COOK COUNTY/FOREST PRESERVE
ANNUITY AND BENEFIT FUND
MEETING OF THE BOARD

REPORT OF PROCEEDINGS had at the audio/video meeting of the above entitled matter, held at 70 West Madison Street, Suite 230, in the City of Chicago, County of Cook, State of Illinois, on Thursday, February 3, 2022, commencing at the hour of 9:30 a.m.

APPEARANCES

TRUSTEES:
LAWRENCE L. WILSON, President
PATRICK MCFADDEN, Vice-President
STEPHEN HUGHES, Secretary
JOHN BLAIR
BILL KOURUKLIS
JOSEPH NEVIUS
KEVIN OCHALLA
JAMES O'ROURKE
TRACY REED

STAFF:
REGINA TUCZAK, Executive Director
MARGARET FAHRENBACH, Legal Advisor
MICHAEL MARATEA, Director of Finance and Administration
FERNANDO VINZONS, Director of Investments
BRENT LEWANDOWKSI, Director of Member Services
GARY LEDONNE, Director of Benefits Administration

ATTORNEY FOR THE BOARD:
BURKE, BURNS AND PINELLI, LTD.
BY: MS. MARY PATRICIA BURNS

ALSO PRESENT:

DEREK BLAIDA, John McCabe and Associates, Ltd.
ANN O'BRADOVICH, Callan LLC
RYAN GUNDERSON, Cavanaugh Macdonald Consulting, LLC
JOHN JACKSON, Callan LLC
LARRY LANGER, Cavanaugh Macdonald Consulting, LLC
WENDY LUDBROOK, Cavanaugh Macdonald Consulting, LLC
JAY KLOEPFER, Callan LLC
GAR CHUNG, Financial Independent News
KEVIN BALOAD, With Intelligence

PRESIDENT WILSON: Good morning. Are we ready to begin?

MS. TUCZAK: I believe so. I think we are ready to begin. Can you hear us okay, President Wilson?

PRESIDENT WILSON: I can hear you, yes.

MS. TUCZAK: Great.

PRESIDENT WILSON: Just let me know when you're ready. No rush.

MS. TUCZAK: We're just waiting. We've got one more Trustee that just came in the room.

PRESIDENT WILSON: Okay, no problem.

MS. TUCZAK: We have a quorum in the room, just so you know for purposes of the introduction.

PRESIDENT WILSON: Great. Thank you.

MS. TUCZAK: Okay, I think we're ready to begin President Wilson.

PRESIDENT WILSON: Okay.

Good morning. I hereby convene this meeting of the Cook County and Forest Preserve District Annuity and Benefit Fund Board of Trustees for Thursday, February 3, 2022.

Due to the uncertainty surrounding the recent surge in Omicron exposures, the Board is adhering to the guidance provided most recently by the Governor's January 7, 2022 Disaster Proclamation, as well as the provisions of Public Act

101-0640, and we'll conduct this meeting in a manner that allows for remote participation by trustees and members of the public.

For the record, there is a quorum of Trustees physically present at the meeting location. Also present are the Executive Director and Fund Counsel. The remaining Trustees will participate by video or audio conference as allowed by Public Act 101-0640.

For the record, the public has received notice of this meeting and their ability to participate by video conference or to be physically present at the meeting. A roll call vote will be taken on all matters acted upon.

In addition, the Fund is recording this meeting and a transcript of the proceedings will, after future approval by the Board, be made available on the Fund's website.

Peggy, please call the roll.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Here.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Here.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Here.

MS. FAHRENBACH: Trustee McFadden.

TRUSTEE MCFADDEN: Here.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Here.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Here.

MS. FAHRENBACH: Trustee O'Rourke

TRUSTEE O'ROURKE: Here.

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Here.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Here.

PRESIDENT WILSON: Thank you. We have a quorum for today's meeting.

For the record, the public has received notice of this meeting and of their ability to be physically present at the meeting.

I beg your pardon, before we start today's business. May I have a motion pursuant, I don't think we need to do that, correct?

MS. BURNS: Correct. We just need the public comment.

PRESIDENT WILSON: Yes. Are there any members of the public that would like to speak today?

Hearing none. Let us proceed with the regular business for the record.

The first item on the agenda is review and consideration of the January 6, 2022, Board Meeting Minutes and the January 6, 2022, transcript of Board proceedings.

May I have a motion?

TRUSTEE BLAIR: Moved.

TRUSTEE MCFADDEN: Second.

PRESIDENT WILSON: Okay. It's been moved and seconded.

Roll call, please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Aye.

MS. FAHRENBACH: Trustee McFadden.

TRUSTEE MCFADDEN: Aye.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

PRESIDENT WILSON: Thank you. The Board meeting minutes and transcript have been approved.

The next item is Review and consideration of the Bills and Payroll Records. I would like to have a motion that will both approve the payments that were consistent with the 2022 administrative budget as well as those bills and expenses that were incurred in December and January 2022, and also are consistent with the administrative budget.

May I have a motion please?

TRUSTEE HUGHES: Hughes will motion.

` PRESIDENT WILSON: It's been moved by Trustee Hughes and second?

TRUSTEE BLAIR: Second.

PRESIDENT WILSON: It's seconded by Trustee Blair.

Any questions on the motion?

TRUSTEE MCFADDEN: I have a question. The lobbyist services, what is the annual registration? It's at the bottom of the second page of the bills.

MS. TUCZAK: That is the registration fee for both the Cook County and Forest Preserve funds that was incurred by John McCabe and Associates and is reimbursed by the Fund.

TRUSTEE MCFADDEN: And the contract provides that we're responsible for his expense to do business?

MS. TUCZAK: We did review that and fiduciary counsel did concur that that was an expense provided for by the contract. It's the registration of the Fund.

TRUSTEE MCFADDEN: It's in the contract to begin with? That's all I am asking.

MS. BURNS: We don't pay his registration fee. We pay the Fund's registration.

TRUSTEE MCFADDEN: Who wrote the check, to whom?

MS. TUCZAK: He wrote the check and we are paying him back.

TRUSTEE MCFADDEN: Okay.

PRESIDENT WILSON: Any other questions or comments on the motion? Hearing none.

Roll call, please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Aye.

MS. FAHRENBACH: Trustee McFadden.

TRUSTEE MCFADDEN: Aye.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke

TRUSTEE O'ROURKE: Aye.

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

PRESIDENT WILSON: Thank you. The bills, payroll records have been approved.

The next item is the annuities, spouse and child annuities and refunds. May I have a motion for approval?

TRUSTEE HUGHES: Motion.

TRUSTEE MCFADDEN: Second.

PRESIDENT WILSON: Seconded by Trustee McFadden, moved by Trustee Hughes.

Any questions on the motion?

Roll call, please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Aye.

MS. FAHRENBACH: Trustee McFadden.

TRUSTEE MCFADDEN: Aye.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke

TRUSTEE O'ROURKE: Aye.

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

The motion passes. Annuity, spouse and child annuities and refunds have been approved.

The next item is ordinary and duty disabilities. May I have a motion please?

TRUSTEE BLAIR: So moved.

TRUSTEE MCFADDEN: Second.

PRESIDENT WILSON: Moved by Trustee Blair, seconded by Trustee McFadden. Any questions on the motion?

Roll call, please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Aye.

MS. FAHRENBACH: Trustee McFadden.

TRUSTEE MCFADDEN: Aye.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke

TRUSTEE O'ROURKE: Aye.

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

Thank you. The ordinary and duty disabilities have been approved.

The next item on the agenda is review and possible action regarding the results of the actuarial study for 2017 through 2020. As you know, this is one of the most important items that we do. It's done every four years, and it's a lot of material to cover. Our actuarial fund will be making a presentation, Larry Langer on behalf of Cavanaugh Macdonald. We will have time for questions. I would add that we also, if necessary, we can carry

this over to the March meeting, but we will try to cover as much of this item as we can today.

Gina, let me hand it off to you to start this item.

MS. TUCZAK: Yes, thank you President Wilson. You should all have in front of you the actuarial experience study prepared by Cavanaugh Macdonald that is for the years of 2017 through 2020. So, that's four years of information. We have two representatives from Cavanaugh Macdonald in the room with us, Larry Langer and Ryan Gundersen that are here to present the results. There's quite a few assumption recommended changes within this presentation and what we are looking to do is to determine if the Board is interested in accepting the recommendations of Cavanaugh Macdonald with respect to these assumption changes and of note the interest rate assumption, which typically is something that has a decent amount of discussion, is also in here, and we have a representative from Callan if we need for that discussion as well. So with that, I'm going to turn it over to Larry. I asked him to set up here so he's facing us as opposed to the back of the room if that's okay with the trustees.

MR. LANGER: Thank you, Gina and members of the Board. I am Larry Langer. With me today is Ryan Gundersen.

MS. TUCZAK: You might want to scooch down just so that Trustee O’Rourke on the phone can hear you, if that's okay?

TRUSTEE O'ROURKE: I can hear you fine, thank you.

MS. TUCZAK: Okay, great. Thank you.

MR. LANGER: I will restart. I am Larry Langer from Cavanaugh Macdonald Consulting, with me today is Ryan Gundersen and off in the shadows on the internet Wendy Ludbrook. We're delighted to be here. It's been a few years since we've seen the Board in person. We're here to present the experience study for the four year period ending December 31, 2020, and I like Chairperson Wilson's introduction. This is a very important event in the actuarial world. We routinely come in and present the actual valuation and that's all important. This sets the stage for the next four years of valuation. This sets the assumptions that we're going to be using for the next four years. Specifically the December 31, 2021, through December 31, 2024. I'd like to thank staff and Callan for helping us through this and providing information that's needed to work our way through this, very helpful. It is very fortuitous. Callan happens to be reviewing this at the same time with the asset liability study.

Slide 2 is clearly the agenda - these are the elements that we're going to be talking about today. We're going to get them in detail, but effectively we're going to talk about, ironically, our recommendations and look at the financials. And then we're going to take a deeper dive into the economic

assumptions, demographic assumptions, OPEB, and a little bit of funding methods. So that's what we're going to be going through. As we're going through this, questions are welcome throughout and a lot of it, you know, we tend not to get a lot of questions except for a few key assumptions like investment return, and sometimes people would like to have in depth discussions about mortality. But please, whenever you feel the need, ask those questions.

Slide 4. Again, for the actuarial valuation process and we have seen this in the valuation presentations. This is how we go about developing the actuarial valuations. We have inputs, things we know now. Member data, asset data, benefit provisions, and the key thing for projecting what type of benefits we think will be paid in the future, our assumptions that we're going to be reviewing today and then funding method. It’s how you pay off those benefits. Over the short term, contributions, employer contributions are based upon the valuation results, right? If you're doing actuarial funding, obviously, you know, we can talk about statutory, that’s a different deal, but typical actuarial funding type of arrangement, in the short term; the contributions are determined by the valuation. Longer term, they're just going to be based upon whatever benefits are actually paid out, so they routinely get adjusted. We adjust our outcomes every year when we collect new data. So, this third

bullet point on slide four is important. Selection of assumptions and funding methods that are too optimistic can result in cost being pushed to future generations. So optimistic, when I think of costs are optimistic, I think of costs that are low, right, while assumptions and funding methods that are too pessimistic, like you've overstated costs, can put undue pressure on current resources. So, you got to strike some sort of balance. And, as we're going through this process, you might be struck with the fact that there is not one magic set of assumptions with regard to what's being selected. You might think and say, well, there's an actuarial cookbook and we just look it up. You know, we look at a plan that has liabilities of $15 to $20 billion and these are the assumptions we use now. No, that's not the case. We make use of something called Actuarial Standards of Practice to develop these things that provides for a range of outcomes.

Slide 5. GFOA, the Government Finance Officer Association, say that experience studies are a good idea and the reality is, most large plans do these routinely, even smaller plans.

Slide 6 is a reference of the basis for this experience study and the process. First, it's based on data from January 1, 2017 to December 31, 2020 - that four year period. We look at that four year period in particular for demographic assumptions like mortality and retirement, terminations, and we take a look

at what we thought was going to happen in the valuation compared to what actually happened. And then, we think about trends that might occur in the future as well, and based upon what we observed in the past and expectations of the future, we make recommendations on assumptions and methods. Here are the four Actuarial Standards of Practice. And Actuarial Standards of Practice, they are not prescriptive. They don't say this is how you should do it, but rather they allow, they’re more of a resource and say give consideration to taking this into consideration. So ASOP 4 tells us how we should systematically payoff costs and the funding policy, ASOP 27 is economic assumptions, 35 is demographic and 44 talks about asset valuation. So again, we don't go in there and insist this is what you should do. It’s consider using… And we touch on some of those as we launch in.

Key takeaways - financial impact. And first we're going to get into the high level recommendations and we're looking at some economic assumptions. The economic assumptions of the plan include investment return, inflation, salary increases for individuals, tier 2 COLA and Tier 2 pay cap growth. And, the big one of these, Gina mentioned earlier is investment return. Small changes with investment return result in rather significant changes in the results. If you lower the investment return assumption, you end up with higher contributions to the plan.

