

**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**

May 6, 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 2021-09 dated April 30, 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."

Call to Order and Roll Call

Trustees Present: Lawrence Wilson, President, John Blair, 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; 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.; Vince Pinelli, Burke Burns & Pinelli, Ltd.; John McCabe, John McCabe & Associates, Ltd.; Derek Blaida, John McCabe & Associates, Ltd.; Noureen Hashim, Board of Commissioners, Cook County; Martha Merrill, AFSCME; A.D. Quig, Crains; Gar Chung, Financial Investment News; McCyril Espanol, Journalist

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. April 1, 2021 Board Meeting Minutes
 - b. April 1, 2021 Transcript of Board Meeting

Trustee Wilson, President, asked for a single motion to approve the minutes and

the transcript from the Board meeting on April 1, 2021. It was moved by Trustee McFadden and seconded by Trustee Blair that the Board approve the minutes and accept the transcript from the Board meeting on April 1, 2021.

Roll Call Vote:

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

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 April, 2021, and to approve the presented bills for expenses incurred in April, 2021.

After receiving confirmation from Fund staff that the presented payments were consistent with the administrative budget approved for 2021, it was moved by Trustee McFadden 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 April, 2021, be ratified and that the Board approve the recommendations from Fund staff to remit payments for expenses incurred in April, 2021. Following the motion, the trustees inquired regarding a few matters pertaining to outstanding invoices and budget-to-actual results. Regina Tuczak, the Executive Director, provided responses to the trustees' questions. The trustees also received confirmation that the payment to the Illinois Department of Insurance was imposed on all pension systems under the Pension Code.

Roll Call Vote:

AYES: Blair, 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 Blair and seconded by Trustee McFadden 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, 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, Hughes, Kouruklis, McFadden, Nevius, Ochalla,
O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Legislative Matters – Update from Fund's Legislative Liaison

The Executive Director stated that representatives from John McCabe & Associates, Ltd., the Fund's Legislative Liaison had provided a report regarding matters before the General Assembly. The report stated that the Fund had bills in both the House and the Senate regarding the source of funding for contributions from the Forest Preserve District and language amending Section 9-158 regarding the proof needed to establish disability. Both of the bills introduced to the House had passed and Senator Martwick picked up HB 416 regarding disability procedures. The bills introduced to the Senate (SB 210, SB 211) were amended into SB 1056 and were included with other non-controversial bills for consideration by the legislature.

The Executive Director reported that there had been a virtual meeting held on May 5,

2021, that was called by Senator Martwick to discuss the different legislation proposed separately by the County and the Pension Fund. She noted that the Pension Fund's proposed funding legislation had been discussed and proposed for a number of years. Trustee Kouruklis, Trustee Ochalla, the Executive Director, Mary Pat Burns, fiduciary counsel, and a few members of Fund staff were included in the virtual meeting. Ammar Rizki, the Chief Financial Officer for Cook County, Laura Lechowicz from the President's office and other County representatives participated. Andrea Kluger from the CFL was also on the call. In the discussion, it was stated that the Board's objective was to obtain actuarial funding ("ARC) for both the County Fund and the Forest Fund. Legislation had been introduced to obtain such funding annually for the last 10 years, but the Fund remained one of the few larger pension funds in Illinois without ARC based funding. The County's comments were focused upon the legislation that it had prepared two years ago and their perceived need for a change in the composition of the Board. The Fund remained steadfast about the need to obtain ARC funding for both the County and Forest Funds. At the conclusion of the meeting, Senator Martwick stated that he would talk to the labor representative and might request another meeting. The County stated that they would review their legislation and possibly return with a new proposal regarding the composition of the Board.

A trustee who attended the virtual meeting noted that the discussion focused on the composition of the Board more than on the need for ARC funding. Because the County had not provided any update to its legislation, the Fund could only respond to the legislation that had been prepared in 2019. It had already submitted multiple letters to the County about this legislation. The trustee noted that Senator Martwick found that the issue about Board composition was an important piece in the County's legislation agenda. The trustee welcomed the CFL's continued support of the elective process for trustees and hoped that it would continue. The trustee observed that both the past and present members of the Board reflected a very diverse community. These trustees had significant experience in finance, labor relations, the law and the operations of both Cook County and the Forest Preserve District that they had gained while they were employees and contributors to the Fund. There was not a need for additional members to be appointed to the Board.

