

**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 September 3, 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 August 21, 2020, the Governor's Executive Order Number 52, 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.; Noureen Hashim, Office of Commissioner Bridget Gainer; John Jackson, Callan, LLC; Ann O'Bradovich, Callan LLC; Barbara Bernard, Callan, LLC; Nate Wong, Callan, LLC; Craig Goesel, Alliant Insurance Services, Inc.; Bruno Amici, Alliant Insurance Services, Inc.; Dan Levin, Segal Consulting

Trustee Patrick McFadden, Vice President of the Board, presided over the meeting. He stated that a quorum of the Board was present and that Trustees Nevius, O'Rourke and Wilson had requested that they 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 Blair and seconded by Trustee Ochalla that Trustee Nevius, Trustee O'Rourke and Trustee Wilson 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, Ochalla,
NAYS: None

Vote Result: MOTION ADOPTED

There was no member of the public present who asked to address the Board and the next item on the Agenda was considered.

1. Review and Consideration of:

Trustee McFadden 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. August 6, 2020, Board Meeting Minutes
- b. August 6, 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 August 6, 2020, and that the presented transcription of the audio recording of the Board meeting on August 6, 2020, be accepted and filed.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

2. Review and Consideration of:

- a. Bills, Payroll Records

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

After receiving confirmation from Fund staff that the presented payments were consistent with the approved 2020 administrative budget, 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 August, 2020, be ratified and that the Board approve the recommendations from Fund staff to remit payments for the presented bills for expenses incurred in August, 2020.

Roll Call Vote:

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

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 Goode 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

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 Hughes 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

NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Matters – Review and Consideration of Fiduciary Liability Insurance

Craig Goesel, Alliant Insurance Services, Inc, presented the proposal for the renewal of the fiduciary liability insurance policy. He stated that the current marketplace for the procurement of fiduciary insurance had been negative. Some carriers who had previously provided such coverage have declined to continue. Alliant approached nine carriers and asked them to submit proposals for coverage to replace the Fund's expiring policy. Only two carriers provided proposals, both of whom provide coverage under the Fund's expiring policy. He stated that Markel American Insurance Co. (ULLICO) provided a proposal for the primary policy of \$10M for an annual premium of \$89,847 and that Hudson Insurance Co., (Euclid) presented a proposal for the excess policy of \$5M at an annual premium of \$26,506. In response to questions from Mary Pat Burns, Fiduciary counsel, Mr. Goesel confirmed that these policy limits were appropriate for a public pension of the size of the Cook County Pension Fund and that the terms of the new policies would not be different from the terms of the expiring policies.

It was moved by Trustee Blair and seconded by Trustee Hughes that the Board approve the renewal of the fiduciary liability insurance policy for a term from September 30, 2020 to September 30, 2021, as presented, at a premium not to exceed \$89,847 for the \$10M primary policy offered by Markel/ULLICO and at a premium not to exceed \$26,506 for the \$5M excess policy offered by Hudson/Euclid. It was further moved that Fund staff should 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, McFadden, Nevius, Ochalla

NAYS: None

Vote Result: MOTION ADOPTED

4. Election Matters

a. Ratification of Election Committee Actions regarding 2020 Election

Regina Tuczak, Executive Director, provided a status of the Election Rules. She stated that at the meeting on August 6, 2020, the Board had approved changes in the election process that would be implemented for the 2020 Election of a County Employee Member. The presented Election Rules had been amended to reflect these changes. The Election Rules now provide that all members will receive mail-in ballots that could be cast in the election. Additionally, certain duties performed by the Independent Election Administrator had been reassigned to other parties. Also, the last date for requesting a replacement ballot had been changed based upon information received from the election vendor, the daily pick-up time for the retrieval of ballots from the Post Office had been changed and the process for conducting a lottery to determine placement on the ballot had been modified. The Election Rules had been revised to reflect the action taken by the Board on August 6, 2020, and approved by the Election Committee so that they could be distributed to the potential candidates beginning August 20, 2020, when the petitions became available.

The Board discussed the amended rules and the trustees thanked the Fund staff for promptly making the revisions that had been recently approved.