And that should make some sense, because if you think about the funding equation for a Pension Plan, its contributions plus investment return has to equal the benefits. If you have less investment return, that means you have to have more contributions. Salary increases, we're seeing a decrease that seems to have been continuing, and we also see decreases in salary, increases across other funds, so, if we decrease that assumption, we were forecasting lower benefits as they were, all things being equal, and that's going to result in the decrease in liabilities. Tier 2 COLA and Tier 2 pay cap, they're based somewhat upon inflation, recommending lowering inflation, and that means we're projecting those COLA and the pay cap to be lower so a little bit less liabilities, not so much because there's not a lot of Tier 2 liability hanging out there.

Demographic assumptions - Generally, the demographic assumptions, when combined with salaries overall resulted in a decrease in liabilities. The only assumption that resulted in an increase was mortality. Mortality rates we're recommending somewhat higher life expectancies. When we did review these assumptions, we decided to keep in the 2020 experience, even though part of that was covered by COVID. But again, what we saw with mortality was that we need a little bit of an increase in life expectancy based upon what we're absorbing in the data. Ryan is going to talk more about that. The retiree healthcare

assumption changes that we tend to monitor with each valuation versus small impact with regard to these, very small impact.

And now, we're going to get into this very unreadable chart on page 11. So, what are we looking at right here in terms of this chart?

So, we're going to have four charts like this - one for Cook County Pension, one for Forest Preserve Pension, one for Cook County Health and one for Forest Preserve Health. The assumptions between Forest Preserve and Cook County are the same. We recommend consistent assumptions across both of those plans, but the impact varies just a little bit because of different demographics of the plan. Here on page 11, is Cook County Pension results and the items that we have listed here, you'll see in the summary results in the valuation report, but we'll focus on a couple of the highlights. So, that current assumption one, that's based on the 12/31/2020 valuation, the last valuation report you have. A couple of the key metrics hanging out there. The unfunded liability is about $5.6 billion a funded ratio about 67.58% for pension only. Down in the bottom, we have, since I know there are a lot of different policies hanging out there, there's statutory, there's the Board's proposal, there is the County's proposal and then there's this contribution amounts that's been appearing in the valuation reports for, Ryan and I were trying to guess, maybe

back to the Sandor Goldstein days, so beyond a decade and probably a couple of decades. So, that policy there, we've gone through on valuation presentations. It's paid normal cost plus a 30 year amortization bump on the liability. So it gives you some sort of sense as to the direction and somewhat of the magnitude of changes, if they were applied to the Board proposal or the IGA or any of these other options. So you get down to the bottom and we have an employer required contribution of $522 million on this 30 year policy right here. As you work your way across, you can see, if we, all the assumptions at the 7.25 percent discount rate, the funded ratio actually increases to 68.73% and the contribution decreases to the $482 million. That goes back to that comment that all the assumptions resulted in lower liabilities except for mortality.

PRESIDENT WILSON: Question Larry, this is Lawrence. As you go across with the scenarios of different interest rates. Just to clarify where it says proposed assumptions, plural, is this, do these scenarios include your other recommended assumption changes to demographics and others that are later in the report?

MR. LANGER: Yes, that's a good question. So, when we say proposed assumptions, it's all of them. And then, we show the alternative investment return assumptions, and I'll get into that, probably right now. There's a reason we show the alternate investment return assumptions but only one demographic package

of assumptions. My experience, the demographic assumptions, is something that we do a lot of analysis on, and Boards generally just accept what we've done there in terms of recommendation. When you get into the investment return assumption, the standards of practice allow for a range of returns assumptions that are reasonable.

TRUSTEE HUGHES: Can I ask you a question?

MR. LANGER: Yes.

TRUSTEE HUGHES: So you're baking in all your assumptions on that chart except for the investment returns correct?

MR. LANGER: Right.

TRUSTEE HUGHES: So, when you came up with your assumption with regard to decrease in salaries, were you looking at, I know the County's offered like wage patterns out there, were you looking at that? Was that information available to you or where are you getting your information from?

MR. LANGER: So, we'll get into in a bit, but it's a good time to ask the question. When we look at salary increases, we actually take a look at what's occurred over the past four years or so to get some sort of sense to develop the patterns. Things like looking at contracts or wage.

TRUSTEE HUGHES: Because I know they're negotiating right now. Maybe, they have already.

MR. LANGER: It sounds like a really good idea, but it tends not to be. There are two things. It tends to be difficult to try and come up with an assumption based on those elements. Typically, recent experience is a good indicator of what we think will be happening in the future. And then finally, when a lot of the assumptions, when we develop them, we're not necessarily hung up on the next five years. We want to go a little bit beyond that and so, when we look at salary or any assumptions we try not to match it exactly to what we're seeing but make modest adjustments towards what we are seeing, just in case things reverse themselves. I think we've got a picture.

MR. GUNDERSEN: Yes, like there's still wage inflation like the building blocks of it.

TRUSTEE HUGHES: Okay, thank you for that.

MR. LANGER: Alright, so there's going to be a range of anticipated investment returns that the Board can consider and as you can see, as you work your way across and you lower the discount rate, all the other assumptions are baked in here except for the change in discount rate. You can see, as you work your way to lower investment return assumption, you end up with lower funded ratios under item 6, and that contributions under that 30 year policy, right there, they increase. And, this is one of the reasons why we say it's a rather meaningful assumption. Under the 7.25 percent discount rate, you know, item

10, it's a $482 million contribution but, if you work your way just to a 75 basis point decrease, it goes to $608 million. You'll see a bit of caution when changing the discount rate assumption, as a result of that, because very meaningful increases can occur. We'll get more in terms of selection of those returns, but you know, here it is for the County. We have similar exhibits on slide 12.

On Slide 12, we show amounts for the retiree health care for Cook County. A couple of things with this. If you look at item 3 and we know this, the liabilities here are about 1 billion dollars for the health care plan as opposed to like $17 or $18 billion for pensions. There is not nearly the amount of liability here. Most of the assumption recommendations from pension are applied here. Ryan will get into the things that are a little bit different, but things like mortality and retirement, termination and investment return, we apply it consistently. We apply consistently between pension and health care. So here, you can see when you look at the, there is no funded ratio because there's no assets at the end of each year. You can see the contribution rates, you know we started at 6.31% of pay and it goes up to 6.48% of pay. It's not a significant difference, it's hanging out there for retiree health care, but obviously it's an increase of sorts.

Next, slide 13; we get into the Forest Preserve. So here, for the Forest Preserve, you can see, we start up at 63.33% funded and the proposed assumptions, 7.25 percent you can see that the funded ratio already increases just a little bit and we saw that decrease for Cook County. The reason for that is that more retirees in this group. Salary increases, lowering the salary increases really helps the normal cost portion of the plan, and so, there's fewer proportion of actives with the Forest Preserve, and that's what's causing that anomaly. When you get into the contribution amount, and the contribution amounts do decrease and then similar pattern to what we saw for Cook County Pension Fund. As you lower the discount rate, contribution rates rise as the funded ratio falls. And then finally healthcare, a similar pattern as to what we saw with Cook County health care. So, I always caution when we take a look at these things, there's always this tendency to see what's it going to cost? That's going to drive your process in terms of selecting investment return assumption. And the encouragement and recommendation I make here is, don't look at the impact of cost. Let's make sure we're in a reasonable range and the reason I say don't look at the impact of cost necessarily is because through funding policy, we can work on ramping into these costs or phasing into them, things of that nature, but picking an assumption that we think is realistic and will be able to be

adhered to until the next experience review. I think I might get into that discussion as we're shifting to page 15. I'll get into that a little bit more when we get into the investment return assumption.

Economic Assumptions. Assumptions that involve money. Slide 16. Here's what we reviewed, and they're based upon Actuarial Standards of Practice 27 and generally this is something that folks will mention from time to time, we had a great decade. And we had whatever 10% return the past decade but we can use 10%, right? Not necessarily. We want to take a look what the markets will return in the future, not what you've done in the past. I can't remember if it's EF Hutton or Bear Stearns or whatever it is, you know, past performance is no indicator of future. The same thing goes here.

So, when we get into economic assumptions on slide 17, one of the important frameworks that we follow as actuaries is the building block method and consistency across all assumptions in particular. And in particular, wage inflation. So this is the current assumption. Wage inflation is 2.75%, and on top of that, to get an Investment return, add real rate of return of 4.50%. Individual salary increases we add real wage growth of 0.75% and then the various merit salary increases and then the general wage inflation. I also call this a no cherry picking rule. And what do I mean by that? I wouldn't want to assume like 3.5%

inflation for investment return, so I could be looking at 8% Investment return assumption and yet assume salary increases based upon inflation of 1% so I could lower the liability. You want to keep them somewhat consistent as we go through it.

Slide 18, we get into a discussion about inflation. The current assumption is 2.75%, and it's not only used for the underlying pieces of the building block, but it's also used for Tier 2 cost of living adjustment. Tier 2 pensionable wage cap. And so, our analysis in regard to this, I guess that's not something we're looking at in the past, but depends when we review what other smart people say.

That's on Slide 19 and we try to bake it into our framework. So, these are different expected inflations from various sources over 10 to 75 year periods. And, you can see that all these are lower than the current 2.75% assumption. Some of them are as low as two for the next decade, and you know, we're cautioned against just looking at recent events, so in particular I'm looking at like at 7% inflation during the last year. You don't want to get hung up on those things, just like we wouldn't get hung up on the 0% return in the markets or 20% return. We wouldn't let those things skew what we think of the future. So based upon the information presented, everything is leaning towards lower inflation. We recommend lowering from 2.75% to 2.50%.

Investment returns assumption. What do we look at with regard to the Investment return assumption? Standards of Practice say take a look at how the assets are out there, you know, the underlying asset allocation and look at expectations of what those assets can achieve. It also allows you look at alpha, or does your Investment managers outperform others. In fact, all those things are the key element of this when we're looking at, it is the time horizon, the time period. And, different Boards will look at this in different ways. So there are Boards and, well, you know, typically we look at like a 15 to 20 year period, that hasn't changed from the experience review that Buck did four years ago and it still sort of holding. But we'll get into other things that Board's look at when we look at that time horizon. You can see there's a pretty big difference. Current assumptions is 7.25%., We're going to, we do recommend that's going to need to be lower and you need to adopt a lower Investment assumption even though we showed the other elements of the 7,25% earlier, that was just illustrative.

So, when we look at setting investment return assumption, historical analysis, certainly part of it because folks that try and project the future will more than likely look at the investment results. They certainly make use of historical analysis or looking analysis of expected return. The Callan study is really fortuitous at this time that we have a very

fresh look at what returns are going to expect it to be. I know you haven't picked a portfolio yet, but it does seem that the returns from those portfolios are folding up there. I know that's odd coming from what someone is saying oh, 25 basis points makes a big difference, but that’s my understanding of you’re looking at here is just repeated in their analysis. A peer group comparisons, I call this the. Well, I think a peer group is. It's one of the Ten Commandments. Thou shalt not covet they neighbor’s investment return assumption. Peer group analysis is nice, but it really is not really helpful. It's helpful to know why different funds have different investment return assumptions, but just saying looking at someone else and saying, oh, we're half lower than them so we're better. Not, not so much.

PRESIDENT WILSON: Question. I jumped in. What was our historical rate over the last four to five year and in the last 10 year period? That’s a Gina question or a Callan question.

MS. TUCZAK: The rate, oh I'm sorry President Wilson.
I was talking to Ann from Callan, what was the question again?

PRESIDENT WILSON: I was asking what was the Fund’s historical investment return over the five and ten year periods?

MS. TUCZAK: Fernando, do you happen to have that information? I don't have that on top of my head.

MS. O'BRADOVICH: 11.78% for five years and 9.85% for ten years.

MS. TUCZAK: Okay, did you hear that? 12% for five. 10% for 10 years. Does that answer your question President Wilson?

PRESIDENT WILSON: Yes it does. Thank you very much.

TRUSTEE HUGHES: Larry, I'll ask a question at the same time, your assumption with regard to inflation is that based upon regional inflation or CPI-U?

MR. LANGER: CPI-U. We could go a little bit more regional, but I don't think that it would make much of a difference.

So, slide 22 is one of those charts. I guess, thou shall not covet that neighbor's investment return assumption and I showed you a chart of where investment return assumptions are standard across something like why would we do that? So, when you look at the return variation, the thing I wanted to note is the change in return expectations over the course of time. So you can see, back as late as 2010. So about 10 to 12 years ago, you can see the median return was at 8% and now that median return is 10 years later, it's at 7.25%. And, I know you might sit there and say wait a second at 7.25%, high five, we could stick here. You know, this is all sort of a leading, but a trailing indicators. You know, there are Boards like yourself that have not looked at investment return assumptions over the past 3, 4 or 5 years because an experience study wasn't due. I

anticipate this continuing to decrease over the course of the next 2-3 years.

So, while you're right now at the median, we look at this in 4 years, you're going to probably be on the high end. I wouldn't be surprised if the median dips into 7% or below 7% within the next 3 years. I know it seems odd when you look at it. The big takeaway from this is what's driving this trend to lower investment return assumption. And it's investment professionals saying, you know, we don't think that we're going to be able to achieve returns that are consistent with the past, and it's rather consistent. I know Callan is the best investment consulting firm in the world. Okay, that's sort of a little bit of sarcasm, but they're really great but they're all sort of consistent. You know, there's a lot of consistencies like you see 10 year returns, depending upon on the portfolio, high fives, low sixes, it's rather consistent. They come to a consensus like that, and that's what drives our assumed rate of returns though over the years.

