

**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 October 1, 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 September 18, 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, James O'Rourke, 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; Melody Aguilos, Member Service Coordinator

**Others Present:** Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Noureen Hashim, Office of Commissioner Bridget Gainer; Gar Chung, Financial Investment News; Teddy Haines, Financial Investment News; Adam Rees; Martha Merrill, AFSCME; one attendee identified only as "DC"

There was no member of the public present or participating by video conference who asked to address the Board.

**1. Review and Consideration of:**

Trustee Wilson, President, asked for a single motion for the Board's consideration of Items 1(a) and 1(b).

- a. September 3, 2020, Board Meeting Minutes
- b. September 3, 2020, Audio Transcript of Board Meeting

It was moved by Trustee Blair and seconded by Trustee Nevius that the Board approve the minutes from the Board meeting on September 3, 2020, and that the presented transcription of the audio recording of the Board meeting on September 3, 2020, be accepted and filed.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

2. Review and Consideration of:

a. Bills, Payroll Records

Trustee Wilson asked for a single motion to ratify the bills and payrolls records that were paid in September, 2020, and to approve the request to remit payments for the presented bills for expenses incurred in September, 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 Blair that the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in September, 2020, be ratified and that the Board approve the recommendations from Fund staff to remit payments for the presented bills for expenses incurred in September, 2020.

Roll Call Vote:

AYES: Blair, Goode, Hughes, Kouruklis, McFadden, Nevius, Ochalla,  
O'Rourke, 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 Ochalla and seconded by Trustee Goode, after due consideration of the applications presented to the Board and having received confirmation from Fund staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented annuities and refunds be approved.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

3. Election Matters – Report on October 28, 2020, Cook County Employee Trustee Election

Trustee Wilson noted that a written status report had been submitted on behalf of the Election Committee to the Board. The report stated that four candidates had submitted nominating petitions that had been filed in accordance with the Election Rules adopted by the Board. No challenges to the nominating petitions had been filed. The positions of the candidates' names on the ballot had been determined pursuant to a lottery process in accordance with the Election Rules. A copy of the ballot was included with the Election Committee's report to the Board.

4. Ratification of Benefit Payment Correction

Regina Tuczak, Executive Director, stated that while the Fund was working on a project not specifically related to this member, it was determined that the start date for the member's cost of living adjustment (COLA) benefit had occurred at an earlier date than allowed under the Pension Code and approved by the Board. The member's COLA should have begun effective January 1, 2002, but was actually implemented on January 1, 1994. As a result, the member has been receiving a larger annuity benefit than he was eligible to receive. The Fund staff recalculated the member's benefit to determine the correct monthly annuity as of October 1, 2020. The member had been notified of the error and of the new annuity amount that would be paid as of that date. The Board was asked to ratify the new annuity amount.

Mary Pat Burns, fiduciary counsel, stated that the error resulted in an overpayment to the member. She noted that the Board was not permitted under Section 9-241 of the Illinois Pension Code to collect the overpayment because the mistake occurred more than three years after it was discovered. She stated that the Fund acted appropriately when it took immediate steps to correct the error. Fiduciary counsel recommended that the Board allow her to reach out to the member to determine if he would be willing to voluntarily refund the overpayment, which would be permitted by Section 9-241.

The Board discussed the suggestion made by fiduciary counsel and the need to treat all members in the same manner. They also discussed the need to evaluate whether there are other members whose annuities benefits are overstated due to entry errors such as the one that occurred in this instance.

They were advised by Fund staff that the error was due to a manual entry process that is no longer utilized. The Executive Director stated that the Fund could perform some high-end data analytics to ascertain if similar problems had occurred with other annuitants. The Board considered whether they should adopt a policy to request a voluntary repayment under similar circumstances when the collection of an overpayment was not permissible under Section 9-241 and fiduciary counsel would prepare a policy for the Board to consider.

It was also noted that while the Fund's RFP for a new pension administration system ("PAS") remains pending, a new system could be designed to limit errors of this type. The Executive Director stated that the design and implementation of a new PAS had been delayed because it required the dedication of personnel resources that were not available in the present environment.

