



**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, Held in Room 230
Chicago, IL 60602**

January 7, 2021 - 9:30 A.M.

The meeting was conducted to allow any trustees and other attendees to participate by video conference as permitted by the Illinois Governor Executive Order Number 2020-07 and extended by Executive Order Number 2020-74 issued on December 11, 2020, as well as by 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, (Arrived during Item 4a) 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; Saron Tegegne, Comptroller; Jodi Weinstein, IT Administrator

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Noureen Hashim, Bureau of Finance, Cook County; John McCabe, John McCabe & Associates; Derek Blaida, John McCabe & Associates; Jason Coyle, Baker Tilly Virchow Krause LLP; Susannah Filipovic, Baker Tilly Virchow Krause LLP; Mike Malatt, Baker Tilly Virchow Krause LLP; Mirza Khaleel Baig, Mitchell Titus; Jeanette Carmona, Mitchell Titus; Irene Davis, Mitchell Titus; Joe Evans, RSM US, LLP; Tom Muchnicki, RSM US, LLP, Bill Sarb, RSM US, LLP; Pauline Kutycka, Martha Merrill, AFSCME, Lee Hansen, JP Morgan; Gar Chung, Financial Investment News

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

the Board.

1. Review and Consideration of:
 - a. December 3, 2020 Board Meeting Minutes
 - b. November 5, 2020, Transcript of Board Meeting
 - c. December 3, 2020, Transcript of Board Meeting

Trustee Wilson asked for a single motion to approve the minutes from the Board meeting on December 3, 2020, and the transcripts from the Board meetings on November 5, 2020, and on December 3, 2020. It was moved by Trustee Hughes and seconded by Trustee Blair that the Board approve the minutes from the Board meeting on December 3, 2020, and the transcripts from the Board meetings on November 5, 2020, and December 3, 2020.

Roll Call Vote:

AYES: Blair, Goode, Hughes, 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 payroll records that were paid in December, 2020, and the presented bills for expenses incurred in December, 2020.

After receiving confirmation from Fund staff that the presented payments were consistent with the approved 2020 administrative budget, it was moved by Trustee O'Rourke 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 December, 2020 be ratified and that the Board approve the recommendations from Fund staff to remit payments for expenses incurred in December, 2020.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Matters

a. Proposed Election of Officers and Committee Assignments

Trustee Wilson stated that under Section 9-188 of the Illinois Pension Code the trustees were required to annually elect the officers of the Board. He asked for a motion to nominate one of the trustees to serve as President.

It was moved by Trustee Blair and seconded by Trustee Hughes that Trustee Wilson be nominated to serve as the President of the Retirement Board and to serve in that position until a successor is elected.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

Trustee Wilson stated that he had spoken to some of the trustees individually and the result of those conversations was that a slate proposing that Trustee McFadden serve as Vice-President and that Trustee Goode serve as Secretary be presented to the Board for consideration.

It was moved by Trustee O'Rourke and seconded by Trustee Blair that Trustee McFadden be elected to serve as the Vice-President of the Retirement Board and that he serve in that position until a successor is elected.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Hughes and seconded by Trustee Blair that Trustee Goode be elected to serve as the Secretary of the Retirement Board and that she serve in that position until a successor is elected.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

Trustee Wilson stated that he prepared a list of the Committee Chairs and trustees' assignments to the Committees for the Board's consideration.

He recommended that Trustee Ochalla continue to serve as the Chair of the Investment Committee and reminded the trustees that all members of the Board were members of that Committee.

It was further recommended that Trustee Goode continue to serve as the Chair of the Emerging Managers Investment Subcommittee and that Trustees Kouruklis, Nevius, Ochalla and Wilson serve as the members of the Subcommittee.

Trustee Wilson recommended that Trustee McFadden continue to be the Chair of the Health Benefits Committee and that Trustees Goode, Hughes, Kouruklis, Ochalla, O'Rourke and Wilson be assigned to the Committee.