PRESIDENT WILSON: So, what's the difference in assumptions? Because it seems like there's generally a difference in the paradigm and assumptions that are used by investment consultants versus what actuaries are using. So, help us understand some of the differences and assumptions that you two use. I guess it's good that your tables are so similar but can you give us some

idea because for example, I thought your horizon was a little longer.

MR. LANGER: Right? Can I save that for one slide but I will capture that.

PRESIDENT WILSON: Absolutely. Yes, thank you.

MR. LANGER: We were covering that other slide. I just wanted to cover slide 23. The things that we’re basing a lot of our recommendation on. And so again, I think the Callan asset liability study, timing is rather fortuitous because it's here for us to look at when we're setting assumptions. This is based upon a study that presented beginning of last week. There are some key things that were plucked out of it, and we look at the County, and I know you haven't picked a mix but under mix 3, it’s a 5.87% over next 10 years and expands to 7.03% over 30. Forest Preserve is pretty similar. You know, 5.76% and 6.92%. One of the things that was helpful to take an eyeball at was the impact of maintaining the 7.25 percent. So, this is on page 17 of the County, and 16 of the Forest Preserve book and this is based upon the Board proposal funding both of these are for consistency. You can see under the Board proposal that under the County, an increase for 63.87% to 65.5%, little bit of an increase. With Forest Preserve, it decrease from 59.05% to 50.50% but let's focus on the Forest Preserve District for a second. So in the Forest Preserve, you’re phasing into that 90,

the Board policy to 90% by 2064. And, you might recall from the projections at some point that funded ratio sort of levels off if all the assumptions are met. This is big. I mean, if we assume a 7.25% return, but what really happens something a little shy 6%. You're missing out on about 125 basis points each year, and that's going to steadily result in the funded ratio being lower than what we would project assuming the 7.25% would return. So, this wasn't much of a surprise when we looked at it. The County, it took another few more minutes to try wrap our head around. Why does that go in reverse order? Policies are the same, right? We are 90% funded by 2064, but the difference is in the ramp. So the ramp used for the Forest Preserve is increasing the contribution to the ultimate level but ramp used for the County is actually making use of the IGA contribution through 2026. And then, dropping down to the 90% contribution, which instead of increasing the contribution like Forest Preserve, it decreases the contribution for calendar 2027 by $100 million and then go forward and that's why the funded ratio goes up just a little bit.

Okay, Chair Wilson will send this gets into discussion about time horizons of trying to reconcile all this wonderful stuff. It's this bar chart on 24. We have 4 sets of bars here - 10, 15, 20 and 30 years. It's a time horizon. In the dark blue bar, and that's based upon Callan, and the light blue bars is

our adjustment to the Callan numbers to sort of fit their actual model. Now, the other elements are sitting in here is that there's a 20 basis point for active manager, we added that to the Callan numbers because we can incorporate that, and so that's why we're showing 5.87% instead of 6.07%.

TRUSTEE MCFADDEN: I am sorry but why did you add it?

MR. LANGER: Because we're allowed to under Standards of Practice. We can remove it too.

TRUSTEE MCFADDEN: Why did you add it then?

MR. LANGER: Because it can be used. We do find a lot of Boards that do use it.

TRUSTEE MCFADDEN: But it’s something you elected to do, so why did you elect to do it then? I guess that's the question.

MR. LANGER: The reason we elected to do it? We do find a lot of the Boards do put that in. We can certainly remove it from there. The chart would show 20 basis points less than what's showing up there. Doesn't seem to answer your question?

TRUSTEE MCFADDEN: No. Why did you elect to put it in other than a lot of other Boards do it and you had the latitude to do it?

MR. LANGER: So, the Actuarial Standards of Practice allow us to incorporate any active management for purposes of this type of analysis, we tend to include it.

TRUSTEE MCFADDEN: Got it.

MR. LANGER: All right.

TRUSTEE HUGHES: ASOP, does that come from GFOA or who?

MR. LANGER: No. The Actuarial Standards of Practice comes from the Actuarial Standards Board. So, actuaries are a self-governed profession and there are 20,000 of us. And, the Actuarial Standard Board is a group that puts together the Actuarial Standards of Practice.

TRUSTEE HUGHES: I see.

MR. LANGER: And, there are 56 of them at the moment, about 10 of them cover public sector actuaries. Many of them we've mentioned, but there's a few more that come into play and they put together these Standards of Practice and periodically update. Just like the demographic one that Ryan will talk about. About 8 or 9 years ago they suggested that we need to incorporate future life improvement, or at least consider immortality as an example, and investment return. ASOP 27 for a while, they said they could pick between the 25th and 75th percentile in terms of a reasonable range. They updated that and said no, no more than the median, like 4 or 5 years ago. They continue to evolve over the course of time based upon what practitioners observe so, they're just for guidance. So, what are the differences between these amounts right here? As I said, you know the Callan, the 10 and the 30 year amounts are the

amounts that we talked about earlier for Cook County. We didn't put one together for Forest Preserve, but it's showing similar type of pattern and the amounts are reasonably close. So, the 10 year number, why is it 6.07% baselines Callan and our estimate 6.57%? The big thing there is that our inflation assumption, because we keep it consistent over time, is at 2 1/2% is our recommendation. That 50 basis points difference between our 2.5% and Callan's 2% results in the difference you see right there at 6.07% and 6.57. Similarly, when you get out to 30 years, you're like, well, there's a 25 basis point difference 7.23% to 7.48%. Why is it 25 basis points? 30 years out Callan's anticipating 7.25% and we still have ours fit. I'm sorry. 30 years out, Callan's anticipating 2 ¼% and we're anticipating 2 ½%, 25 basis difference. So, in between you know, as the inflation migrates over the course of time, you can see the gaps change that are sitting out there. Now, we're getting into, you know, range of returns that are from 15 to 20 years. Which is the time frame to take a look at. And the time frame, the time horizon, we recommended that you look at right here. And, you can see that looking at the 15 year; we have a number of about 6.8%. In 20 years, it's about 7.03% and that seems to be a reasonable range of sorts. That being said, the Callan expectations probably will be less. Ours might be, somebody might perceive them to be inflated because we're using a higher inflation or something.

Others might say we don't want the 20 basis points in there. So, that's 7.03% I consider it to be probably out of bounds. I don't think I've looked at the 7% just based upon, well, you got to get through the next 10 years, and you know it's not a guarantee that you'll get the 5.87%, it might be something different, but the general consensus is returns are going to be lower. So, I don't know. I have a tendency to put the Board's high. The lower numbers are Callan numbers specifically. So, how do Boards look at this stuff. It's interesting the different takes on this. I serve a lot of different Boards. I've gone through experience studies for four large funds, personally I have over the past year and a half and its interesting the different takes the boards will take. I have one board in particular that will look at the 10 year number and that's what they'll adopt. I watched them 5 years ago and I had someone come in saying the return over the next 10 years, it's going to be 6.5%. They were at 7.5% and they dropped it to 6.5%. That was my reaction. I mean, it was fascinating to see, and in particular it was fascinating to see for that particular Board, because like you all, they have a fixed contribution rate, statutory rate. And what that means when they drop the discount rate and say we're providing smaller COLAs. But the Board is like we want to make realistic assumptions when we're looking at this stuff. We don't want to dig a hole and they didn't. And there's a couple of other Boards

that tend to be, you know, look more at the 10 year than looking at 30 year. Some boards just don't have the tolerance for returns. That's it. Every Board we've served has done at least a 25 basis point reduction in their investment return assumption over the past actually, 30 basis point reductions over the past 3 or 4 years since they last did an experience study. Every single board we serve to be able to certify these expectations of returns. The highest was 100 basis points actually but we just got done with one where they dropped it by 75 basis points over the course of the past 5 years. So, large decreases are pretty common. I would think our recommendation will, even though we've shown 7.25% and 7%, our recommendation would be looking to go down to 6.75% at least. Standards of Practice allow you to go lower than 6.75% like other funds, similar funds would do. You would be able to get by at 7%, but there are a lot of things that could get in the way. You know, this has to last for the next 4 years. If I come back and find out that the investment world is not real rosy, you might end up with others coming back and saying this is a bit high, you know. You don't want to change this stuff midstream, so the 6.75% would fit within a reasonable realm of assumptions. It does provide increased contributions and when we look at the projected funded status of the plan that we saw in the prior page, it would seem those are based upon the same amount of contributions coming in.

that you see under the 7% scenario. You want an increase in contributions and you achieve that under 6.75%. Some of those are pragmatic. They might get out of bounds from the Standards of Practice. I know no one asked me yet, but I think just mull over that. I think at least one on the 6.75%

TRUSTEE HUGHES: So on page 24, the 15 year, does the Callan number include that active management component?

MR. LANGER: Yes. We have it in both.

TRUSTEE HUGHES: That's fine.

MR. LANGER: I got it. It’s in the box, just so I can remember. Just search on the right because I don't remember all this stuff. That's a good question.

MS. TUCZAK: Larry, is that consistent with what the Fund has earned over the years?

MR. LANGER: The 20 basis points, that’s from a page in the Callan report and I know it's on the page in there. I think is over like 10 years or something like that.

TRUSTEE HUGHES: Does Callan want to speak to that?

MS. O’BRADOVICH: Yes, so if you remember, we went back and looked at Cook County’s incremental return for active management over a lookback period.

MS. BURNS: Gross or net?

MS. O’BRADOVICH: Net

TRUSTEE HUGHES: Thank you.

MR. LANGER: Good point, thank you.

PRESIDENT WILSON: So Larry, how does the 7% then get included in the range of recommendations because the way you, you almost left us no alternative? The way you presented your recommendation, but you did give us a range. How did you get comfort with the 7% again?

MR. LANGER: The 7% here, because it just touches that 20 year number is 7.03%. But a 7.03% is based upon our inflation is something of 2.5%. We have interpolated real returns from Callan and the 20 year mark and add on those 20 basis points of active management. But it's just on the fringe, and I think I might have mentioned, if not, apologies. I know that our model requires us to have a consistent inflation, but the returns that are being projected are the 10 year, the 6.07% from Callan that's their serve expectation based upon the underlying 2% investment return. So, that's why I'm hedging lower than you know, when I say I recommended in that range, I'd tend to grab at 6.75. Now, the other thing, I know I show a range right here, I could have very well just come back and said the range of 5.5% to 7.0%, but I didn't want to freak people out here by suggesting that you want to go down to 5.5%. And, we tend to see again, like on average about like 50 basis point drops or some that were 25 basis point drops or you know, that was a plan that was already in 7.0%. Did that answer?

PRESIDENT WILSON: So I got a question and I'm not disputing your rates, but I'm trying to understand this discussion and what happens in theory in sound theory versus reality, because 4 years ago, when everyone was at 8% and 7.5%, and we felt compelled, we have got to lower it and that was the conversation in the community. You have to lower your rates and we went to 7.25% instead of taking a bigger drop down to 7.0% or something else. Now, we come back and while we felt like we may not have lowered the rate enough, we earned 12% and 10%. So how do we understand that? I mean, so that we don't feel like we're just, we're not being responsive, but what kinds of things happen and you know, with no attack against the rates, projections, the credibility, but what happens where all of a sudden what would look like should have been 7% turned out to be 10% and 12%?

MR. LANGER: Alright, so the returns have happened over the past couple of years or since the 7.25% was adopted. So, when we take a look at this, the assumption is not trying to anticipate what's going to happen within the next 2 years or 3 years. So, getting returns of 10% or 12%, that's going to happen. I think we also had like a zero somewhere in there since the last experience review as well and maybe that was happening, maybe. But the actual returns that have happened, I sometimes, it just defies logic. I vividly remember about 20 years ago, sitting in front of a board, the investment manager came in and said your

actuary’s assuming 7.5% and you're not going to see a 6.0% return over the next 5 years, but unfortunately it turned out to be from 2001 to 2006 and returns went gangbuster. But the person was right, but it hits the wrong time horizon. So, you know, you can't let the anomalies of what's happened over the past couple years influence what we're trying to do, and that's look at the future. And so, looking at returns over the next 10 years are 5.87%, 6.07% if the active management continues the hold and not reducing the assumption that seems counter intuitive. That's one reason we recommend reducing that assumption. Did that answer?

PRESIDENT WILSON: Yes, that helps. It helps. I mean, we are, it's like having too much in your growth fund. More in growth than in fixed and you haven't rebalanced, but because you didn't rebalance, your portfolio benefited greatly, but that wasn't really the plan. So you got to a stick with the plan. Thank you.

MR. LANGER: Working my way through that, yes.

Moving off of the investment return, that's the hardest part. So the rest of this is going to go a bit faster. Look at salary increase assumption; again, there are a couple of components. We look at the wage inflation assumption that underlies it, and so right now it's 3.5% or .75% above price inflation. I will move ahead a little bit for the sake of time.

This is sort of obtuse how we think through this. If you have questions on this, that’s wonderful.