It was then moved by Trustee McFadden and seconded by Trustee Ochalla that the Board ratify the action taken by the Fund, upon discovery that the monthly benefits paid to the Member identified by Office #96399 was greater than the amount approved by the Board, to recalculate the monthly benefit as permitted by Section 9-241 of the Illinois Pension Code so that the monthly benefit paid as of October 1, 2020, was corrected to be \$1,583.21.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

5. Administrative Matters

a. Emerging Manager Investment Committee Meeting November 5, 2020

The Executive Director stated that a meeting of the Emerging Manager Investment Committee ("EMIC") would be held on November 5, 2020, at 8:30 am, immediately prior to the regular Board meeting scheduled for that day. The Committee will discuss the Emerging Manager portfolio review, Emerging Manager utilization, Emerging Manager Broker/Dealer target utilization and other topics.

b. Review and Consideration of Custodian RFP

The Executive Director stated that Callan had provided a draft of an RFP for a custodian that she reviewed. It was noted that the RFP also includes benefit payment processing services. It had also been reviewed by fiduciary counsel and Fund staff. She stated that the RFP substantially provides for the services needed, but that she would like to verify that the Fund's comments had been addressed. The Executive Director stated that the Board would be asked to approve the RFP for issuance on October 9, 2020. The responses would be due on November 16, 2020, which would allow for an implementation in 2022. In response to the trustees' questions, the Executive Director stated that several entities, including the incumbent were expected to respond.

It was moved by Trustee McFadden and seconded by Trustee Hughes, that the Board approve the issuance of the presented Custodial RFP, subject to review of final form by Fund Counsel and Fund staff, and that the planned issuance date be October 9, 2020.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

Trustee Wilson, President of the Board, reminded that trustees that the "Quiet Period" was now in effect and that the trustees should be mindful about communications with the vendors.

c. Review and Consideration of Auditor RFP

The Executive Director stated that the current auditor had been providing services to the Fund for over a decade and that it would be appropriate to determine if other providers might be suitable for the Fund. She had reviewed the presented Auditor RFP and found that it was consistent with the Fund's needs. It had also been reviewed by fiduciary counsel. She asked that the Board approve the RFP and that it be issued by October 2, 2020.

It was moved by Trustee McFadden and seconded by Trustee Blair that the Board approve the presented Auditor RFP and that the planned issuance date be October 2, 2020.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

Trustee Wilson, President of the Board, again reminded that trustees that the "Quiet Period" was now in effect and that the trustees should be mindful about communications with the vendors.

d. Review and Consideration of Cyber Insurance Renewal

The Executive Director stated that the Fund's current cyber insurance policy would expire on October 7, 2020, and that Alliant had provided a proposal for a renewal for the Board's consideration. She stated that the renewal provided the same coverage as the Fund's current policy, but that the premium was increased by about 15%, which was largely due to the effect of the current public health crisis. It was also recommended by Alliant that the expiration date for the policy be coordinated with the Fund's fiduciary insurance policies so that they could be considered by the Board at the same time in future years.

It was moved by Trustee O'Rourke and seconded by Trustee Blair, that the Board approve the renewal of the Cyber Liability Insurance as offered by Beazley Insurance Co., as presented, at a premium not to exceed \$4,510 for a term from October 8, 2020, through September 30, 2021, and it was further moved that Fund staff should take all action reasonably necessary to effectuate the foregoing.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

e. Legislative Liaison Offer for 20201-2023

The Executive Director stated that the Fund's contract with John McCabe & Associates ("McCabe"), the Legislative Liaison, would expire on December 31, 2020. The Fund had received an offer from McCabe to continue these services through December 31, 2023, at an annual fee of \$32,000. Under the expiring contract, McCabe's annual fee was \$28,000. McCabe had formerly utilized Robert Molaro to assist in providing these services, but due to Mr. Molaro's recent passing he would use Mr. Derek Blaida. She stated that if the Board agreed to accept the offer, she would work with fiduciary counsel to have a contract signed by Mr. McCabe and presented to the Board at their next meeting.