It was also recommended by Trustee Wilson that Trustee Blair be the Chair of the Legislative Committee and that Trustees McFadden, Goode, Hughes, Kouruklis, Ochalla and Nevius serve as members of the Committee.

Trustee Wilson asked for a motion to approve the presented recommendations for 2021 Committee Chairs and assignments. It was then moved by Trustee McFadden and

seconded by Trustee Goode that the Board adopt the recommendations made by Trustee Wilson for the Committee Chairs and Committee assignments.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

After the Committee Chairs and Committee assignments had been approved by the Board, Trustee Wilson thanked the trustees for their service during 2020 which had been a challenging year. He also thanked them for their willingness to continue their service for 2021. He reminded the trustees that any of them could attend any committee meeting. If a trustee had an interest in a particular committee to which the trustee was not assigned, the matter should be brought to his attention so that formal membership could be considered.

b. Certification of 2020 Trustee Education

The Executive Director reported that all the trustees had completed their eight hours of ethics training by December 31, 2020, and she thanked them for their timely completion of this requirement. She stated that a Certification had been prepared for the Board's approval that is to be submitted to the Department of Insurance confirming that the trustees had satisfied their educational requirements.

It was moved by Trustee O'Rourke and seconded by Trustee Blair pursuant to Section 1-113.18 of the Illinois Pension Code and based upon the Fund's report establishing the hours of training that the trustees received as of December 31, 2020, that the Board approve the proposed 2020 Annual Certification of Trustee Training, including the sexual harassment training and the cyber security training required by the State Officers' and Employees' Ethics Act. It was further moved that the President of the Board be authorized to execute the Certification on behalf of the Board and that the Fund staff should file the document as required by the Illinois Pension Code.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

c. Review and Consideration of Proposed 2021 Investment Committee Meeting Schedule

The Executive Director stated that a schedule had been prepared for the meetings of the Investment Committee and the Emerging Managers Investment Subcommittee. She stated that the Investment Committee meeting dates had been set so that final reporting from the prior quarter's performance could be presented by Callan. She noted that the meetings were generally set on Tuesdays, with the exception of the meeting on Wednesday,

February 24, 2021, which was set on a Wednesday due to conflicts with meetings of the County and Forest Preserve District Boards. She also noted that the Emerging Manager meetings were scheduled on the same dates that an Investment Committee meeting would convene, but would take place prior to the Investment Committee meeting.

It was moved by Trustee Goode and seconded by Trustee Blair that the Board approve the proposed 2021 meeting schedule for the Investment Committee and the Emerging Managers Investment Subcommittee.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

4. Independent Certified Public Accountant Search
 - a. Presentations from Finalists

The Executive Director stated that at their meeting in October, 2020, the Board had approved the submission of a Request for Proposal ("RFP") for the purpose of retaining an independent certified public accounting firm to audit the Fund's financial statements. She stated that the Fund received six responses to the RFP and that Fund staff had evaluated each of the responses. In December, staff had conducted interviews of those firms identified as semifinalists and had invited three firms to make presentations to the Board. She stated that firms Baker Tilly; Mitchell Titus and RSM would make presentations at the meeting today and would appear in alphabetical order. The trustees would be able to ask questions of each firm at the conclusions of the firm's presentation. The Executive Director stated that materials prepared by each of the candidates had been provided to the Board.

Each of the three firms had the opportunity to introduce their teams and to give a description of the firm's organizational structure and practice. Each candidate gave information about their experience with employee benefit plans, including their practice in the public sector, and their experience in auditing investments. They also described their audit processes, their use of technology and their systems for securing clients' data. The firms also described their efforts to diversify their management and workforce and each firm presented their proposed fees for the engagement. RSM acknowledged that they provided auditing services for Cook County, but that the team used for the Fund would be largely different from the team used for the County engagement.