With the salary increase assumption is on slide 28. Our backup for this is over the past few pages, but in terms of wage, the underlying wage inflation assumption, it's currently at 3.5%. That's made up of real wage growth of 0.75% and inflation of 2.75%. The recommendation is based on real wage growth of 0.5%. A couple of slides before, you can see that it's based upon you know, that we've been seeing something less than 25% over time, so reducing to 0.5% plus 2.50% we get down to 3%. We recommend 3%. 3% also happens to be the salary increases beyond a certainty year of service. That's what we use for longer term employees as well, so that gets us into slide 29.

We have a base 3% salary increases across all members, but the merit component of the salary increase assumption are these additional increases that tend to be seniority or performance, promotions. Promotions tend to happen a lot or early on and then they taper off, things of that nature. And so, when we analyze this information which we did when we do this on slide 30, this we look specifically at the data for the County and the Forest Preserve. We combined them together when we do this. What do we do here? The blue bars are the actual pay increases split up by years of service over the course of time and part of this analysis, in the past, is based upon age. We thought it will be

beneficial, the data seemed to tie the service a little bit better, so we changed the basis there. The current assumption is the red bar there. So when you look at that, you can see the red bar is higher than what's actually occurred from 5 years of service on, consistently higher. And then, a couple of the early years, it's a little bit lower, but it does seem, the graph seems to say, you know, we probably should reduce the expectations. The green bar represents our recommended assumption, which again anticipates similar salary increase over the course of the career. This is one of the elements that helped lower liabilities, otherwise. I think this is fortuitous because the other assumption seemed to drive liabilities down, and I think that it provides a terrific opportunity for dropping the discount rate. This is one of the big drivers for lowering the liabilities.

Cost-of-living-assumptions. CPI is the basis for the Tier 2 COLA and the pay cap growth assumption on slide 31 and currently that's at 1.38%. We modeled the COLA rate and pay cap growth assumption based upon our 2.5%. Assumption comes up at 1.11%. We're not going to recommend lowering all the way down to there, and it's 1.25% is our recommendation.

Slide 32 is our updated building block based upon our recommendations, investment returns 6.50% to 7.0%. We think six and three quarters percent is our recommendation for the Board.

We certainly go lower, won't stand in your way, but 6¾% would be a good spot to look at or adopt. So with that, we're going to shift gear to demographic assumptions. Ryan tends to speak a lot faster than I do, thankfully, but there are a couple of key points in here to take a listen to.

MR. GUNDERSEN: So far, Larry has gone over the economic assumptions or the money related assumptions. I know we've gone through a lot of information, I'll try and just touch on the highlights here with the demographic assumptions. With demographic assumptions, those are the people assumptions. So they model the behavior of what Fund membership does. When do they retire? Do they terminate before they reach retirement age? What are the rates that they're dying, whether they're in payment or they're active? These are the type of demographic assumptions we look at. We also touch on miscellaneous assumptions and retiree health plan assumptions towards the end of this presentation, we'll get there. While we're setting these assumptions, as Larry mentioned, the Actuarial Standards of Practice provide guidance on how to set these assumptions. For demographic assumptions, it is ASOP number 35. And also while setting these assumptions; we tend to base it more on recent plan experience. There isn't a standard table for demographic assumptions except for mortality, which we'll get to, but in terms of retirement, withdrawals, those are pretty plan

specific. Retirement rates and withdrawal rates will pertain to Cook County and Forest Preserve rather than, say, Chicago Teachers, they're just different patterns.

On the next two slides, we get into how we measure this demographic experience. First, we compare what actually happened to what was expected to happen under the current assumptions. With that, we then assess the credibility or the amount of weight that we're going to give to recent experience. There are a couple factors that affect credibility; one being the length of the study period, how many years of data are we collecting. The earlier years if you're collecting 8 years of data, might not be as credible as more recent years, depending on what has gone on. Unusual events during the study period like COVID-19 pandemic, this is, you know, something new that we're dealing with. And also, the size of group effects credibility. Generally, the larger the group the more data that you have, the more credible your experience is. And then, that last point there we have one key metric that we use when we're comparing actual decrements to expected decrements, and that's the A/E ratio, which is actual decrements over expected decrements. A decrement is a change in a member’s status. So if you're active one year and you retire the next, you decremented out under retirement. If you're active one year and you term the next, you decremented it out with a termination. A/E ratio is greater than

one means that actual decrements were greater than what we were expecting. They were more than the assumed rate. An A\E ratio equal to 1 means experience was exactly as planned, so the assumption that was modeled was perfect.

On the next slide, we have two different methods for measuring this experience. The first being the count basis or headcount weighted. Under that method, we determine the number of numbers changing membership status each year during the study period and we grouped those results based on age, service, gender, plan, and benefit tier. And then, the next step we look at the number of members that were expected to change status. And how we do that is, we take the current assumptions, the rates that we have, so, if we just look at retirement, we take our current retirement rates and apply it to the exposures that occurred each year for the four year period. These exposures are people that are retirement eligible. So, we expect a retirement eligible person say to retire 10% at age 50. Then, we compare, well, how many actually did retire at age 50? How far are we off or how far are we in tune with those assumptions? And then, that third step is again, we look at that A/E ratio and see how close we are to that A/E ratio of 1 or 100% level. And then, the second method to measure experience is this liability basis and it's the same as the headcount weighted, except we're substituting the number of people with their benefits or

liabilities that were associated with them. And this is kind of been the trend for setting demographic assumptions because in a valuation, we're determining liabilities, so it makes more sense to look at well, how did liabilities affect these demographic assumptions? How many liabilities were released due to decrements? So that's what we tend to look at on these demographic assumptions.

On the next slide, we're going over the first demographic assumption we looked at, mortality. Outside of the investment return assumption, this has the largest impact on costs. Mortality drives the duration of benefit payments. So if you're living longer, you're getting paid longer, you're going to increase costs to the Fund if it's more than expected. ASOP or the Actuarial Standards of Practice, they also require or guide us to use a improve mortality improvement provision and what that means is that, someone age 65, 10 years from now will most likely live longer than someone age 65 now due to medical advancements over the years, technological advancements. And because plans' experience are not enough to be fully credible, for mortality, you need a large set of data for it to be a 100% credible. We kind of tend towards using a standard table. The Society of Actuaries researches mortality rates in the private public sector and provide tables every few years.

On the next slide, we'll, two slides from now, we'll get into that. Before we get into the new Society of Actuaries tables, we have our current mortality assumption on slide 38. We're using a Society of Actuaries table, the RP-2014 with blue collar table adjustments, and we adjust the pre-retirement and post retirement ages by a certain percentage. We also have a mortality improvement provision. We're using fully generational mortality, which the Fund adopted right when at its inception, when they were an early adopter which is great. We're improving mortality using the MP-2017 projection scale, and that's what was currently used.

On the next slide, slide 39, we have those new standard tables that the Society released. They're called the Pub-2010, Public Retirement Plan Mortality Tables. They were released in 2019 and they are based on solely the public sector. These tables are much better fit to public retirement plans because that's how they were developed and they were developed through different benefit groups. They were developed for retirees, they would develop for contingent annuitants and survivors, and they were developed for active members and terminated vested members. The nice thing about these tables, is they also were developed based on compensation. There are tables that were created with mortalities that happen below the median rate, at the median rate, or above the median rate. These tables were also developed

using the headcount method and the liability weighted method, which we end up using the liability method.

So with that, we go to slide 40 and have that proposed mortality assumption. We're recommending the Pub-2010 General Mortality tables and we're recommending the Amount Weighted Median table, so it's at median compensation. We're making a few adjustments to the male and female membership so as to better fit the actual experience. Survivors and beneficiaries are going to use that Contingent Annuitant Amount Weighted General table. And, the active employees are going to use the employee version of that Amount Weighted Medium table. We're recommending introducing the mortality improvement scale to the MP-2021 table, the Society releases these on an annual basis and the 2021 projection scale fits the data nicely.

TRUSTEE HUGHES: So, if you’re A/E ratio is not equal to 0, then you would adjust. Then you target that assumption to make an adjustment?

MR. GUNDERSEN: Yes, so if it's equal to 1 or 100% then the actual decrements, they matched what we were assumed.

TRUSTEE HUGHES: And then, you would assume that you wouldn’t need to make any changes?

MR. GUNDERSEN: Depending on what we think is going to happen in the future too, but yes. With demographic experience, if it's at 100%.

TRUSTEE HUGHES: think of what the assumption

MR. GUNDERSEN: Yes, exactly. Yes, Sir.

MR. LANGER: If it was 100% overall, if it was like under, like from age 70 and below, the A/E ratio was 80, but 70 above it was 120, overall it's 100. We'd still probably change the table. So you look at it but we also looked at different ages as well.

TRUSTEE HUGHES: Okay, thank you.

MR. GUNDERSEN: Alright, so then on slide 41 and 42. We're still going over the mortality assumption, but this gets into the actual analysis that was done. You'll see the blue bars on slide 41. This is healthy male retirees experience over the four year period, the mortality experience. The blue bars show the actual rates of death at each age. The red line shows what we expected the deaths we're going to be under the old assumptions. And then, the green line shows what we're proposing the deaths should be under the new table and that table.

TRUSTEE MCFADDEN: Excuse me, how do you know they're healthy to begin with?

MR. GUNDERSEN: Because they're not disabled, so we either have disabled mortality or healthy mortality. Anyone not disabled is considered healthy. And that table at the bottom, it shows what the actual benefit weighted experience was. It's hard to read on here, but it looks like the actual deaths were 6.8

million and actual benefits that were released due to death. We were expecting under the old assumptions 8.4 million in benefits to be released due to death. The new proposed table brings us closer to that 6.8 million but not exactly. We're expecting 7.3 million deaths.

PRESIDENT WILSON: Is there any way to quantify that in dollars as to what that means?

MR. GUNDERSEN: If you have an actual 6.8 million in benefits that were released, we would have to calculate the liability of what that 6.8 million benefit payments equates to and that would give us the dollar amount. But this is just telling us the amount of benefit payments that were being paid.

PRESIDENT WILSON: But in our actuarial calculations or projections were based on 8.3, but we had a favorable variance based because the actual was 6.8.

Mr. GUNDERSEN: Yes, so it would unfavorable when looking at mortality. So there were less actual deaths than what we were expecting. So under the old assumption

PRESIDENT WILSON: Right, depending on yeah, from our perspective versus the participants. I got you.

MR. GUNDERSEN: Yes, depending on your perspectives. Very true.

Slide 42, the same analysis is done for females. That table underneath the graph just shows one year of data. So we need to

update that to show four years of data but it's essentially saying the same thing. We saw the same experience with females; less deaths occurred than expected.

Moving on from mortality assumption on slide 43, we have the retirement assumption. This models active member's retirement behavior when they reach retirement age. A rule of thumb is assuming more retirements will generally increase costs; our current rate structure differs for males and females, regular members versus Sheriffs, tier 1 versus tier 2. In setting this assumption, we look at plan experience as there isn't a standard table like there is for mortality. And with retirement withdrawal; we look to plan experience because it's unique to the plan. Overall, over the four year study period, retirements were less than expected, so we decreased the rates for all cases except for Tier 2. Tier 2 retirements will start happening this year. They came into the plan January 1, 2011. You need to have 10 years of service to retire so there's no experience for Tier 2, we left those rates unchanged. The next experience study that we will be able to set specific Tier 2 rates.

On the next slide 44 and as I go through this, we're touching on the highlights, but in the appendix there's detailed analysis on every one of these assumptions. So when you have time, you could take a look at that. It gives you much more

information and how we develop these assumptions. It's just it would take a long time to go over. On slide 44, the withdrawal assumption, this models active membership termination behavior. So when will an active member terminate? Will they reach retirement age to receive benefit payments? Generally, assuming more withdrawals will decrease liability, our current rates are based on the member’s age and their years of service, but typically as a member advances through their career the more service they obtain, the less likely they're going to be to terminate. So, we recommend moving to a complete service based withdrawal table and overall, over the four year period there were more withdrawals than expected, so we recommend increasing the withdrawal rates. This will decrease the accrued liability.

On Slide 45, we have some miscellaneous assumptions. They don't move the needle as much as the other ones that we've gone over, but they're still necessary in the valuation. That first assumption is disability rates. Given the low incidence of disability within Cook County, and the fact that they can return to work, we included those rates within our withdrawal and retirement rates. Then, the next assumption assumed retirement age for deferred vested members. A deferred vested member is someone who terminates from the plan, but they have enough years of service to receive a retirement benefit when they reach retirement age. So we have to make an assumption, when is that

member going to retire? Current assumption was age 55 for tier 1. Looking at the last four years of data, people were retiring more at age 62, so we recommend increasing that assumption. Tier 2, again, there was no experience, so we're leaving that assumption unchanged at 67 years old. The next assumption is marital status. This applies to active membership only when they retire because retiree data we have, there, we know if they're married, we know if they're getting a joint survivor benefit, we have actual data. But for active members, we have to make an assumption when they retire. What percentage of males are married, what percentage of females are married, because that serves as a proxy, as who's going to have a joint survivor benefit, continue benefits when they die, and who's just going to have a single life annuity.