The President of the Board stated that he has never voted 'present' on any matter before the Retirement Board because of a conflict of interest with Cook County. He has always supported funding legislation for the Cook County Pension Fund and has encouraged the Fund to engage in a dialogue with Cook County regarding such legislation. He added that the County Board President and CFO respect his position as a fiduciary and his need to remain independent from discussions related to any County legislation that might affect the Fund. He has not been included in any planning sessions regarding such legislation. Other trustees thanked the President for his leadership on the Board.

4. Trustee Matters – Review and Possible Action Regarding Election Matters

The Executive Director stated that the Board had been advised at the March meeting that the Fund's election consultant would not continue his services to the Fund. The

Executive Director had reached out to other public pensions to identify vendors who might be able to service the Fund's needs. The possible vendors were provided with information about the Fund's elections, the services needed and a sample contract. The vendors were asked to submit proposals. The responses had been compiled in a memorandum prepared for the Board.

The trustees discussed whether the election matters should be referred to the Legislative Committee. It was noted that one vendor who had already provided services to the Fund for previous elections, could be a good choice, but the vendor had not previously provided the full complement of services needed for the elections. The trustees discussed that the election processes in place for 2020 were intended to address only the unique circumstances present for that year. The processes to be followed in 2021 should be determined before an election consultant was selected. The election processes should be in place by late August because that is when the notifications about the election would be sent out and when the petitions would be picked up by the candidates. The two principal changes implemented for 2020 were that mail-in ballots were sent to all eligible voters and that no in-person voting was permitted on election day. The trustees discussed that a Legislative Committee meeting could be set in June to discuss what processes should be followed. The Committee's recommendations could be presented to the Board at their meeting in July.

It was also discussed whether notice of the election and reminders to vote could be delivered electronically. The Fund would need to obtain the County's cooperation to send out emails to the active members for both the notice of the election and reminders to vote, which could be a complicated process. In the past, the Fund delivered printed notices about the elections to various departments where they could be posted in the workplace. Given the remote work environment of some employees, other methods of communication were discussed. The Executive Director stated that newsletters for both annuitants and active members would be sent sometime in late June and could provide detailed information about the notice of election, as well.

It was then moved by Trustee McFadden and seconded by Trustee Blair that matters relating to the election in October, 2021, be referred to the Legislative Committee for their consideration at a meeting in June, 2021, and that a recommendation from the Committee be made to the Board at their meeting in July, 2021.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

5. Investment Matters – Draft of Real Estate Equity/Debt Emerging Manager Request for Proposal

The Executive Director stated that there would be meetings of the Investment Committee and the Emerging Managers Investment Sub-Committee later in May and that the agendas for those meetings would be full. One item to be considered was a Real Estate Equity/Debt Emerging Manager Request for Proposal (“RFP”). A draft of the RFP was included with the Board materials. She stated that the Board would not be asked to act on the RFP at this meeting, but wanted them to have the chance to review the document. It will include a draft side letter for the responders to review before submitting their proposals.

6. Health Benefit Matters – Review and Consideration of CVS Non-Medicare Contract

The Executive Director stated that in 2018, the Fund had participated in a City of Chicago agency coalition to search for a pharmaceutical benefit manager (“PBM”). CVS was the successful candidate and was also the Fund’s PBM at that time. A contract to provide these services has been prepared for the period from January 1, 2019 through December 31, 2021. The Fund’s health consultant, Segal, has reviewed the agreement and confirmed that the terms and underwriting conditions of the RFP were included in the agreement. The Fund’s fiduciary counsel had signed off as to the form of the agreement being in compliance with Illinois law. The Executive Director was requesting authority to execute the agreement on behalf of the Fund. She also stated that after conferring with the Chair of the Health Benefits Committee, consideration would be given to working with Segal to have an extension of the agreement for a period of time after December 31, 2021.

