

**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**

January 6, 2022 - 9:30 A.M.

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County are herein collectively referred to as the "Fund."

The meeting was conducted via video conference through Microsoft Teams as permitted by Illinois Governor Executive Order dated December 10, 2021

Call to Order and Roll Call

Trustees Present: Lawrence Wilson, President; Patrick McFadden, Vice President; John Blair; Bill Kouruklis, Joseph Nevius, Kevin Ochalla, Tracy Reed

Staff Present: Regina Tuczak, Executive Director; Margaret Fahrenbach, Legal Advisor; Fernando Vinzons, Director, Investments; Michael Maratea, Director, Finance and Administration; Gary LeDonne, Director, Benefits Administration; Brent Lewandowski, Director, Member Services; Jodi Weinstein, Jr. Network/Systems Administrator

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Adam Rees, With Intelligence; Noureem Hashim, Office of Commissioner Gainer; Olyvia Jarmoszka, Bureau of Finance

President Wilson asked if any member of the public wanted to address the Board. Madeline Ramos, an employee of Cook County and member of the Fund, asked the Board to consider her pending disability applications. She believed that she was entitled to the benefits requested.

1. Review and Consideration of December 2, 2021, Board Meeting Minutes

It was moved by Trustee Blair and seconded by Trustee Kouruklis that the Board approve the minutes from the Board meeting on December 2, 2021.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

2. Review and Consideration of:

a. Bills, Payroll Records

After receiving confirmation from Fund staff that the presented payments were consistent with the administrative budget approved for 2021, and that the presented bills for expenses incurred in December, 2021, were consistent with the administrative budget approved for 2021, it was moved by Trustee McFadden and seconded by Trustee Kouruklis that the action taken by Fund staff in remitting the indicated payments for the presented bills and payroll records in December, 2021, be ratified and that the Board approve the recommendations from Fund staff to remit payments for the expenses incurred in December, 2021.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Annuities, Spouse and Child Annuities, and Refunds

The Fund staff presented their recommendations to the Board regarding the applications for employee annuities, spouse and child annuities, and refunds and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was moved by Trustee Blair and seconded by Trustee Kouruklis, 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, Kouruklis, McFadden, Nevius, Ochalla, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

The Fund staff presented their recommendations to the Board regarding the applications for ordinary and duty disability benefits and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was moved by Trustee 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, Kouruklis, McFadden, Nevius, Ochalla, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Matters-Certification of 2021 Trustee Education

Regina Tuczak, Executive Director, stated that all the trustees had completed the eight hours of education required by the Illinois Pension Code. The Board was asked to consider the presented Annual Certification of Trustee Training which was prepared based upon the records maintained by the Fund. The Certification is to be filed with the State of Illinois, indicating that the required education had been completed by each of the trustees. She thanked the trustees for their cooperation in this matter.

It was moved by Trustee Kouruklis and seconded by Trustee Blair, pursuant to Section 1-113.18 of the Illinois Pension Code and based upon the Fund report establishing the hours of training that the trustees received as of December 31, 2021, that the Board approve the proposed Annual Certification of Trustee Training, including the sexual harassment awareness training and cyber security training required under the State Officers' and Employees Ethics Act. It was further moved that the President of the Board be authorized to execute the same on behalf of the Board and that the Fund's staff shall file the Certification as required by the Illinois Pension Code.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

4. Legislative Matters – Update from Legislative Liaison

The Executive Director stated that the Legislative Liaison had prepared a report regarding the current session and the challenges facing the Illinois General Assembly. The memorandum provided that the draft legislation for the Fund had been completed. Derek Blaida had communicated that he had found a representative for sponsorship in the House and is working on finding a sponsor in the Senate and will notify the Fund once the sponsor has been verified.

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

The Executive Director reported that false checks, changes to direct deposit authorizations and address changes had been submitted to the Fund. She stated that certain controls in place helped to prevent fraudulent checks from being honored by BNY/Mellon, but that the ability to create false checks and/or reroute direct deposit transactions is growing due to changes in technology. The Fund has changed its procedures in regard to direct deposit instructions to mitigate this problem. The Fund would also consider whether claims should be filed under insurance policies to recover any losses. The trustees expressed concerns that these incidents seemed to be occurring more frequently. Mary Pat Burns, fiduciary counsel, stated that the Fund's revised procedures are similar to those used by other public pension funds and universities.

It was moved by Trustee McFadden and seconded by Trustee Kouruklis that the Board find that there were reasonable suspicions that the identified checks, direct deposit authorizations and address change requests appeared to constitute false statements or falsified records within the meaning of Section 1-135 of the Illinois Pension Code, 40 ILCS 5/1-135. In accordance with 40 ILCS 5/1-135, the Fund is authorized to report the incidents on behalf of the Board to the Cook County State's Attorney.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Blair that the Board authorize the Fund to remit to the members identified by Office Number 116583, and Office Number 98937, the net monthly annuity due on January 1, 2022, in the amount of \$20,381.52, and \$12,536.23, respectively, that was deposited into incorrect accounts, so long as the members each provide the documentation requested by the Fund that he/she had no knowledge of and did not benefit from the misdirected payments.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

6. Administrative Matters

a. Consideration and Possible Approval of Terms with Novitas Business & Technology

The Executive Director stated that the contract with Novitas Business & Technology, the vendor who provides maintenance and other services for the Fund's pension administrative system, expired on December 31, 2021. An Amendment to extend the engagement for an additional year at a reduced retainer had been prepared for the

Board. There is a bank of unused hours from prior years which is expected to be used to assist with the testing and implementation of benefit pay services with BNY/Mellon. Any unused hours will be rolled over to the following year.