TRUSTEE MCFADDEN: On page 45, the Tier 1, assumed retirement age with deferred vested. The current is 55, is that based on an actual or is that what we anticipated from the last time a study was done?

MR. GUNDERSEN: That's what we anticipated from the last time a study was done. The proposed rate 62 is close to what actually occurred over the last four years.

TRUSTEE MCFADDEN: Okay, thank you.

MR. GUNDERSEN: You're welcome.

So, that percentage of male members who were married, our current assumption for both males and females is 70%. Looking at the four year period, the 70% remains valid for males, but for females, we saw a decrease for the female retirees. Only 40% were married. So, we recommend reducing that assumption and that slightly decreases cost because we're assuming less people are going to get that joint and survivor benefit. Spouse's age, that pertains to marital status as well. If you're married and you retire, what is the age of your spouse, because we need to know how long they're going to receive benefit payments when you passed on. Male members, we assumed female spouses were four years younger. Data suggests to leave that the same. Female members, we assumed males were four years older, but the data suggests moving that down to two years older. So that will slightly increase costs because they're paying the male beneficiaries for a longer amount of time. And then, finally, that administrative expense assumption. The administrative expense is part of the normal cost each year or the cost of accruing benefits so we need to make an assumption to increase that for the following year's normal cost. In the past, we've increased that by 5%, but looking at administrative expenses over the past four years, it's more around 2 1/2% more in line with what our inflation assumption will be. So, we're recommending to 2.5% increases.

Slide 47 - We get into the retiree health care plan assumptions or the OPEB demographic assumptions. That first bullet there, health care trend and per capita claims costs, because there's such volatility and unpredictability in claims, we annually review those assumptions. So, when we get val data for the 2021 val, we'll look at claims experience and what medical trend is and update those accordingly so those need to be reviewed annually. These other assumptions we looked at data for the last four years, the first is plan participation. What this is saying is, when an active member retires or a term vested member starts receiving a benefit, how many of them are going to elect the retiree health care plan? Under the old assumption, we were at 65% and 40% respectively. We see over the last four years, we've seen a decrease about 5% for each, so we're recommending a decrease of 5%. On that vested terminated member's portion, even though we're decreasing it, we are aware that the Levin case allows terminated vested members who the County was not their last employer, they can still choose the retiree health care plan. So, we're going to monitor that as experience emerges each year and update the assumption. So, if we see a see a trend towards increasing that rate, we'll increase it during this val, the next val, and so on and so forth, but we just, we need more data to make that assumption. On the plan election, so this is saying if you're active, you

retire, you elect the retiree health care plan, what plan are you going to choose? There's a Choice and a Choice Plus PPO. Looking at the data on the pre-Medicare side, experience said that Choice, members were choosing Choice less than we were expecting. They were choosing Choice Plus more than we were expecting, and that occurred on the post-Medicare side as well. We also got data within the last year of a Pre-Medicare retiree migration from Choice Plus to Choice, and again we're going to review this assumption annually with the trends and plan participation and update it as necessary as more data or experience emerges. That last bullet, dependent coverage election. What this is saying is, if you're active, you retire; you elect the retiree health care plan. You elect Choice. Well, are you going to elect one person or two person and family? We assumed 65%, elect one person. 35% select two persons and the data suggests that’s still valid so, we're going to leave that unchanged. That new surviving spouse portion is the continuance of benefits when a member dies. What percentage of spouses will elect to stay on the retiree health care plan? Data also suggests that the 35% is a reasonable assumption, so we're going to leave it as is. And again, look through the appendix for information on all these assumptions and I will hand it back to Larry to go over that one last section.

MR. LANGER: That's right. We're going to shift gears from assumptions to Actuarial methods or funding policy. As part of the experience study, we review the Actuarial methods. Again, I'm going to switch gear to the funding policy because that's how folks commonly think of it. Slide 49, just to give everyone a clear sense as to the difference between these. Because actuaries have a tendency to say actuarial assumptions and funding policy and slur it altogether, and you think it's just one thing. But the actuarial assumptions are used to project the benefits of the Fund. It's what we're expecting to be paid from their retirement system, right? And once we project the benefits of the Fund and the returns, we develop a funding policy that is used to anticipate the timing of the contributions to the Fund.
And, three components of the funding policy are below. There's discussion in the appendix, including there's when we talk about actuaries are governed by Actuarial Standards of Practice, they tend to be not be prescriptive, not to tell you this is what you need to do. So actuaries are left to their own devices in terms of how do I understand this? How am I supposed to put this into my work? So, eight years ago, I sat on a public Finance Committee. We sat together and put together a funding policy paper and the link is in the back of the report. It goes through and it talks about what are the different parameters you should make use of for purposes of funding a pension plan. It gets into

a ton of detail though, so but there are a couple of nice things that I've plucked from that and it's on slide 50. Just trying to put it in English, here. There are four things we look for. 1) Sufficiency - that is the funding target should be the value of the benefits so we commonly refer to this as get to 100% funding. 2) Intergenerational equity - let's pay for, taxpayers should pay for the workers benefits while they're working. We do that by virtue of that normal cost or cost of benefits growing. We pay that off every year, but to the extent we're underfunded. You know, that should be over a relatively short period of time, so we're not pushing off payments to future taxpayers. So those two things work in tandem.

And I tend to think of them as, let's fund to about 100% in roughly 15 to 20 years is where practices is at. 3) Stability of contributions is really nice and but, while it's nice and easy to budget for, if it's at the expense of the other two items, it's a problem. So, when you think of the statutory policy, that's easy to budget for, but if we follow it, we continue to follow it, there's going to be problems. 5) Accountability and transparency. Everyone should understand what the policy is actually doing, so we achieve that through like charts and graphs and things like that. Say, see how the contributions increase or see how the funded status increases. So here, this is it in words, and to be fair, these funding policies

conversations, this will be 5 minutes total, maybe 10. We've done training sessions on these every two years back where I went to school back in Michigan. We spend about an hour or an hour and 15 minutes and I still think it doesn't scratch surface. There's so much in here so if you ever find a need to talk about this more in depth, I’d be delighted to come back down and discuss it.

So, slide 51. We talked about public sector funding policies, broke it down like two broad groups. This is somewhat consistent with what we've been saying, except for I clarified some of the terms you know, to tie it in a little bit better in terms of like correspondence you've had back and forth. With President Preckwinkle or Ammar, folks like that, where you talk about actuarial funding. So I tried to put it in your vernacular here. There’s two primary types of funding policies; one of them is fixed contributions. So, like using your multiplier 1.54, 1.30 times member contributions. That doesn’t exist only in Illinois. There are many states that actually have fixed contribution rates where the funding amount is set in statute, and the actuary will set back and will project out what we, how that funding, that fixed contribution, will work over the course of time and obviously we've done that here. Where we say, you're running out of money whenever, 2041, 2047. The difference is, these fixed policies can be successful. We've seen them be

successful, but two things have to happen. 1) Their mount of contribution needs to be sufficient and the reports have shown that number for years. I think that multiplier is set to 1.54 is somewhere like 6% now. So, that number has been in the report, it's just we haven't been able to get it changed. So, you can have a fixed contribution rate as long as this contribution amount sufficient and there is a mechanism for periodic adjustment. So, there is no magic to changing the contribution, every year. There’s no magic to that. You could change it every two years, every five years. Probably wouldn't want to go beyond five years, but you need to have some sort of mechanism to change that if you have a fixed contribution policy. So, we don't have that, obviously, and that's why we run into insolvency. Actuarial funding, I split it up into two pieces. The Board proposal is actuarial funding and that’s a marked improvement. Can’t say that enough, it's a terrific improvement, but it doesn't quite satisfy those first two pieces. Sufficiency, getting to 100% or getting to it within a reasonable period of time. So I call it non-ASOP compliant. It doesn't comply with the ASOPs or it doesn't comply with the public sector papers. It's certainly better than the fixed contribution policy because, you know, we shouldn't run out of money. In an ASOP compliant, actuarial funding is based upon the valuation process, it funds to 100% without long periods of

negative amortization. Or you know that 15 to 20 year period. I know that folks routinely think, well, we don't have ASOP compliant actuarial funding in the state of Illinois. It just does not exist, no one does that. Almost nobody does it. You know, the reality is, periodically, we audit other funds and perform an actuarial audit of Illinois Municipal retirement. That's the plan that, at the end of 2020, it had $50 billion in assets and they had $50 billion in liabilities. They were 100% funded on a market basis. I anticipate this year they will be better funded. They have, when we reviewed their funding and how they fund, it passes the muster of ASOP compliant actuarial funding, so it does exist. There's one other piece though I want to point out here, and I often think, well, it doesn't exist. You know, that's not a real strong argument because the other piece that I really appreciate about the Board proposals is, it looks to fund retiree health care. And if you were to say, well, you know, if we were comparing to other systems, the vast majority of employers do not fund retiree health care. Very few. And, I think it's because of the magnitude of liabilities. It just hasn't happened in the past. A liability has crept up on employers and now they're like, I don't know if I can afford this. But that portion of the policy where you're going to fund retiree health care, pre-fund that, is a good policy despite the fact that it does not exist in a lot of states. Well, a lot of

states do a better job funding than Illinois but for IMRF. On pensions, they don't do a good job at retiree health care. So, how do I wrap this up? We recommend that ASOP compliant actuarial funding be legislated that is sufficient to pay the normal cost of active Fund members, Fund expenses and amortize the unfunded liability with affordable increases over a period which avoids long periods of negative amortization for both pensions and retiree health care. So, if I were to summarize that a little bit quicker than that, there's a County proposal out there, and we know that there is a Board proposal. The best parts of those proposals together, the funding of retiree health care and pension from the Board proposal and introducing actuarial funding, but tighten down the parameters and obviously the County proposal doesn't fund retiree healthcare.

TRUSTEE KOURUKLIS: Question. In the IGA, what is, how is that, which is that closest to?

MR. LANGER: So when I think about the County, it’s the IGA. It’s codifying the IGA from my understanding of what's hanging out there. So that funds to 100% within, well right now, it's by 2045 even though the amortization is over 30 years, but it is only pay as you go funding on the healthcare. Well, that's not actuarially prefunding. That's why I feel like, yeah, Frankensteining the two things together to make sure that we get

both pension and retiree health care funded, fully funded to 100% over a reasonable period of time.

And I know it’s hard, I get that. It's whatever happens from what actuaries wrote on paper by the time we drive it down I-55, a lot of things happens, I get that. That wasn't meant to be derisive.

TRUSTEE KOURUKLIS: No, I know. I think the IGA, from the Fund's perspective; we wanted to make sure that we weren't looking for a tax increase and or forcing a tax increase. So, I think because we were working off of the IGA funding today, I think, and the standard as you said, 90% is really the Illinois standard. I mean, that's what you mentioned, right? We don't, and I'm not saying you're for it, but.

MR. LANGER: Right.

TRUSTEE KOURUKLIS: That's what's happening in Illinois. You said, there's one that has 100%.

MR. LANGER: There's one that's 100%, but the thing that I find ironic is that if you didn't have the provision in Article 9 and 10 that said Counties with more than a population more than 3 million if you didn't have that single piece, this Fund would be participating in IMRF. I know that's a big if.

TRUSTEE KOURUKLIS: Yes.

MR. LANGER: But, you would be funding based upon an ASOP plan funding. It's a $50 billion dollar fund, that's just second

largest fund in the state of Illinois. I think it's like in the top 100 in the world.

TRUSTEE KOURUKLIS: And what do they do with healthcare?

MR. LANGER: Nothing. That's the problem. I mean, but I don't think they administer that either. They don't administer, so it's not under their purview.

TRUSTEE KOURUKLIS: Right.

MR. LANGER: And, I don't know, but there are a lot of systems that don't fund healthcare. I don't buy into that. Ironically, the one that, well, one large statewide system that I can think of, funds healthcare and that's Alaska. They have like 100% funding on their healthcare and 80% funding on pension. But like other plans, North Carolina, we serve. They are one of the best funded plans in the country, and they've got about nine months' worth of benefit payments in their retiree healthcare fund. They're like 93 or 94% funded, they've got like $115 billion in assets and like $125 billion in liabilities.

TRUSTEE MCFADDEN: Isn't that because they have more money than they knew what to do with?

MR. LANGER: This is me editing my comments. It could be, both but that particular fund.

TRUSTEE MCFADDEN: I'm only talking about Alaska.

MR. LANGER: Oh, Alaska, I'm sure. Yes, back in the day. Okay, I thought you're talking about North Carolina, I suspect

but they've actually taken up funding it, they actually have to say yes, we want to fund retiree health care. That's a big leap of faith for a lot of them.

TRUSTEE: KOURUKLIS: To be clear, we're partially funding healthcare. We're not fully funding health care?

MR. LANGER: With the Board policy?

TRUSTEE: KOURUKLIS: Correct?

MS. LANGER: Oh, yes. 90% is better than, you know.

TRUSTEE: KOURUKLIS: No, I'm talking about the healthcare cost to the employee or the retiree, I should say.

TRUSTEE HUGHES: We subsidize it.

TRUSTEE: KOURUKLIS: It's a subsidy.