It was moved by Trustee O'Rourke and seconded by Trustee Hughes, that the Board approve the offer from John McCabe and Associates, Ltd. to serve as the Fund's legislative representative for a term from January 1, 2021, through December 31, 2023, at an annual fee of \$32,000, with terms comparable to the most recent agreement terminating on December 31, 2020. It was further moved that Fund staff, subject to review by fiduciary counsel, would be authorized to take all action reasonably necessary to effectuate the foregoing and to present a finalized agreement with John McCabe & Associates, Ltd. to the Board before it was executed on behalf of the Fund.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

f. Executive Director Report

The Executive Director stated that beginning after Labor Day, the Fund staff was divided into two groups who alternated between working on site and working remotely, with approximately 7 staff that work in the office exclusively. As a result, about 65% percent of the staff was scheduled to be in the office each day. She stated that the increase in the number of staff on site was helpful as the Fund was approaching the typical increase in volume in the last quarter of the year. While members were not allowed in the office, the Fund staff would meet them in the lobby of the building to collect any documents that the member wished to deliver.

It was stated that a draft of the State of the Fund Report was ongoing and that a vigorous outline had been provided for the Board. She hoped to have a draft for the trustees to review shortly.

Each trustee will be required to complete the 8 hours of Ethics Training required by the Pension Code in 2020. Opportunities for training had been provided in the Board materials, but will also be emailed to the trustees. She asked that the trustees notify the Fund of any sessions they might attend so that the Fund can maintain the records needed to show compliance.

The Executive Director stated that the life insurance offered to Fund staff had previously been provided through the County, but that process would not continue because the County had chosen to utilize a different provider through an RFP process. The current provider was willing to continue the Fund policies through November 30, 2020. The Fund would be able to obtain staff life insurance through the County's new provider, however, the new provider was not willing to provide coverage for Fund employees using the negotiated Cook County contract terms and thus, the cost would be higher. The Executive Director agreed to obtain some additional quotes and present her findings for the Board's consideration. Any proposed agreement would be reviewed by fiduciary counsel.

The Executive Director then advised the Board that CVS had a program which could be offered to Medicare retirees in which non-Medicare services or items, typically discounts, offered by a Value-Added Items and Services provider, would be visible upon log-in to the CVS website and made available to Fund members. If the Fund did not want to participate, it would need to opt-out. In discussing the proposal with fiduciary and internal counsel, there was concern about participating because the possible vendors were not vetted by the Fund. The trustees indicated that they did not want to participate in the program. Fiduciary counsel was asked to prepare a letter for CVS stating that the Fund should only be required to take action if they wanted to 'opt-in' to a proposal from CVS. The Fund did not want to be obligated to take action to maintain the status quo of the agreement.

It was also reported that the Fund had received a renewal proposal from UHC to administer the CCPP Retiree Health Plan. She stated that Segal and the Director of Health Benefits were working with UHC on the renewal terms. The Executive Director stated that she planned to have a term renewal sheet that could be shared at a later date.

The Executive Director reported that the Fund has equity holdings in India that require various government tax reporting and had utilized PWC for these services. The fees due to PWC for these services from July 1, 2019 through June 30, 2020, were \$13,260. PWC also provided similar services for the Fund in Taiwan. The provider now wants the Fund to enter a new engagement letter for these services. The Executive Director recommended that the engagement be continued, subject to legal review. She further recommended that the Fund pursue a Request for Information ("RFI") to investigate alternatives for these services.

It was moved by Trustee McFadden and seconded by Trustee Blair that the Fund be authorized to conduct a RFI to determine a provider for government tax reporting services and other matters in India and Taiwan.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

The Executive Director also reported that in September, 2020, the Fund received a payment of \$25M from the County that was due under the Intergovernmental Agreement.