The trustees asked each of the candidates to provide an example of a process improvement that they had identified and implemented for a client. The trustees asked the firms to provide explanations about the estimation of the hours needed for the various phases of the audits and the processes that would be used to securely transfer data.

- b. Review and Consideration of Independent Certified Public Accountant Search RFP

Results

At the conclusions of the firms' presentations, the trustees asked if the Fund staff had any recommendation about which candidate should be retained. The Executive Director stated that all the firms who had presented to the Board were excellent candidates and could provide the professional services required by the Fund. She stated that the Fund staff who participated in the evaluation process recommended that the Board select RSM. The trustees discussed the qualifications of RSM and their commitment to diversity and inclusion. They also discussed that even though RSM was an auditor for the County, it would be able to avoid conflicts of interests that might arise should they be retained by the Fund.

It was moved by Trustee McFadden and seconded by Trustee Hughes, that the Board retain the certified public accounting firm of RSM US, LLP to provide auditing and other accounting services as presented, effective with the audit of the financials as of December 31, 2020, for the fees as stated in their presentation. It was further moved that Fund staff was authorized to take all action reasonably necessary to effectuate the foregoing, subject to review by fiduciary counsel, 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, O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

5. Legislative Matters

a. Deadlines of filing dates for 102nd General Assembly

The Executive Director stated that the Fund's Legislative Representative, John McCabe, had prepared a Legislative Report for the Board that included upcoming deadlines for the 102nd General Assembly in 2021 and had also provided some recommended action for the Board. She also stated that he was in attendance at the meeting by video conference and was available to answer questions.

b. Update and Possible Action Relating to Legislation Prepared by the Board

The Executive Director stated that Mr. McCabe had recommended that the Board approve the resubmission to the Legislative Reference Bureau ("LRB") the amendment to Section 10-107 of the Illinois Pension Code which would allow the Forest Preserve District to use any lawful source of revenue to make contributions to the Fund. The proposed amendment had been approved by the Board last year. He also recommended that the amendment to Section 9-158 of the Illinois Pension Code, which provided for more efficiency to the members in the disability application process, be resubmitted as had been approved last year. It was also recommended that Fund staff work with

fiduciary counsel to update the legislation for actuarial funding that would be presented to the Board for their consideration at their next meeting. The trustees discussed the deadlines for the submission of legislation to the General Assembly and the strategies for moving the Fund's legislation forward by the use of the proposed shell bills.

It was moved by Trustee McFadden and seconded by Trustee Blair that the proposed amendments to Section 10-107 and Section 9-158 of the Illinois Pension Code be approved and that the Legislative Representative submit the legislation to the LRB as soon as practicable.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

6. Health Benefit Matter – Review and Consideration of Possible Action Regarding Administrative Costs Associated with COVID 19 Vaccine

Trustee McFadden, Chair of the Health Benefits Committee, stated that the Board needed to determine how to administer the benefits when a member that is not eligible for Medicare receives a vaccine for Covid 19. The federal government will provide the vaccine without charge, and members who are covered under Medicare will not be charged for the administration of the inoculation. Members who are not covered under Medicare, will not be charged for the vaccine, but may incur an expense for the administration of the inoculation. He stated that while federal government agencies had not yet deemed the Covid 19 vaccine to be a preventative vaccine, for the time being, the Fund could follow the practices it followed for other preventative vaccines. It was noted that based upon reports from United Healthcare, that about \$1.73M has been spent on treatment for 478 confirmed cases of Covid 19 and that about \$2.5M has been spent on 413 possible and probable Covid 19 cases.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board approve the process for the administration of the Covid 19 vaccine to non-Medicare members in the same manner as all preventive vaccines and that the Executive Director shall communicate the same to United Healthcare and is authorized, subject to review by fiduciary counsel, to execute and deliver any related written agreement to effectuate the foregoing 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