MR.LANGER: Oh yes

TRUSTEE KOURUKLIS: And #2, I think what's really important is if you don't fund health care and I know it's stating the obvious, I just wanted to get my say in, than what do you do, stop it when you don't have the funding? We tell everybody whose part of a plan that, I'm sorry this year, you're paying 40% more or whatever the increase would be per person, right? You have a big medical procedure coming up, I'm sorry, Cook County can't help you. You've been part of it for years, but no longer. I mean, that's a big decision that I think Cook County, not this Board, but Cook County also needs to consider. And the annual review and determination if they're going to fund or not is I

think what they're looking at, and it's a risky path to take. So, all these are important and need to be considered. So good.

PRESIDENT WILSON: Okay, more on this or are we ready for a decision? Do we have questions? I know we want to talk about our funding under legislation as well, so I don't want to stop that conversation but also want to know, do you have more questions on the actuarial experience study? Do you understand the recommendations that are being presented? Do we need more time?

MS. TUCZAK: Trustee O'Rourke had a question. Go ahead, Trustee O'Rourke.

TRUSTEE O'ROURKE: Thank you, Gina. My question is based on the chart on page number 11. We're looking at line 5, unfunded liability section. I'm just wondering if you could help me understand that better. It seems that if we stay with our current assumption that we would have a $5.644 unfunded liability. If we go with the 7.25%, it seems like it improves that situation, and I'm not sure if I understand the relationship between these proposed assumptions and the impact it has on our unfunded liability posture.

MR. LANGER: Alright, so slide 11 and you know I'll just walk through the unfunded liability piece and just clarify for folks where these changes come about or what's causing this. So, the current assumptions is based upon the, you'll see that in the 12/31/2020 valuation report. That's based upon the

assumptions that were adopted back in April of 2018. So now, we show four columns of proposed assumptions with different DRs or discount rates. So the proposed assumptions underlying this are the same for all four of those right hand columns. It includes the salary increases and the inflation components that I talked about, it includes all the demographic, the termination, retirement, mortality, healthcare stuff, and miscellaneous assumptions that Ryan talked about. So all that is baked in except, where we show alternate investment return assumptions of 7.25%, 7.0%, 6.75% and 6.5%. And, so, when you look at the unfunded liability, item 5 there, you can see that when we put in, when we make all our recommendations other than changing the discount rate or the investment return, you can see, as you noted, that the unfunded liability decreases by about $300 million from $5.6 billion to $5.3 billion. The primary reason for that is every assumption other than mortality suggests lower projected benefits in the future. More terminations, retirements are a little bit later, salary increases are a little bit lower, so all those things work to drive down the liabilities because we're projecting less benefits to be taken, but for mortality. And mortality, I think, actually increases liabilities by something like 1.5% somewhere there if I'm recalling right. But all the other things offset it, and more so that's why we're seeing less unfunded liability. Now, we're getting into dropping

the discount rate. And you're going to see with each 25 basis point drop in the discount rate, it looks like we're adding about $500 million to the unfunded liability from $5.3 to $5 or from $5.4 to $5.9 to $6.4 to $6.9 about $500 million with each increment, not quite exactly, but you get the sense of it. And that's the impact of lowering the assumed rate of return. If you're going to expect lower assets, that means we have to have more liabilities on the floor and consistent with that, when you look at the bottom of slide 11, we have the three components there, and this again, is based upon a 30 year policy. It's not the Board proposal, it’s not the IGA, it's not the statutory, but it's a nice, consistent, somewhat safe actuarial basis for an easy comparison among these things. The amortization of the unfunded liability is item 8 and you can see that after you get to the second column, the costs tend to increase over the course of time. Item 9 is the employer normal cost. Here you can see again, we have a decrease and it consistently increases as you lower the discount rate. That means the employer contribution, if we can keep the discount rate the same, which we can't. We'd go from 32.86% to 30.38% and then if we dropped to 7% we get to 32.98% almost the same. Effectively, all those changes on all the other assumption was worth about the same as dropping the discount rate from 7.25 to 7%. It was that much a reduction in liability. Our recommendation of 6.75% suggests that the

contribution goes to 35.64% so about at that point, a 3% increase on this basis and then a little bit higher for if the Board chooses to go down to 6.5%. Did that describe it?

TRUSTEE O'ROURKE: Just one last question, so if we accept the 7.25% discount rate and then we see a noticeable decrease in the unfunded liability, which I am thinking would be great, but if that is turns out to be not accurate, what's the safeguards or recommendations going forward? Would you give us, Trustees to make sure that we do not in anyway, precipitate or make sure we don't unknowingly increase our unfunded liability.

MR. LANGER: So, couple things. So the numbers that we're showing here is recast to 12/31/2020 valuation results with these different assumption recommendations. So, the 7.25% we just show for illustrative purposes. It's just to show that everything but investment return resulted in an actuarially lower liability and a higher funded ratio and a lower potential contribution. So, our recommendation is two columns over at 6.75%. So I think a little bit of what I think I heard you say is, you know, what assurances are there that the unfunded liability doesn't grow?

TRUSTEE O'ROURKE: Correct.

MR. LANGER: So, there are none. We recast the valuation every year, and the unfunded liability could be bigger. Things don't go according to plan. I hate to be a pessimist, but they

don't necessarily go according to plan. Also, another thing in order for the unfunded liability to decrease, you know, we have to have proper funding policies in place to systematically pay that down. There are no assurances there, particularly on retiree health care, and well, in any of them. I mean the IGA could disappear. I don't mean to be a pessimist, but it could, there is nothing guaranteed for any of these contribution amounts s, there is no guarantee that the unfunded liability is going to decrease. If you get a good funding policy in place, that certainly helps. Everyone agrees that the contributions are going to be made, that certainly helps, but we don't know what experience is going to be. I think, you know, if we go based upon what we think investment return expectations and those do come true. You can expect the unfunded liability to grow. That's just how it's going to be. But I wouldn't recommend dropping the investment return assumption all the way down to five and three quarter percent or 6%. Although, the nice thing about that is, if the contributions are adjusted to help pay that off, you're not pushing off how you pay off the unfunded liability payments. Right now, I think I'm getting in a worm hole, but did that help explain a little bit?

TRUSTEE O'ROURKE: Yes, that was great, thank you.

TRUSTEE HUGHES: Larry, just a quick question here. So, your assumption here you used to kind of a separate set of

assumptions with regard to what the ARC would be. I'm thinking, I'm looking at like row 10 on page 11 and not like the IGA or all that.

MR. LANGER: Right.

TRUSTEE HUGHES: Would you expect it if you would say, hey, I'm going to go with the IGA funding assumptions. Would you expect those numbers to change much or I'm kind of wondering whether that be useful information for the trustees to have.

MR. LANGER: I forgot where the IGA was at as of 2020. I thought it was a little bit less than $522 million in total. I think so, at least for the County pension plan.

TRUSTEE HUGHES: Right, it doesn't affect the Forest Preserve?

MR. LANGER. Yes, so I think it would probably be about, these are probably inflated by 30, 40. Whatever the difference is from the IGA letter, which I don't have memorized but those that type of change I think would be rather consistent. So, would I expect the IGA and under the current assumptions to be similar to the IGA under the proposed assumption at 7% discount rate, because those numbers on page 11 are sort of consistent, I think they'd come awfully close. I mean, there are different ways of getting there.

TRUSTEE HUGHES: I didn’t know whether that would be helpful for the Trustees or not to have that information or not. I’ll defer to the group on that.

MR. LANGER: When you look at the 6.75%, could it be about $40 million more? That would be a good guess. Something that's not necessarily baked into here is that in the valuation, we make use of this smoothed value of assets and so we've had a couple, I don’t know what this past year has been, but it's probably quite nice. 2020 was a nice year in terms of returns and you know, we haven't completely reflected those yet, so I anticipate that, contributions, absent changing the assumption, investment returns that we haven't reflected, will keep contributions, would otherwise decrease. So that will help partially offset this potentially. And other things that are sort of common when large changes in contributions are anticipated from an experience study. A phase in of those amounts, sort of similar to a ramp, of a different way of getting there. A phase-in is reasonable over like a three year period, four years here or two years or whatever, just to sort of ramp into it. If there is a higher tendency to wait to see if someone comes back and says we can't afford that can we phase it over a couple years because I get surprised. I never know what employer is going to be able to afford it, and what doesn’t. I

consistently get surprised. I cannot predict that. That's a good point.

MS. TUCZAK: One idea that I had, or a suggestion has come to my attention is, I know this is a lot of information and there's a lot of different facts in here in terms of what the assumptions were and recommendations, would it be helpful to come back with a summary for next month that might lay out some specific information? I think slides nine and ten, show increase, decrease but have more specifics, such as inflation rate was 2.75%, go to 2.50%. And then also, maybe display it compared to four years ago, what the recommendation was and what the actual was. Would that be something that would be helpful? We do have the benefit of another month to make a decision. Larry has told me that if a decision is made at the March meeting, that still is sufficient time for the valuations to be completed with the time frame that we must honor for the commitments associated with the IGA reporting. So it's just an idea to maybe put it together.

TRUSTEE MCFADDEN: You're talking about two supplemental pieces of information, one comparing what Larry told us to expect and what the actual was?

MS. TUCZAK: Right, from four years ago, what did the experience study show, what was our experience and then we have more specifics on here with a summarized financial result that

includes pension and OPEB. It's just an idea. I don't know if it's helpful. I don't know if the Trustees are prepared to make a decision.

PRESIDENT WILSON: Let me ask. What kind of other information? Let's go around. Is there something in particular that anyone would like to see? The interest rate certainly is the one that is the most dominant. We don't tend to debate the demographic assumptions as much, but what additional information does anyone want to see besides a comparative? If we do look at a comparative, I'm not sure how that really is going to influence or should influence our decision. It's nice to have it in front of us, may be easier to understand than trying to pull it out of the report because it's already here, but and I'm not opposed to that, but what else would someone like to see to better understand or be able to make a decision?

TRUSTEE HUGHES: I think more discussion on investment return. Because that's the big driver. Now, whether we do that here or later, then again I will defer to the group, but that's probably the main thing that we would need to discuss to make sure we're comfortable with our assumption that we're approving.

PRESIDENT WILSON: I'm sorry with the sound Steve, I didn't get quite the beginning of what you said, and you’d like to see what?

TRUSTEE HUGHES: Well, just more discussion on investment return. What assumption we feel comfortable with because there is a pretty wide ranging discussion there.

PRESIDENT WILSON: Okay, I think that's fair. Anybody else?

TRUSTEE BLAIR: I would agree with Gina’s recommendation as well so we can get some perspective to it from what it looked like from four years ago. I know that the future is certainly unpredictable, but it may provide additional perspective.

PRESIDENT WILSON: Gina, can you kind of summarize again for us exactly what additional information we will have, we will get in the interim, to discuss in March. And I think you've already confirmed that that would be sufficient time because these assumptions would be used for the 2021 numbers, is that correct?

MS. TUCZAK: Yes, that's correct. It's just a summary of the current assumptions versus the recommendations with more numbers associated with them rather than just decrease, increase.

PRESIDENT WILSON: With the impact, yes.

MS. TUCZAK: Yes. And then, a comparison of four years ago when the last experience study was done if possible, what the recommendation or the assumption used was versus actual experience.

PRESIDENT WILSON: Sounds good, does anyone want to add anything to that? Okay, I think we have a consensus and we’d like to see that before the meeting since this is complicated

and something that we don't do, we're not subject matter experts. So, if you can get that to us sooner than later so that everyone has a chance to see it before the meeting.

Is there anything else we want to talk about on this subject?

Gentlemen, thank you very much. That was a lot of complicated information. Thank you for trying to put it in easy speak for us. We look forward to, I'm sure we will ask you to come back next month.

Anything else that you want to talk about before we move forward to the next item?

Hearing nothing. Thank you and let's move forward to legislative matters.

MR. GUNDERSEN: Take care.

MS. TUCZAK: Thank you.

PRESIDENT WILSON: Gina?

MS. TUCZAK: Great. You have in front of you a memo from Mr. McCabe with respect to upcoming deadlines and overview of changes and challenges with the current General Assembly conditions but I think more importantly, I want to make sure that everybody is clear on kind of what has happened to date in 2022. So, behind tab B, there is a funding legislation comparison chart. It has three columns to it and it's kind of tan-colored shading on part of this. I just want to make sure

everybody is clear where we are. Derek Blaida, who's in the room, he got the Board approved proposed legislation from our December meeting to a sponsor, Representative Rita. In January, met the deadlines and that is currently a bill, House Bill 4980 that has our 90% over 40 years with a ramp beginning in 2024 through 2026 and then out to 2064. Okay, so that's there. Then, it's my understanding that House Bill 4100, which was the legislation from March of 2021 of this Board, that has similar terms in terms of its 40 years, it has a three year ramp, but it's a year shorter because it was based on last year's session and last year's information. Okay, so that's there now, that's 4100 that has been moved to committee so that Bill appears to still have some life to it. And perhaps Derek can describe that much better than I can. And then the last item that came to our attention is that there's a Senate Bill 3909 introduced by Senator Martwick in January that is with respect to actuarial funding for the Forest Preserve, which appears to have come from the Forest Preserve District of Cook County. So, I just want to make sure that all the Trustees understand and I know I sent you some emails, what's there right now. And, if there is any interest in discussing that further, there's a little bit of an inconsistency because House Bill 4100 is a year old now, so the ramp numbers have changed and the dates have changed. Just moving it out a year. In addition, Mr. McCabe said he wanted

like a write up of the Bill, which last year I gave you a write up in March. Everybody seemed to be happy with it. Mary Pat had looked at it and he used that so he asked to have that updated and I have it in here so you could see it again, but the challenge is, is that the Bill that he was looking to receive this for is 4100, which again is a year out of date, whereas now we have this other Bill that's a year older. So, this funding Bill summary that I put in here reflects current year dates. So that's where we are.