It was moved by Trustee Kouruklis and seconded by Trustee Nevius that the Board ratify the action taken by the Election Committee to approve the Cook County Employee Member Trustee Election Rules for 2020, as presented.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Review and Consideration of Contract with Tim Walsh & Associates

The Executive Director stated that the terms for contract with the Election Consultant, Timothy Walsh & Associates, Inc. had been finalized. The agreement, as presented to the Board, had been executed by the vendor and approved as to form by fiduciary counsel. The Board was asked to authorize the Fund to execute the agreement.

It was moved by Trustee Blair and seconded by Trustee Goode, that the Board approve the presented agreement executed on behalf of Timothy Walsh & Associates and approved as to form by fiduciary counsel, to provide services as the Election Vendor for the Cook County Employee Member Trustee Election scheduled for October 28, 2020, at a fee not to exceed \$69,100, plus additional costs described in the agreement. It was further moved that the Fund's Executive Director be authorized to execute and deliver the presented agreement on behalf of the Fund.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

5. Health Benefit Matters

a. Review and Consideration of August 18, 2020, Health Benefits Committee Recommendations regarding:

i. Health Plan Rates for 2021

Note: The trustees considered the Health Benefits Committee (“HBC”) recommendations about the health plan rates effective January 1, 2021, after they had discussions on other plan changes under Item 5a.ii.

The trustees noted that the presented rates had been prepared by Segal Consulting following the trustees’ discussions during the HBC meeting. They noted that the presented rates were consistent with those rates that the HBC had recommended that the Board adopt.

It was moved by Trustee Hughes and seconded by Trustee Blair that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on August 18, 2020, that the annuitant and survivor rates for the CCPF Health Plan as proposed and prepared by Segal Company be approved effective from January 1, 2021 through December 31, 2021.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

ii. Plan Design Changes for 2021

Trustee McFadden stated that at the Health Benefits Committee meeting on August 18, 2020, the trustees had recommended that the Board include the criteria of ‘medical necessity’ for services received by the non-Medicare population. He stated that the change would principally affect non-Medicare members in the Choice Plus plan who use out of network service providers. Members in the Choice plan do not receive coverage for services from providers who are not in the network, so the change would not impact them. The members who wanted to receive out of network services will be required to first contact United Healthcare (“UHC”) to get a determination of whether the proposed services were ‘medically necessary’. If UHC determined that the services were medically necessary, then the covered expenses would be paid. If UHC determined that the services were not medically necessary, then they would not be covered and the member would be obligated to pay the provider. If the services were determined by UHC to be not medically necessary, the member would be able to appeal UHC’s decision.

The trustees discussed that the members would need to be informed of this significant change. The new use of the ‘medical necessity’ criteria in the plan could be explained in the open enrollment materials that would be sent to all the members. Additionally, the Fund could get verification from UHC about the members who utilized out of network providers. These members could be sent individual notifications that they would need to obtain a determination from UHC that the out of network services were ‘medically necessary’ before those expenses would be paid. The trustees noted that at the HBC meeting, it was projected that this change would result in savings of about \$1.9M. They also discussed plan changes and decreasing the subsidies in order to control increasing medical costs to the Fund.

It was moved by Trustee Blair and seconded by Trustee Goode that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on August 18, 2020, that the Choice Plan and the Choice Plus Plan be amended to include medical necessity criteria for non-Medicare participants, including all buy-up programs, effective January 1, 2021.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

The trustees then considered the various recommendations made by the HBC at their meeting on August 18, 2020, to make plan changes regarding deductibles, mail order and retail prescription drug co-pays, and the annuitant and survivor cost share. The trustees discussed the recommendation from the HBC committee that the reduction of the subsidy for members who were not Medicare eligible be phased in over a three year period to be in parity with the subsidy for members enrolled in Medicare. The trustees were aware that if no action was taken in succeeding years, the subsidy rates would be adjusted as provided. If the trustees in later years wanted to reconsider those rates, they would need to revisit the issue.

It was proposed that the trustees have single roll call vote to adopt the various recommendations made by the HBC regarding plan changes, other than the adoption of the criteria for medical necessity which had been adopted by an earlier roll call vote.