It was moved by Trustee McFadden and seconded by Trustee Blair that the Board approve the Prescription Benefit Services Agreement with CVS upon the terms negotiated through the RFP conducted by the City of Chicago Agency Coalition, in which the Fund participated, for the period from January 1, 2019, through December 31, 2021, after having received confirmation from Segal that the agreement contained the base terms and underwriting conditions of the RFP and approval from fiduciary counsel as to the form under Illinois law. It was further moved that the Executive Director be authorized to execute and deliver the agreement on behalf of the Fund.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

7. Administrative Matters

- a. Signature Verification Project

The Executive Director reported that each week the Fund receives a report from the Illinois Department of Public Health (“IDPH”) with a match of the Fund’s annuitants’ social security numbers who had died in Illinois. The Fund also contracts with a vendor, PBI, who also reports deaths of Fund annuitants to the Fund. After receiving these reports, the Fund reviews the information and in the event of an appropriate match, the annuity benefits are ceased. In 2019, the Fund reached out to all annuitants who resided outside Illinois to verify their continued eligibility for benefits via a signature verification letter. In 2014 through 2016, the Fund contacted all annuitants who were 80 years of age or older to determine their eligibility via a signature verification letter.

In discussions with the Director of Finance and the Member Outreach Coordinator, a plan to do a staged mailing to all annuitants had been developed. The first group would be those who were age 80 or order and the mailings would begin the first week of June. The annuitants would be required to return a statement signed and notarized to the Fund. Remote notarizations would be accepted so long as the Governor’s proclamation issued during the pandemic continued to permit this practice. The mailings for annuitants between 70 and 79 years of age would begin in July. Similar mailings would be made for persons aged 69 years or younger. If the mailings were not returned, there would be second and third requests. The goal was to be able to present to the Board at the meeting in January, 2022, those annuitants who could not be verified and whose benefits should be considered for suspension. The cost for the project would be about \$20,000 for postage and printing costs. The labor could be managed by Fund staff.

It was discussed whether this project should be conducted on an annual or rotational basis. The Illinois Pension Code requires that retirement systems have a process to determine whether annuitants are living or have died. The Fund’s process for data matching with information received from the IDPH and PBI is consistent with the Pension Code, but most retirement systems have periodic mailings to their annuitants. The trustees discussed the burden on annuitants to have their signature notarized. They also discussed the limitations period for collecting overpayments when it is discovered that an annuitant has died. The Executive Director noted that the most recent mailing with return-to-sender mail indicating an inaccurate address was the annual 1009R sent in January. Fiduciary counsel noted that one important purpose of such mailings was to identify whether family members had failed to report the annuitants’ deaths and continued to accept the annuity payments for their own benefit. She stated that the process of such mailings was a prudent practice to not only better communicate with the Fund’s members, but also to ensure that the payments are used only for the benefit of the annuitants.

It was moved by Trustee Kouruklis and seconded by Trustee McFadden that the Board approve the proposal made by the Executive Director to commence the signature verification process as presented and that the results of the project be reported by the Executive Director to the Board.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Executive Director Report

The Executive Director was pleased to report that both the County Fund and the Forest Fund had received a Certificate of Achievement for Excellence in Financial Reporting based upon the financial reports for the fiscal year ending on December 31, 2019. She thanked all of those on the finance, accounting and financial reporting teams for their hard work, especially during the pandemic, in achieving these awards.

She also stated that the Fund would change the platform used for processing payroll on or about July 1, 2021. The Fund would continue to use ADP, but the new platform was more suitable given the size of the staff and the consistency of their hours at work. The change would save the Fund about \$11,000 annually.

The Executive Director stated that there were several committee meetings scheduled in May. The Health Benefits Committee would meet on May 18 at 9:30 am, primarily to receive the vendors' annual reviews. The following week, on May 25th, the EMIC would meet at 8:30 am and the Investment Committee meeting would follow at 9:30 am.

8. Legal Matters – Review and Consideration of Litigation Matter

It was moved by Trustee Blair and seconded by Trustee McFadden 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, Hughes, Kouruklis, McFadden, Nevius, Ochalla,
O'Rourke, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

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 O'Rourke that the meeting be adjourned.

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting was scheduled for June 3, 2021.