TRUSTEE BLAIR: So, where did House Bill 4100 sit from June 15th and then what conversations were had for Representative Burke to introduce it January 25th? Where has it been, because if my memory serves me, it's sometimes not always good. We thought that that wasn't introduced, right?

MS. TUCZAK: Would it be okay if Mr. Blaida came and sat over here?

TRUSTEE BLAIR: Yes. We didn't know where House Bill 4100 was, so then we had to come up with 4980, is that right?

MS. BURNS: We always put a bill in, every year.

TRUSTEE BLAIR: Yes.

MS. TUCZAK: So Trustees are looking backwards, if you can come speak to them.

MR. BLAIDA: Let me throw one more layer of confusion on top. And then, I'm going to ask you to step back for a second,

we’ll just take a 60-second, 30,000 feet view. This morning, during the previous presentation, an amendment was filed on House Bill to do exactly what the Forest Preserve funding 2063 Bill that Gina referenced would do in their chamber. That's automatically been referred to the House Rules Committee, just a procedural bump. Practically here’s where we’re at. As discussions continue between our Board and the County during the month of May, We approached Memorial Day.

TRUSTEE BLAIR: In 21?

MR. BLAIDA: Yes, last year in 21.

TRUSTEE KOURUKLIS: With Senator Martwick.

MR. BLAIDA: With Senator Martwick, representatives of labor, and others. It's my understanding that simply to throw our position down for the world to see, 4100 was filed as a perfunctory matter, to say Senator, we can continue to have discussions, but this is what our Pension Board is for. 4100 was forwarded automatically to the House Rules Committee, as every proposal that is filed is. The session adjourned in early June. So for all intents and purposes, that bill with thousands of others, stands. Because of COVID, because of the snowstorm, because of other reasons, the House Rules Committee sent various bills to committee on behalf of sponsors that may or may not have requested them to do so. 4100 was one of them.

TRUSTEE BLAIR: Got that.

MR. BLAIDA: Representative Rita, who chairs the House Executive Committee, I would argue with one of the most powerful committees in the Illinois House, filed our bill on our behalf. That bill will likely, we hope, be referred to committee late this week, early next week for consideration. The Illinois house is off next week. The Senate goes back to Springfield. God hoping, weather or not, we'll see. So practically, where are we? Well, we know this is a shortened session, six to seven weeks to go with a tentative adjournment date of April 8th. We know we have a Bill that affects the Article 9 and 10 funds. As of today, the County has not introduced anything affecting the Article 9 Fund, only the Forest Preserve District Fund. I can't speak to why that is. I do know that, though the County will be seeking consideration of their Article 10 funding Bill. We are prepared. Representative Rita is prepared to enter negotiations with others on why our Bill is the appropriate funding model. Let's send both systems to the General Assembly for consideration at once. I think we're in a good spot with the understanding this year, both the President of the Senate and the Speaker of the House said, because of the truncated session, because the early adjournment date, because of the change of the primary, and other reasons, our number one priority is a responsible budget. I do think if we can come to an agreement. I do think we can pass our bill. Do I think we probably will have

to enter negotiation discussion with Senator Martwick and others? Yes, probably.

MS. BURNS: When you say, our Bill? Excuse me for interrupting.

MR. BLAIDA: I'm sorry.

MS. BURNS: Because is it our bill, which is 90% funding for Cook County and Forest Preserve, Article 9 and Article 10?

MR. BLAIDA: Yes.

MS. BURNS: Okay.

MR. BLAIDA: That's reflected in House Bill 4980 Representative Rita filed separately.

MS. BURNS: Are we, should we all be concerned about a conflict because this Board represents both Cook County and Forest Preserve members? If there's a bill out there giving Forest Preserve 100% funding, why would we be looking for 90%? I mean, that changed the game a little bit, so I do think that as Trustees, you need to think about. It puts you in a sticky wicket, my mother would say. You have to figure out a way to not compromise in any way from Forest Preserve getting a 100%, if that's what the County inclined, or the Forest Preserve District, with the County, is inclined to do. Try to get that same benefit for us at 100%, if they are willing to do it. Of course, if they're not going to do it, then the 90% makes sense. But I just want to be very careful that we don't go in and hurt

the Forest Preserve's Bill in a way that would put the Trustees at risk.

MR. BLAIDA: So the good news is, we have options going off what council said.

MS. BURNS: Make sense.

MR. BLAIDA: I would suggest that this Board give John and I the authority to draft an amendment which changes our 90% funding to 100% for both the Article 9 and Article 10 Funds. For two reasons, if we're already there for the Forest Preserve Fund, parity is good. At worst case scenario, in discussions with Senator Martwick and others, they say, hey can't do 100%, we have to do "x" or create a final amendment number two, if we have an agreement, pull it together. So, I would request the authority to draft an amendment that takes our 90% full funding up to 100%, simply because the County has filed now, a House amendment in a Senate bill saying they're willing to do, or they believe they can do 100% for the Article 10. If there is an agreement, regardless of what the agreement is, we'll draft a subsequent. I believe Representative Rita will file our amendment, if it goes to committee, and I'm expecting it will. As it relates to 4100, I know it was sent more for a perfunctory reason than to specifically consider our proposal when it was referred. I have a call into the Bill sponsor. I have not specifically gone over, but I'll see her next week in

Springfield. Long story short, I think we're in a good spot, in a very truncated, surgical year. I know our Bill sponsor is happy to speak on our behalf on your funding request.

TRUSTEE BLAIR: For 4980?

MR. BLAIDA: For 4980, for your funding request, for the concern that has been discussed on Board composition and for health care reasons. I don't think we could have a stronger sponsor, and his position as the Chairman of House Executive Committee, that doesn't hurt either, But I would expect discussions to continue between us and the County proper, whether that's in front of a committee or in a conference room, on the best way forward because of the calendar and because of the targeted adjournment date of April 8.

TRUSTEE BLAIR: Do we have any contact with Senator Martwick's office at all?

MS. TUCZAK: No, I haven't.

MR. BLAIDA: It's my recollection that he was considering scheduling meetings over this past summer.

TRUSTEE BLAIR: Right.

MR. BLAIDA: But for one reason or another, he just decided not to call it.

MS. BURNS: If I may? Yes, I keep on interrupting, but I do think that you have to keep the Legislative Chair and then the Board informed because we cannot compromise the Forest Preserve

opportunity to get 100%, and you have to make sure they get 100%, even if we only get that, you know what I mean? We can't hurt our Forest Preserve members. We have to be very vigilant to try to work something out, but not try to hurt them.

TRUSTEE HUGHES: If I could speak to that, the Superintendent was very, this is very important to him to get the pension fully funded, and since we don't participate in the IGA, he, asked guess our executive director, I should say our director of Legislative affairs to kind of move this forward because he's concerned about what is under his control, which is the Forest Preserve. So that's why he, he did not want to kick the can down the road, that's why he wanted to go with a 100% funding.

MS. BURNS: Understood, but now that it's in a bill that Derek is taking to the Fund, you're going to; we're going to have to be careful. You're going to I know, do what's in the best interests of this Fund which is to make sure the participants for Forest Preserve get the maximum amount they can get for their pensions.

TRUSTEE HUGHES: That's our thinking.

MS. BURNS: That's right and so you see how it's confusing?

MR. BLAIDA: Without question, let me add one more layer of confusion, since we're confusing everyone in Springfield as well.

MS. BURNS: That’s what I’m worrying about.

MR. BLAIDA: Hypothetically, what if the Illinois General Assembly says we would only like to consider the Article 10 funding bill as written, 100% if I recall, statutory contributions for the next two or three years and then the funding cycle through 2063 or 2064.

MS. BURNS: The right of the Forest Preserve district to make contributions in any years, that it wants to make, in addition to the statutory requirement.

TRUSTEE HUGHES: Right, that we have. I believe it's worded. If you recall, I have mentioned that there was a referendum that we're hoping gets passed in November, so it's contingent upon whether the referendum gets passed whether we can provide funding sooner or not, but no later than after the ramp up period.

TRUSTEE KOURUKLIS: That was going to be my question. If this passes before the referendum and the referendum doesn't pass, then what?

TRUSTEE HUGHES: My Superintendent’s committed to doing what we need to do to fund the pension fund quite honestly. So that we made it really clear to our advocates that part of the funding from the referendum would be directed towards pensions. That's another reason why he wanted to get this introduced because our advocates are, we’ve been working with them, and

they're asking what are you doing with the tax increase and we're saying, well about 1/4 of its going towards pensions and he wanted to kind of put a stake in the ground and say this is my commitment to do that quite honestly, so that's one reason why I think he went forward with the legislation. If it doesn't pass, we're still committed to doing it. We just have to do a lot of belt cutting and that's why we, or tightening. That's why we've been pretty clear as to what the bad outcome if the referendum doesn't get passed, there's going to be a lot of cuts will happen, quite frankly.

TRUSTEE KOURUKLIS: So how does that funding affect our Bill 4980 if it does change to a 100%? You have to look at that and see you know, what the overall funding dollar amount would be.

MR. BLAIDA: Sure.

TRUSTEE KOURUKLIS: You don't have that proposal right now.

MR. BLAIDA: Correct.

TRUSTEE KOURUKLIS: I mean, I am sure we can get it, but to my comment earlier, I think we were trying to work within the parameters of the IGA and funding healthcare without putting a burden or even an additional burden on the County to fund pensions. So, if we're forced to do that, we'll have to.

PRESIDENT WILSON: Bill, turn around by the microphone so we can hear you.

TRUSTEE KOURUKLIS: Yes, so I said that if we're placed in this position where we have to introduce a change to our legislation because the County is introducing 100% on Forest Preserve. As Mary Pat said, that's a no brainer, we should, but I think we were always cognizant about making sure that the County or I should say the Pension's proposal included health care funding, actuarial funding without placing an additional burden on the County itself to increase funding for, to increase the yearly payment to the Pension fund. So, at this point, it looks like we're going to have to increase the annual payment to the pension fund from the county to make 100%. If we want to continue to include healthcare and we want to we want to stay within the parameters that the Forest Preserve has already placed in their Bill.

MS. TUCZAK: Just to be clear, the Forest Preserve Bill is pension.

TRUSTEE HUGHES: Yes, it is our pension. It doesn't cover healthcare.

TRUSTEE KOURUKLIS: Okay, so it's complicated.

MS. BURNS: But I think the point is, if I may. They send this truncated schedule. Is it reasonable to assume that there might be some discussion on either or both of these pension funding bills, the Cook County and Forest Preserve Funds before

April 8 or do you think it'll get kicked until the November veto session?

MR. BLAIDA: I think there could be discussion and I guess it's really two questions from my perspective. 1) If just the Forest Preserve 100% no health care proposal is called in committee, what is this Board's position? And then, separate and apart from that, if for whatever reason it doesn't pass, where we are on our Bill as it relates to the 90% we introduced to potential amendment number one, which would change 90% to 100% for both funds. I think, obviously the Representative Rita is a little bit more complicated, and may have more discussion. So I think, it's a two part question, if you will. So we're running two trains simultaneously down the track with the understanding that the short session really provides a narrow window.

MS. BURNS: And I think we have to be careful because Forest Preserve doesn't have health care and we don't want to just say well, give us some, unless the numbers work out like, with Larry's team, that 100% funding puts us in the same position as 90% for pension and health care, if it's basically the same. I just don't want the Trustees at all at risk for favoring one group of annuitants over another or in any way not getting as much benefit, you know, as they can during this period. So I think we need to do some work with Mr. Langer and cost this out, maybe? Get the figures and then once we know, I think you need

to have Derek, sort of, communicate in a more regular, not just at a meeting communication, because if we wait until next month.

MR. BLAIDA: Too late.

MS. BURNS: It'll be too late. It'll happen and I could call, you know, talk to the Senate President and see what the schedule is but it seems.

MR. BLAIDA: It'll be too late.

MS. BURNS: It will be too late obviously. So I think, we have to give Trustee Blair some discretion or too his Legislative Committee to be able to in real time communicate with Derek in case something changes. That's all I'm saying, if you really want to move this.

TRUSTEE BLAIR: I don't think that we have a choice, but not to. We have to. So, is your recommendation to introduce an amendment to 4980 to go to 100% funding, but then also being cognizant of the fact that in 3909 the Senate Bill, it has 100% funding but doesn't account for medical. I mean, there are so many variables here; we have to be able to almost in a moment's notice, be able to come together.

MS. BURNS: That's my point.

MR. BLAIDA: And that's the problem.