It was moved by Trustee Hughes and seconded by Trustee Goode that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on August 18, 2020, that the deductible for the Choice Plus Plan be increased to \$500 single/\$1,000 family for in-network services and that the deductible for the Choice Plus Plan be increased to \$1,000/\$2,000 for out-of-network services effective January 1, 2021.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

It was moved by Trustee Hughes and seconded by Trustee Goode that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on August 18,

2020, that the Choice Plan and the Choice Plus Plan be amended to increase the 30-day retail prescription drug brand copays to \$45 for formulary medications and to \$70 for non-formulary medications effective January 1, 2021.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

It was moved by Trustee Hughes and seconded by Trustee Goode that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on August 18, 2020, that the Choice Plan and the Choice Plus Plan be amended to increase the mail order and CVS 90-day retail brand copays to \$90 for formulary medications and to \$140 for non-formulary medications and the non-CVS pharmacy to \$135 for formulary and \$210 for non-formulary, effective January 1, 2021.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

It was moved by Trustee Hughes and seconded by Trustee Goode that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on August 18, 2020, that the Choice Plan and the Choice Plus Plan be amended so that the annuitant's and survivor's cost-share for Medicare participants be set at 62% effective January 1, 2021, so long as there are no decreases in applicable rates from the prior year.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

It was moved by Trustee Hughes and seconded by Trustee Goode that the Board adopt the recommendation made by the Health Benefits Committee at their meeting on August 18, 2020, that the Choice Plan and the Choice Plus Plan be amended to provide for a decrease from current levels of the Fund subsidy for non-Medicare participants to be phased in over a three year period such that the subsidy shall be 38% effective as of January 1, 2023, with an approximate equal decrease in the subsidy in each of the three years.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

b. Report of August 18, 2020, Health Benefits Committee

It was noted by the trustees that the report of the August 18, 2020 Health Benefits Committee was covered by the discussions of the previous items and did not require further deliberation.

c. Review and Consideration of Medicare Premium for those ineligible for free Medicare Part A

Dan Levin, Segal Consulting, stated that there are some members in the plan that do not have sufficient credits to qualify for Medicare Part A or who cannot otherwise participate based upon a spouse's eligibility. In 2019, the Fund determined that significant savings could be achieved if non-Medicare eligible members who were turning age 65 and new annuitants who were 65 years or older, be required to purchase Medicare Part A upon enrolling in the health benefits plan. The Fund provided a credit to the premium for health plan benefits to such members. There were about 43 members who needed to purchase Medicare Part A in 2020 and they received a premium adjustment of \$156 each month. The trustees discussed whether the premium adjustment should be reduced in a single year or phased in over a few years to bring these members in closer alignment with members who are eligible for Medicare Part A. The trustees discussed the costs, how these different approaches could be implemented and the possible impact on these members.

It was moved by Trustees Hughes and seconded by Trustee Goode that the members in the retiree health plan who are required to purchase Medicare Part A be provided a monthly premium credit of \$125, effective from January 1, 2021 through December 31, 2021.

Roll Call Vote:

AYES: Goode, Hughes, Ochalla
NAYS: Kouruklis, McFadden, Nevius
PRESENT: Blair

Vote Result: Motion not adopted

The previous motion having failed, it was then moved by Trustee McFadden and seconded by Trustee Kouruklis that the members in the retiree health plan who are required to purchase Medicare Part A be provided a monthly premium credit of \$95, effective from January 1, 2021 through December 31, 2021.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

d. Review and Consideration of Dental Plan Renewal with Guardian Life Insurance Company of America

Trustee McFadden stated that the Fund had received three different proposals from Guardian regarding the renewal of the dental plan. The first proposal was to renew the agreement at the same rate for two years. The second proposal was to renew the agreement for one year, but the participants would not need to pay the premium due in February. The third proposal was to renew the agreement for one year, but rather than having a premium holiday during February, to spread those savings over 12 months so that each month's premium would be lower. The trustee considered the various options and saw some benefit in minimizing changes and maintaining current rates.

