

The Executive Director stated that there had been some interest from trustees about whether the Fund would be qualified to apply for the Payroll Protection Program that was offered as part of the federal stimulus legislation and that fiduciary counsel had been asked to assist in this evaluation. Sarah Boeckman, of Burke Burns & Pinelli, stated that they had reviewed the CARES Act and the rules promulgated by the Small Business Administration (“SBA”) regarding the program. Counsel concluded that a good-faith determination could be made that the Fund would qualify for the program, but because the prospective lender had expressed doubts about the Fund’s eligibility because of its governmental connection, the lender was not willing to process the loan. The Fund had reached out to other lenders, but without success. It was reported that even though these efforts were unsuccessful, the trustees’ fiduciary obligations to attempt to secure funding had been satisfied and documented.

b. Contract Matters – Revision of the Original Request for Managed Backup and Disaster Recovery Services

The Executive Director stated that the Board had approved a one-year contract extension for disaster recovery services with CDW-G. The services had been performed by its business partner, All Information Services (“AIS”). After the Board’s approval, CDW-G stated that it would not partner with AIS for these services and that the Fund should contract directly with AIS. She reported that AIS had provided the needed services since May and continued to so. Fiduciary counsel stated that the proposal defined the contract term, price and scope of services to be provided, but there are some billing terms that she would suggest be reconsidered.

It was then moved by Trustee McFadden and seconded by Trustee Goode that the Board authorize the Fund to engage AIS to perform managed backup and disaster recovery services from May 4, 2020, to May 4, 2021, at a monthly cost not to exceed \$3,095. It was further moved that the Fund staff be authorized to take all action reasonably necessary to effectuate the foregoing including the execution and delivery of any related written agreement, subject to approval by fiduciary counsel, on behalf of the Fund by the Executive Director.

Roll Call Vote:



AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

c. Executive Director Report

The Executive Director stated that the Fund continued to operate with the same procedures as discussed at the Board’s meeting in July during the pandemic. The staff had been divided into three separate groups that rotated between working on-site and working remotely. There were approximately five management employees who were present daily. This plan would likely continue through Labor Day. At that time, the staff might be divided into two groups that would alternate between working on-site and working remotely. It was noted that members were still not admitted into the Fund’s offices, but there were no staff members whose sole responsibilities were to meet with members. Communications with members continue by telephone. Staff contacts the members by phone whether they are in the office or are working remotely. Since personal meetings are not possible at the present time a trustee inquired about a virtual platform for general information sessions about retirement. The Executive Director discussed some of the concerns regarding such venue, but indicated she could continue to investigate. .

The Executive Director reported that the Fund had received the \$25M under the Intergovernmental Agreement (“IGA”) from the County in July, 2020, as scheduled.

The Executive Director stated that the Pension Committee of the County Board of Commissioners met on July 28, 2020. She appeared at the meeting, which was conducted on a virtual platform, and presented the 2019 financial results. Some questions regarding investment matters were raised and the Fund’s Investment Consultant, Callan, was preparing a written response to those questions. The Executive Director thanked those trustees who were present on the call for their participation.

The trustees noted that some of the questions were repetitive and suggested that the Fund consider the preparation of a standard report that could provide information about the Fund’s investments, budgetary items, revenue and payments. The report could be updated quarterly and provided to the Commissioners as needed. It was also noted the a member of the Forest Preserve District’s advisory council appeared at the meeting and requested financial assistance from the County as had been provided to the County Fund through the IGA.

The Board was advised that Ammar Rizki, the County’s Chief Financial Officer, had requested by a letter delivered last March to address the Board. Because of the limitations imposed by public health events, his appearance was delayed and the Board recently extended an invitation for him to appear at the August meeting. The CFO responded that he was working on some revenue information and asked that he attend the Board’s September meeting.

The Executive Director stated that there will be a Health Benefits Committee meeting on August 18, 2020 to set rates for 2021 and an Investment Committee meeting on August 26, 2020, to interview the finalists for the investment consultant RFP.

It was reported that a resolution was prepared, at the Board’s request, in memory of Robert Molaro, who had served as the Fund’s legislative consultant.

It was moved by Trustee Ochalla and seconded by Trustee Kouruklis that the Board adopt the presented Resolution regarding the service of Robert S. Molaro, now deceased, to the Fund and that Fund staff be authorized to deliver the Resolution to his family.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

7. Review and Consideration of Request for Proposal – Emerging International Equity Manager

It was then moved by Trustee McFadden and seconded by Trustee Blair that the Board convene an Executive Session pursuant to Section 2(c)(7) of the Open Meetings Act, 5 ILCS 120/2(c)(7), to discuss the purchase and sale of securities and investment contracts.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Blair and seconded by Trustee Ochalla that the Executive Session be adjourned and after the affirmative vote of all trustees present, the Board returned to open session, at which time Trustee Goode presided over the meeting.

It was moved by Trustee Ochalla and seconded by Trustee Blair that the Board, upon the recommendations from Callan LLC, the Fund's Investment Consultant, and the Fund staff, authorize the issuance of a Request for Proposal to search for an international equity emerging manager for the County Fund.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, Ochalla

NAYS: None

Vote Result: MOTION ADOPTED

8. Old Business/New Business

There was no old business or new business discussed.

9. Adjournment

It was moved by Trustee Blair and seconded by Trustee Ochalla that the meeting be adjourned. All trustees present voted in the affirmative.

The next meeting of the Board was scheduled for September 3, 2020, at 9:30 am.