

**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**

April 1, 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 as extended by Executive Order Number 2021-05 dated March 5, 2021.

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."

Trustee McFadden, Vice President of the Retirement Board, presided over the meeting.

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

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; Virgilio Calahong, Senior Investment Analyst; Jodi Weinstein, IT Administrator

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Ann O'Bradovich, Callan, LLC; John McCabe, John McCabe & Associates; Derek Blaida, John McCabe & Associates; Bo Abesamis, Callan, LLC; Todd Rossignol, BNY/Mellon; Mary Snyder, BNY/Mellon; Patrick Vatel, BNY/Mellon; Maurice Campbell, BNY/Mellon; Don Bobeck, BNY/Mellon; Declan Denehan, BNY/Mellon; John Fox, BNY/Mellon; Shaun Flavin, BNY/Mellon; Gregory Johnson, Northern Trust ("NTRS"); Lois M. Paris, NTRS; Jeffrey Porta, NTRS; Gary Guibert, NTRS; Jennifer Norfleet, NTRS; Anton Britton, NTRS; Austin Esceson; Cyril Espanol, Journalist; Angela Falls; Kevin-Journalist, Fundmap; Lindsay Saienni, Financial Investment News; Rosa Moreno; Jacqueline Walsh, Cook County Adult Probation.

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. March 4, 2021, Board Meeting Minutes
 - b. March 4, 2021, Transcript of Board Meeting

Trustee McFadden asked for a single motion to approve the minutes and the transcript from the Board meeting on March 4, 2021. It was moved by Trustee O'Rourke and seconded by Trustee Blair that the Board approve the minutes and accept the transcript from the Board meeting on March 4, 2021.

Roll Call Vote:

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

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 payroll records that were paid in March, 2021, and to approve the presented bills for expenses incurred in December, 2020, and March, 2021.

After receiving confirmation from Fund staff that the presented payments were consistent with the administrative budgets approved for 2020 and 2021, 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 March, 2021, be ratified and that the Board approve the recommendations from Fund staff to remit payments for expenses incurred in December, 2020 and in March, 2021.

Roll Call Vote:

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

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 Hughes, 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

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 Blair and seconded by Trustee Goode 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

NAYS: None

Vote Result: MOTION ADOPTED

3. Legislative Matters

a. Update from Fund's Legislative Liaison

John McCabe, the Legislative Liaison, reported that the deadline for introducing legislation in the House has passed and that the deadline in the Senate was April 16th. He stated that 1700 House bills were referred to the Rules Committee, including HB 447. The bills referred to the House Rules Committee are not likely to advance. He added that the County lobbyist called him and stated that he had

communication with Senator Martwick about getting together to discuss legislation affecting the Fund. Mr. McCabe indicated that he had a separate conversation with Senator Martwick, who again indicated he wants to have a discussion regarding the funding legislation.

Mr. McCabe reported that the legislation introduced by the Fund that was the intended vehicle for actuarial based funding was out of the House Committee, but the amendment regarding funding had not been filed. The legislation introduced in the Senate was still in committee.

b. Funding Bill Summary for Legislative Liaison

The Executive Director stated that a summary had been prepared for Mr. McCabe regarding the proposed funding legislation that had been approved by the Board. The summary had been reviewed by fiduciary counsel and, unless the Board had further comments, the Legislative Liaison may use the summary as he might consider appropriate.

4. Administrative Matters

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

The Executive Director reported that there were seven checks issued by the Fund that were fraudulently endorsed or altered. The Fund did not incur any losses due to these incidents because the checks were not honored or the Fund recovered what was due. The matters were being presented to the Board because of the obligation to report suspicions of fraud to the Cook County State's Attorney pursuant to 40 ILCS 5/1-135 for investigation.

The trustees discussed the process for investigation by the Cook County State's Attorney and the processes for determining when a member has passed. The Executive Director noted that the number of checks that had been fraudulently endorsed or altered in 2020, was about the same as in the prior year. She also described the processes following by the Fund weekly, utilizing both private and public information systems, to track members' deaths.

Fiduciary counsel stated that the Board has the obligation under Section 135 to report any suspicion of fraud to the Cook County State's Attorney. When the Fund staff becomes aware of such incidents, they are obligated to report them to the Board. The Board will make the determination about whether such incidents should be reported to the State's Attorney. The State's Attorney is responsible for investigating the reported events and will determine if charges should be brought.