7. Administrative Matters

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

The Executive Director stated that Novitas Business & Technology is the Fund's consulting programmer for its pension administration system. They developed the current system which is used by the Fund staff daily. The Fund has paid a monthly retainer to Novitas to provide a specific number of hours for their support of the system. The Fund had anticipated using the hours under the agreement in 2020 for certain projects, but did not do so because of the pandemic. At the end of 2020, there remained a bank of 537 unused hours. Fund staff discussed this matter with Novitas, who agreed to reduce the annual fee to \$105,000 in 2021 which would be payable in monthly amounts of \$8,750 and for a bank of 600 hours. Some projects will need to be performed in 2021 that will exceed the number of hours expended in 2020. The Fund requested that the Board authorize an amendment to the current agreement to reflect the change in fees. The trustees noted that, in regard to the County and the Forest Preserve District, some vendors were willing to provide accommodations because they provided fewer services than anticipated in 2020 due to the pandemic. It was discussed that Novitas might consider a similar accommodation to the Fund.

It was moved by Trustee McFadden and seconded by Trustee Blair that the Board approve the proposed Amendment to the Agreement with Novitas Business & Technology to reduce the fees paid as presented and that the Executive Director, subject to review by fiduciary counsel, be authorized to negotiate a credit for unused hours in 2020 and to execute and deliver an Amendment to the Agreement to reflect these approved terms.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Executive Director Report

The Executive Director reported that the Cook County Board of Commissioners approved the Intergovernmental Agreement ("IGA") for 2021 with the Fund at their meeting on December 17, 2020. Under the IGA, the County will pay about \$341M in supplemental contributions to the Fund. The first payment of \$28M was received on December 31, 2020.

The Executive Director reported that the Fund generally follows the holiday schedule that is used by the County and that she planned to do so in 2021. She noted that in recent years, the Fund has not taken February 12, Lincoln's Birthday, as a holiday so that Fund staff could finalize annuity applications in preparation for the March Board meeting. Annuity applications tended to rise at that time because of retirements at the end of the

year. She proposed that for 2021, the Fund be closed on July 2nd rather than on February 12th, in order to better provide services for the members. It was also noted that the County Board had approved June 18th as an additional holiday, which would also be observed by the Fund.

The trustees were reminded that the Fund was required to report their contact information to the County Clerk for purposes of the Statements of Economic Interests that are to be filed. She asked that the trustees notify her of any changes. If a trustee was required to file an SEI because of his or her employment, there was no need to file a second SEI because of his or her position on the Board.

It was noted that the CFO of the County, Amar Rizki, was very cooperative in providing information on a timely basis so that the IGA could be prepared. The trustees were appreciative of the County's passing the IGA, but recognized that it was only a temporary solution adopted each year for the County Fund. The Forest Preserve Fund did not have funding under an IGA. The Funds needed a statutory solution to insure that the required benefits could be paid in the future.

8. 2021 Finance Matters

a. Review and Consideration of 2021 Budget

The Executive Director presented some highlights of the 2021 Budget that had been first presented to the Board at the December meeting. She noted that there were increases for professional services related to financial, actuarial and legal matters. There were also projected increases for IT personnel and for the beginning phase of the anticipated pension administration system ("PAS") that had been delayed during the pandemic. The design and implementation of the PAS would take several years to complete. There would also be increased election costs because three trustees' terms would expire in 2021. Rental expenses were to increase under the terms of the lease. The Executive Director was asked to contact the Lessor to determine if any accommodations could be extended to the Fund to provide some relief in rental expenses. She noted that the trustees had discussed personnel matters at the last meeting and that there had been no changes from what had been presented.

It was moved by Trustee McFadden and seconded by Trustee Goode that Board approve the proposed 2021 Administrative Budget, including the payment of identified invoices for expenses incurred in January, 2021 that are consistent with the approved Budget. It was further moved that any adjustments provided in the Budget to personnel salaries be made on or after the current payroll period.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

9. Old Business/New Business

There was no old business or new business discussed.

10. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting was scheduled for February 4, 2021