It was moved by Trustee Blair and seconded by Trustee Hughes that the Board approve the continuation of the Dental Plan offered by Guardian at the current rates, with no changes to the benefits or administration of the plan, from January 1, 2021 through December 31, 2022.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

After the motion was adopted, Trustee Goode, Secretary of the Board, presided over the meeting.

6. Administrative Matters

a. Executive Director Report

The Executive Director stated that the staff had been divided into three groups who had rotated between coming to the office and working remotely from home on a weekly basis. She expected that after Labor Day, the staff would be divided into two groups that would alternate on a weekly basis between on-site performance and working from home. The Fund's workload typically increases towards the year end, but she believed that safety issues would not be compromised with this change.

The Executive Director reported that the Fund had received \$25M from the County at the end of August under the Intergovernmental Agreement ("IGA").

She reported that the Fund continued to work with Callan on preparations of the RFP for a custodian and hoped to have a draft for the trustees in October. She also said that Legacy had completed all the financial statement audits through December 31, 2019, which would conclude their engagement. The Fund staff was preparing an RFP for an auditor and hoped to have it to the Board in October. The Executive Director stated that the Fund was in the process of preparing a State of the Fund Report, as suggested by the trustees, to be potentially shared with the County Commissioners on a quarterly basis. The Fund was working on the document and hoped to have a draft prepared in October.

The trustees were reminded that they were required to complete eight hours of ethics training by December 31, 2020. She said there is a virtual Callan College on October 13, 14 and 15 that any trustee could attend. Mary Pat Burns, fiduciary counsel, stated that the Board is also required to have annual sexual harassment training, that could be presented as part of a Board meeting in addition to other relevant training topics at that time. The trustees asked that they

receive emails of these types of training programs so that they could participate as needed. The trustees were asked to report to the Fund all their hours of training so that the records could be maintained.

The Executive Director also stated that the County's CFO, Ammar Ritki, was still finalizing some materials and would not make his presentation to the Board at this meeting. Once the materials are prepared, he will attend a meeting of the Board.

b. Response to Commissioner Gainer from July 28, 2020, Pension Committees (Cook and Forest) of Cook County Commissioners

The Executive Director stated that she had worked with Callan to prepare a response to the Commissioners' inquiries about the rate of return assumption and other matters that arose during the virtual meeting to the Commissioners on July 28, 2020. A draft of that response was included in the Board's materials. In the response for the Commissioners, Callan had provided an expected 10 year rate of return for the Fund and had detailed the long-term investment strategy that has been in place. It was also noted that in selecting an asset allocation policy and in other investment matters, that the trustees needed to weigh the trade-offs between risks and returns. In addition, the response included information about private equity holdings, comparisons to the investment performance experience of other funds, and the MWDBE status of the investment managers. She stated that the response would be sent to the Commissioners next week. The trustees noted that this response could be incorporated into the State of the Fund Report that was currently being prepared for purposes of showing the status of the Fund's investments.

7. Investment Matters

a. Review and Consideration of August 26, 2020, Investment Committee Recommendations Regarding:

i. Investment Consultant RFP Search

The Executive Director reported that at the Investment Committee meeting on August 26, 2020, three finalists for the Investment Consultant RFP made presentations. Based upon the presentations and the information submitted by Fund staff, the Committee recommended to the Board that Callan be retained as the Investment Consultant for a five year engagement commencing on January 1, 2021, at the fees presented in their proposal.

It was moved by Trustee McFadden and seconded by Trustee Blair that the Board adopt the recommendation made by the Investment Committee at their meeting on August 26, 2020, pursuant to the Investment Consultant search conducted as required by the Illinois Pension Code, 40 ILCS 5/1-113.4(b),(d) and in accordance with the Fund's Policy, that Callan Associates be retained as the Fund's General Investment Consultant effective January 1, 2021 for a term of five years at the annual rate of \$400,000 for the first year and at the annual rates of \$406,000; \$412,000; \$418,000 and \$425,000 for the subsequent years. It was further moved that Fund staff shall be authorized to take all action reasonably 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: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

ii. Forest Preserve Fund Allocation to Clarion

The Executive Director stated that the Investment Committee had recommended an investment of \$2M in the Clarion Lion Industrial Real Estate Trust for the Forest Fund. The County Fund already participates in this investment. The allocation would adjust an underweight in real estate and industrial properties for the Forest Fund. The Rhumblin equity holdings would be the source of funds for this investment.