It was moved by Trustee Goode and seconded by Trustee Blair that the Board find that there are reasonable suspicions that the seven identified checks, as presented, were either fraudulently endorsed or altered, as presented, and constitute false

statements or falsified records within the meaning of Section 1-135 of the Illinois Pension Code. In accordance with 40 ILCS 5/1-135, the incidents should be reported to the Cook County State's Attorney.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

- b. Approval of Change Order with AIS regarding the Managed Backup and Disaster Recovery Service

The Executive Director requested that the Board approve a change order to provide for a one-year extension of the agreement with AIS to provide managed backup and recovery services. She stated that the Fund had begun to investigate other providers for this service and may procure another provider next year. The terms, including the fees for the service, would remain the same.

It was moved by Trustee Blair and seconded by Trustee Goode that the Board approve the proposed Change Order with AIS to provide managed backup and disaster recovery services for the Fund from May 5, 2021, through May 4, 2022, at an annual fee not to exceed \$37,140.00 and that the Executive Director, subject to legal review, be authorized to execute and deliver the presented Change Order, or any other related written agreement, on behalf of the Fund, to effectuate the foregoing.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

- c. Health Benefits Committee Meeting May 18, 2021

The Executive Director stated that a meeting of the Health Benefits Committee will be held on May 18, 2021. She noted that UHC and CVS representatives will provide their annual performance reviews of the plan during 2020. Segal will report on the projected versus actual expenses of the plan for 2020.

- d. Executive Director Report

The Executive Director reported, as she had noted in an email to the trustees earlier in the week, that Ammar Rizki, Chief Financial Officer of Cook County, had been provided the projections prepared by the Fund's actuary Cavanaugh MacDonald Consulting, LLC, that had been requested regarding the funding legislation.

She reminded the trustees that their Statements of Economic Interests ("SEI") should be filed with the Clerk of Cook County by April 30, 2021. If a trustee's SEI is filed after that date, late penalties might be incurred.

The Executive Director stated that she had been advised by the Office of Commissioner Bridget Gainer that there was interest in conducting a meeting of the Pension Committee with the Cook County and Forest Preserve Commissioners. When the meeting has been scheduled, she will notify the trustees of the date.

5. Global Custody and Ancillary Services Request for Proposals (RFP)

a. Presentations from Finalists

The Executive Director stated that the Board had approved the issuance of an RFP for Global Trust and Custody Services in October, 2020, and that Callan had been retained as a consultant to, among other matters, assist in evaluating the responses. She stated the Fund staff and Callan had conducted extensive due diligence of the responses received. The two finalists, BNY/Mellon and Northern Trust, would make presentations to Board and be able to respond to questions. The presentations would be made in alphabetical order. Each of the organizations had provided the Board with presentation materials, including an outline of suggested topics from Fund staff.

The finalists had the opportunity to introduce their teams and to give an overview of the services to be provided to the Fund. Those services included descriptions of core custody services, securities lending practices and financial reporting. They also made presentations on how benefit disbursements would be made if they were to act as a benefit pay agent. The presenters described their experience in serving pension funds, including those in the public sector and their commitment to diversity issues. A summary of their respective fee proposals for the services was also discussed.

After the conclusion of the presentations, it was moved by Trustee Kouruklis and seconded by Trustee Blair, pursuant to Section 2(c)(7) and 2(c)(11) of the Open Meetings Act, 5 ILCS 120/2(c)(7) and 2(c)(11), that the Board convene an Executive Session to discuss, investment contracts, the purchase or sale of securities and litigation matters.

[Roll Call Vote:](#)

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Goode and seconded Kouruklis that the Executive Session be adjourned and that the Board return to an open session.

Vote Result: MOTION ADOPTED

b. Review and Consideration of Global Custody and Ancillary Services RFP

The trustees noted that they had fully discussed in the closed session, the responses and presentations made by the two finalists. It was then moved by Trustee Goode and seconded by Trustee Blair that the Board retain BNY/Mellon to provide trust and custodial services pursuant to the Request for Proposal for such services issued by the Fund, including the candidate's responses thereto, and as recommended by Callan LLC and Fund staff, effective from January 1, 2022, through December 31, 2026, at the fees presented. 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,

NAYS: None

Vote Result: MOTION ADOPTED

6. Legal Update

There was no discussion and no motion required after the Board's consideration of litigation matters during the Executive Session.

7. Investment Matters – Portfolio Target Allocation Considerations

There was no discussion and no motion required after the Board's consideration of investment contracts and the purchase and sale of securities during the Executive Session.

8. Old Business/New Business

There was no old business or new business discussed.

9. Adjournment

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

Vote Result: MOTION ADOPTED

The next Board meeting was scheduled for May 6, 2021.