The trustees then discussed whether the current COVID 19 situation might be an opportunity to look at the Fund's staffing operations as they are today as opposed to how the Fund



operated in March. The Executive Director stated that she considers the efficiency of staff in this environment on a daily basis. She will continue to evaluate the operations and determine if some areas need to be expanded and others reduced. She stated that there has been some shifting of responsibilities and expects that this matter will be discussed during the budget presentation. She stated that the volume of telephone calls from members was very high and that the calls were usually answered within 24 hours. The trustees noted that the response from the Fund to members during this time has been outstanding, but that if improvements could be made to that function, such procedures should be considered. The Executive Director stated that the Communication Survey to retirees was set to be mailed and that the answers to the survey might provide some light on the Fund's response time to telephone calls.

## 6. Legal Matters

President Wilson noted that the next items on the Agenda were related to legal items. Fiduciary counsel recommended that the Board convene an Executive Session to discuss litigation matters.

It was moved by Trustee McFadden and seconded by Trustee Blair, pursuant to Section 2(c)(11) of the Open Meetings Act, 5 ILCS 120/2(c)(11), that the Board convene an Executive Session to discuss litigation matters.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

It was moved by Trustee Goode and seconded by Trustee McFadden that the Executive Session be adjourned and that the Board return to open sessions.

Vote Result: MOTION ADOPTED

### a. Consideration and Possible Adoption of Hearing Officer Recommendations

#### i. Case No. 16 RBCC 0002

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board adopt the Hearing Officer's Recommendation in Case No. 16 RBCC 0002 and it was further moved that the Board's action would be a final agency decision pursuant to Section 236 of the Illinois Pension Code.

Roll Call Vote:

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

Vote Result: MOTION ADOPTED

#### ii. Case No. 16 RBCC 0003

It was moved by Trustee McFadden and seconded by Trustee Hughes that the Board adopt the Hearing Officer's Recommendation in Case No. 16 RBCC 0003 and it was



further moved that the Board's action would be a final agency decision pursuant to Section 236 of the Illinois Pension Code.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Consideration and Possible Adoption of Proposed Findings of Fact in Office No. 167077

It was moved by Trustee Goode and seconded by Trustee Blair that the Board adopt the presented Findings of Fact, Conclusions of Law and Decision regarding the application for duty disability benefits made by the Member identified by Office Number 167077 and that the Decision so adopted be a final administrative decision of the Board pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

c. Review and Consideration of Subsidy Payment in Case No. 2020 IL 125141

It was moved by Trustee Blair and seconded by Trustee Goode that the Board direct the attorneys representing the trustees and the Fund in this matter to proceed as discussed in the Executive Session.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

d. Update regarding Circuit Court Decision in Case No. 20 CH 288

There was no motion required after the return to open session on this matter.

e. Update regarding the Circuit Court Case No. 2016 CH 14789

There was no motion required after the return to open session on this matter.

7. Training Presented by Fiduciary Counsel

a. Sexual Harassment Training

Fiduciary counsel presented written materials to the Board which were prepared as material to address required sexual harassment training. She stated that some of the trustees may have had sexual harassment training in the course of their employment and that such training would suffice for the requirement for Board trustees. She asked that when the trustees completed the training, that they submit the signed certifications that were included with the materials to the Fund.

b. Overview of Recent Cases Affecting Public Pension Funds.

Fiduciary counsel presented an overview of cases that concerned violations of the Open Meetings Act (“OMA”). She stated that the trustees needed to be mindful that matters could not be discussed among them when three trustees were present because it would be a violation of the OMA. With violations of the OMA, the Fund could be subjected to attorney fees and costs. Discussions in closed sessions also need to be limited to such matters that may be discussed in such sessions under the OMA. She also reminded the trustees that communications made on their personal phones and devices could be subject to a FOIA review if they were used regarding Fund business. Other matters were presented that provided guidance to the trustees as to how they could remain in compliance with the OMA and FOIA.

8. Old Business/New Business

Trustee McFadden asked that the members of the Legislative Committee review the proposed procedural rules for the Fund.

9. Adjournment

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

Vote Result:      MOTION ADOPTED

The next meeting of the Board is scheduled November 5, 2020.