It was moved by Trustee McFadden and seconded by Trustee Nevius that the Board adopt the recommendation made by the Investment Committee at their meeting on August 26, 2020, as was consistent with the recommendation made by Callan Associates, that the Board approve a follow-on investment to the Clarion Lion Industrial Trust for the Forest Preserve District Fund in the amount of \$2M to be funded from assets held by the Forest Preserve District Fund in the Rhumblin domestic equity passive account. It was further moved that Fund staff be authorized to take all action reasonably 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 Forest Preserve District Fund by the Executive Director.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

iii. Artemis Sidecar Provision

The Executive Director stated that the County Fund had committed about \$50M to a real estate fund managed by Artemis, an emerging manager. The manager purchased about five properties, which had lost some value since the pandemic. Artemis had advised that potential new investors want to participate in the vehicle, but want to be excluded from the prior purchases. Artemis requested that the original six investors, including the County Fund, agree to waive their right to the co-investment vehicle to allow the potential new investors to enter and bring new capital.

It was moved by Trustee Blair and seconded by Trustee Hughes, that the Board adopt the recommendation made by the Investment Committee at their meeting on August 26, 2020, as was consistent with the recommendation made by Callan Associates, that the Board approve the request made by Artemis Income and Growth Fund (“I&G Fund”) for a new sidecar vehicle subject to a cap of \$400M which would allow new investors to participate on a proportionate basis with the remaining capital in the I&G Fund, invest in future transactions only and pay fees in accordance with the schedule provided for in the I&G Fund. It was further moved that Fund staff be authorized to take all action reasonably 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 County Fund.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

b. Second Quarter 2020 Performance Review

The Executive Director stated that Callan would present the Second Quarter performance review because, due to time constraints, they were not able to do so at the Investment Committee meeting. Ann O’Bradovich, of Callan, gave a general overview and stated that the markets have been volatile but that the Fund has benefitted from adhering to its investment policy and remaining invested in the capital markets. John Jackson, of Callan, provided information about performances in the different asset classes and comparison to their respective benchmarks. He also noted the underperformance of particular managers that will need to be addressed. The anticipated asset liability study may provide guidance for another type of diversifying strategy with respect to these managers.

c. Investment Manager Updates

i. Xponance

John Jackson and Nate Wong, both of Callan, presented a summary review of the County Fund’s investment in the Xponance Differentiated Income Strategy. They stated that generally, the strategy had outperformed its benchmark in 8 of the past 11 calendar years, but in the remaining years it was at or near the bottom quartile. The significant underperformance in the first quarter of 2020 had impacted both short-term and long-term results. However, the strategy is a long-term investor approach. If there are changes in key personnel, the relationship should be re-evaluated.

ii. J.P. Morgan EAFE Transition Option

Trustee Goode, as the presiding officer at the meeting, noted that the next item on the agenda would require the discussion of the purchase and sell of securities and investment contracts and that the Board could convene an Executive Session. It was moved by Trustee Hughes and seconded by Trustee Blair, pursuant to Section 2(c)(7) of the Open Meetings Act, 5 ILCS 120/2(c)(7) that the Board convene an Executive Session to discuss the purchase and sale of securities and investment contracts.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, Nevius, Ochalla, 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.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

It was moved by Trustee Blair and seconded by Trustee Hughes that the Board, as consistent with the recommendation made by Callan Associates, approve the continued retention of J.P. Morgan to manage the EAFE Opportunities portfolio through March 31, 2021, and that the Executive Director and Fund staff be authorized to take all action reasonable necessary to effectuate and communicate the same.

Roll Call Vote:

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

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 Ochalla and seconded by Trustee Hughes that the meeting be adjourned.

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting was scheduled for October 1, 2020, at 9:30 am.