It was moved by Trustee McFadden and seconded by Trustee Blair that the Board approve the proposed Third Amendment (“Amendment”) to the Agreement with Novitas Business & Technology extending the engagement from January 1, 2022, through December 31, 2022, at an annual fee not to exceed \$94,500, as signed on behalf of Novitas Business & Technology and as approved as to form by Fiduciary Counsel. It was further moved that the Executive Director be authorized to sign the presented Amendment to effectuate the foregoing on behalf of the Fund.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Contract Renewals Update and 2022 Expirations

The Executive Director stated that the Fund had prepared a schedule for the Board of the vendors who are paid more than \$25,000 annually for non-investment services. A schedule of investment matters in 2021 was also provided. She stated that some services, such as the election consultant and the vendor who provides disability evaluations, are renewed annually. It was noted that the actuary would present an experience study at the Board’s meeting in February and that the arrangement with the actuary would conclude after the 2021 valuations were completed. The Board discussed the length of the engagements of certain vendors and whether there should be RFPs to continue those services.

c. Executive Director Report

The Executive Director reported that on December 3, 2021, Fund staff and representatives from Callan LLC had a virtual meeting with Commissioner Gainer and discussed the status of Fund’s investments and positions in regard to environmental, social and governance issues (“ESG”). On December 15, 2021, Fund staff and other representatives for the Fund met with the County Board’s Pension Committee to present the 2020 financial results and information about the 3Q 2021 investment performance. Commissioner Gainer was interested in transparency into the alternative investment portfolio with respect to social impacts from private equity and hedge fund returns, as well as climate change exposures.

It was next reported that the Fund continued to have employees test positive for Covid. Due to the increase in positive exposures among the staff, she had allowed employees to work remotely effective as of January 6, 2022. She stated that there would be sufficient staff on site so that operations and member services would not be

interrupted. She planned to evaluate the situation each Friday and notify the staff if they would be allowed to continue to work remotely.

The trustees were reminded that the Fund was required to submit the trustees' contact information to the County Clerk to facilitate the process for filing the Statements of Economic Interests ("SEI"). She said that the Fund would submit the same contact information that had been used last year for each of the trustees, unless the Fund was advised by a trustee to provide different information. The Fund was required to submit this information to the County Clerk by February 1, 2022 and the SEIs were to be filed by June 1, 2022.

The Executive Director reported that the administrative hearings related to the denial of disability applications were continuing to be heard by Mr. William Motto. There were three recommendations from the hearings on December 6, 2021, for the Board to consider at today's meeting. Additional hearings are scheduled for January 13, 2022, but may need to be delayed due to public health concerns. Hearings are also expected to be conducted in February, 2022. She identified additional members whose requests for administrative hearings could be heard by Mr. Motto.

The Investment Committee would meet on January 25, 2022. The asset liability study would be presented, which includes possible changes to the Fund's target allocations.

7. Legal Matters

The Executive Director reported that the Fund had received three recommendations from Mr. William P. Motto, the hearing officer who had conducted administrative reviews of denials of certain members' disability applications on December 6, 2021. In each of the matters, the hearing officer made findings of fact, conclusions of law and a recommendation that the Board's denial of the benefits be upheld. The recommendations were presented to the Board for their consideration. Fiduciary counsel stated that she had reviewed the recommendations and that they were in compliance with administrative review requirements.

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

- a. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #129428

It was moved by Trustee Blair and seconded by Trustee Kouruklis that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 129428 and that the Board reaffirm its earlier denial of the benefits the Member had requested. It is further moved that the Board's action is a final agency decision pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

- b. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #182168

It was moved by Trustee Blair and seconded by Trustee Kouruklis that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 182168 and that the Board reaffirm its earlier denial of the benefits the Member had requested. It was further moved that the Board's action is a final agency decision pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

- c. Consideration and Possible Adoption of Hearing Officer's Recommendation for Office #175915

It was moved by Trustee Blair and seconded by Trustee Kouruklis that the Board adopt the Hearing Officer's Recommendation regarding the Member identified by Office Number 175915 and that the Board reaffirm its earlier denial of the benefits the Member had requested. It was further moved that the Board's action is a final agency decision pursuant to Section 9-236 of the Illinois Pension Code.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

8. Consideration and Possible Action Regarding Personnel Matters

The trustees reported that there were no developments on this matter that required discussion at the present time.

9. Old Business/New Business

The trustees asked whether the Fund should conduct an RFP for actuarial services. The Executive Director stated that the effective date for a new actuarial services agreement

would be January 1, 2023, and that any RFP should be issued in April, 2022. Issues that might affect a schedule for an actuarial RFP were discussed. The Fund was asked to present a proposed schedule for an actuarial RFP at the February meeting. The Executive Director also noted that the Fund was looking for an outside consultant to assist with health benefit issues and an RFP for such services is forthcoming.

10. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

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