MS. BURNS: That's my point. it can happen in a nanosecond, there'll be a phone call. So you have to set priorities. Is your priority as a Board to have a 100% funding Forest Preserve for

pension and health care, first? And then Cook County Board, saying, I am sorry, the Pension Board saying the same thing. Second, 100% funding with only pension? We can't get health care for both Funds and third thing, is otherwise 90% for both Funds with health care.

TRUSTEE BLAIR: We've never even looked at it like that before though.

MS. BURNS: I know, but I do think because what the Forest Preserve did, that's where you're at. And the fact that Senator Martwick introduced this Bill, it makes sense.

TRUSTEE KOURUKLIS: Well, we have to fund Forest Preserve. That's number one because it's not currently part of the IGA, and it's a shame then that has to happen.

TRUSTEE HUGHES: This is a suggestion, so we try to understand.

TRUSTEE KOURUKLIS: But to your point, we don't want to go against any funding Bill that is in need.

TRUSTEE MCFADDEN: Here, so if he gets 100% this year, than next year we'd be, that can't hurt you. Going for 80%, that hurts you. The big thing left out is the health benefits. Is there any thinking that get kicked around or that's a long way from what the major concern is, so to speak.

TRUSTEE HUGHES: I don't think that was within my Superintendent’s, there was not enough time to be honest with you.

MS. BURNS: We could raise it then. This could be hard for the Pension Fund to pay for this healthcare.

TRUSTEE MCFADDEN: Well, maybe our position is that we're not. If anyone entertains us, well then we have something to worry about, but I don't think it's going to happen. So the best thing we could salvage now is the health benefits.

PRESIDENT WILSON: Let me throw out something. How about if we authorize the committee to convene the Legislative Committee to toss this around with Derek? And then we could be prepared to have a special board meeting if necessary to come in and take action quickly on some recommendations, but give you the opportunity to go and work this out, rather than trying to get all the details now. I'm happy to keep going, but it seems like there's more complicated than and we can't get a conclusion on the exact action, but we do know that the Legislative Committee wants to work with our legislative consultant and the actuary.

TRUSTEE BLAIR: I think that's a great idea.

TRUSTEE KOURUKLIS: I have one question before we move on. Did the Forest Preserve, and I don't know, you just asked to take in consideration the healthcare and your answer was no, correct?

TRUSTEE HUGHES: He was focused on getting the pensions fixed, to be honest.

TRUSTEE KOURUKLIS: And, prior to me coming here, has the County Pension Fund, has this Fund ever done a survey of all County employees, including retirees, too find out if they'd like to continue a health care package that the county would subsidize? Did we ever ask?

TRUSTEE MCFADDEN: No.

MS. BURNS: Not to my knowledge.

TRUSTEE KOURUKLIS: The obviously answer would be yes, but I guess, you could also ask them, right? If there's a proposal that isn't going to include health care…

MS. BURNS: 100% pension.

TRUSTEE KOURUKLIS: But a 100% pension. Now, there's a compromise. I mean, we're here to represent the group I just mentioned, right? And labor, leads the way in too and we need to talk.

TRUSTEE MCFADDEN: I would say that there's no survey because less said the better.

TRUSTEE KOURUKLIS: Well.

TRUSTEE MCFADDEN: You know, it wasn't until recently that anyone understood that it wasn't provided for in the statue.

MS. BURNS: What President Wilson said makes a lot of sense. Empower the Legislative Committee to work on this with Derek, report to the Board, we could do it through communications that don’t violate the Open Meetings Act, and then have a special meeting if we need it.

TRUSTEE BLAIR: So I would make a recommendation that we have a Legislative Committee meeting next week.

TRUSTEE MCFADDEN: I've made the recommendation that you fellas and anyone else that sits on the Committee that’s interested decide what you want to do and do it. I don't think you can do it by committee.

MS. BURNS: Let him talk to Derek.

TRUSTEE BLAIR: Okay.

MR. BLAIDA: So I guess, I have three questions. 1) I would like the authority just to prepare an amendment, as I have no idea how this is going to go, to change 90% to 100% for both the Article 9 and 10 Funds just to have in a drawer.

TRUSTEE BLAIR: In House Bill 4980?

MR. BLAIDA: House Bill 4980. Not filing it but just to have it ready.

TRUSTEE BLAIR: Right.

MR. BLAIDA: Then I would like the explicit authority if the Forest Preserve Bill does go to committee for consideration, this Board to support.

TRUSTEE MCFADDEN: Yes. Yes, right.

TRUSTEE KOURUKLIS: Yes. We could vote on that now. I think that's a yes.

MR. BLAIDA: Okay, and then to follow up with the Legislative Committee Chairman at his convenience, for further discussions on all this.

TRUSTEE BLAIR: Perfect.

MR. BLAIDA: Perfect.

TRUSTEE BLAIR: Do we need to vote on?

TRUSTEE KOURUKLIS: I would just for on record check. I'd like to be on record.

MS. BURNS: Sure. So it would be a motion to support or to authorize Mr. Blaida our legislative liaison to take all actions necessary to indicate support for, bills 3909 and 1357 amendment number one, assuming I have those numbers correct.

TRUSTEE MCFADDEN: So moved.

TRUSTEE BLAIR: I would second that.

PRESIDENT WILSON: Okay, who's the motion?

MS. BURNS: Motion by Trustee McFadden, seconded by Trustee Blair.

PRESIDENT WILSON: Okay. Ready on the questions, I guess just a clarification. Can we, Mary Pat say yes as Derek suggested without knowing, or at least summarizing what the broad points of the bill will be for the record, so we're not

blindly saying yes or it maybe it's not blind, but just give me some clue, help me make sure we structure this so that we all know what we're voting on. I know the intent is funding for both Funds and we're universal about that, but.

MR. BLAIDA: Mr. President, 3039 and 1357 amendment 1 is simply the Bill that only addresses the Forest Preserve funding that changes after a three year statutory fixed contribution, puts the Forest Preserve and only the Forest Preserve on a ramp to 100% funding, by I believe 2063.

TRUSTEE BLAIR: Pension only.

MR. BLAIDA: Pension only, no healthcare.

TRUSTEE MCFADDEN: No specific conversation about healthcare.

MR. BLAIDA: No specific conversation about health care.

TRUSTEE KOURUKLIS: Well, then that's wrong, then. The summary’s wrong. Because it really shouldn't say pension only, it should say, it should nothing. Only assumes that there's…

MR. BLAIDA: With no mention of healthcare in the proposal.

MS. BURNS: But President Wilson, the point is all the Board is being asked to vote on is an existing Bill and whether or not the Fund can take a position in support of that Bill, that’s Senate Bill 3909 and whatever the House one is.

PRESIDENT WILSON: Makes sense. Can we do that without having a copy that everyone can see? I think we can, voting on the intent.

MS. BURNS: It’s in the book.

MS. TUCZAK: It's in the book. I had a hard time getting it into BoardEffect because there's something about the way that it's produced that I can't electronically copy it and paste it into BoardEffect.

PRESIDENT WILSON: Oh, if it's not going to change, I'm fine. I just wanted to make sure that we know what we're voting on ultimately. If you're saying just vote on the bill as it is, but I thought we might be making some modifications?

MS. BURNS: That’s alright.

PRESIDENT WILSON: Okay.

MS> TUCZAK: A copy of SB 3909 is in the book, not in BoardEffect because there’s some restriction with taking the PDF and trying to move it. I don't know if it's because of the LRB barcode or what, but the hard copy is in the books here.

PRESIDENT WILSON: I think as long as the motion says just to vote on the bill as it exists, that’s fine. And then, the second part is?

MS. BURNS: I think that's the only motion.

PRESIDENT WILSON: Okay.

MS. TUCZAK: I would make one comment if there's authority to have an amendment for 90% to 100%?

MS. BURNS: No, that’s not what we’re doing.

TRUSTEE KOURUKLIS: That’s part of the Legislative committee.

TRUSTEE BLAIR: Yes, that's just the committee side, right?

PRESIDENT WILSON: Okay. Somebody please restate the motion if you would, please? And then let's call for the roll call.

MS. BURNS: I think the motion is simply to provide authority to the legislative liaison to indicate board support for Senate Bill 3909, which would provide 100% funding to the Forest Preserve District as that bill currently reads.

PRESIDENT WILSON: Okay. Any other questions or comments on the motion before we go to roll call?

Roll call, please.

TRUSTEE KOURUKLIS: I do. Derek, will you move forward with support of this legislation or are you waiting for a request because I think it's an indicator. I prefer that we go forward and tell them that we're supporting it rather than waiting for what’s the pension position is.

MR. BLAIDA: So, we reach out.

TRUSTEE KOURUKLIS: So I just want to make sure you're reaching out and you're not waiting for it.

MS. BURNS: We’re going to file a slip to support it?

MR. BLAIDA: We're going to file a slip of support. I am happy to do it.

TRUSTEE KOURUKLIS: Okay. Sorry, President Wilson. Go ahead.

PRESIDENT WILSON: Okay.

Roll call, please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Aye.

MS. FAHRENBACH: Trustee McFadden.

TRUSTEE MCFADDEN: Aye.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

So the motion passes regarding Bill 3909 for the Forest Preserve. Is there anything else that to be discussed under legislative before we move to benefit matters?

MS. TUCZAK: One question I have is on the funding bill summary, I would ask if the Board, I just want to make sure you've seen it, if you have any comments or suggestions for modifications please let me know. Otherwise I'll forward it on to our legislative liaison so they have a piece of paper that describes the current bill.

TRUSTEE KOURUKLIS: Other than remove "only" from the summary.

MS. TUCZAK: No, this pertains to the funding bill summary. Not the legislative comparison charts.

PRESIDENT WILSON: Okay.

MS. TUCZAK: I was asked by Mr. McCabe to provide it. That document right there. There you go. And I want the Board to see it before it goes to any staff downstate. If you have any comments or questions, just get them to me today, if possible, and then I can provide it to our legislative liaisons.

TRUSTEE KOURUKLIS: And this is for 4100?

MS. TUCZAK: No, for the current.4980.

TRUSTEE HUGHES: Is 4100 going to away?

TRUSTEE KOURUKLIS: We're not going to provide anything, right?

MS. TUCZAK: I will tell Mr. McCabe that we're not going to provide anything for 4100 or perhaps Derek can also…

TRUSTEE KOURUKLIS: I think the answer should be that we're supporting 4980 and if there are any amendments.

MR. BLAIDA: I'll get in touch.

MS. TUCZAK: You'll talk to him about it, and then if I get any comments today, I'll incorporate it and if not, I'll send it off.

MS. TUCZAK: Thank you.

TRUSTEE MCFADDEN: So you will let Derek know, so that we're not tripping over each other.

MS. TUCZAK: I will provide this to Derek and he'll talk to Mr. McCabe. Does that sound good?

TRUSTEE BLAIR: So, 4100 would just go away, right?

MR: BLAIDA: 4100 would basically just die.

TRUSTEE BLAIR: Okay.

MR. BLAIDA: For essential purposes, it's nothing.

PRESIDENT WILSON: Thank you, all.

Let's move on to next item, benefit matters. Gina, can you give us a summary?

MS. TUCZAK: Yes, we have a memo in here behind tab 5. We have had some fraudulent documents that have come our way. You may recall, we discussed this at the last Board meeting and subsequent to that Board meeting, we had another member that

called us about the member's January 1st annuity payment. So it's in the same batch from late December, but the story is similar in that we received a direct deposit authorization form to change the direction of the annuity payment. We honored that instruction and we deposited that money for that member in an account. The Member subsequently called us and said where's my annuity and has signed an affidavit indicating that they did not provide those instructions. This had all happened prior to us changing our procedures, but the member just wasn't looking at his account, so I didn't know that at the last Board meeting.

TRUSTEE BLAIR: Which we all talked about at the last board meeting.

MS. TUCZAK: Yes, but I do need authorization. My request to the Board is that we go ahead and provide this member his annuity payment from January because he didn't receive it and that amount is 20,388. Sorry, $20,338,22.

TRUSTEE MCFADDEN: for January?

MS. TUCZAK: Yes.

TRUSTEE MCFADDEN: How do they know who to pick? The bad guys. I would move approval, I mean.

PRESIDENT WILSON: Is there a second?

TRUSTEE BLAIR: I'll second.

PRESIDENT WILSON: It's been moved and seconded.

Any discussion on the motion?

Roll call please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Aye.

MS. FAHRENBACH: Trustee McFadden.

TRUSTEE MCFADDEN: Aye.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke

TRUSTEE O'ROURKE: Aye.

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

PRESIDENT WILSON: So that motion passes.

MS. TUCZAK: And then, we have a couple other matters on here. As I mentioned, we had a number of address changes that came through. There was over 20 that came through that we believed are fictitious. We also had one altered check. We have

changed our procedures with address changes as well. We are now calling people that submit an address change and we're also sending out a letter to their most recent address on file prior to the change. There's a variety of procedures that we have undertaken to further look into these matters. We have filed a report with CPD financial crimes. We have a report number and an event number. We have also been in discussions with our insurance agent from Alliant with respect to cyber insurance versus general liability claim and we've also been working. I've talked to the States Attorney. I've talked to two different representatives at the State's Attorney about these matters. And last, we are filing, I believe Mary Pat is helping us with this subpoenas to the banks of these accounts to which this money was fraudulently directed. So, the next item I'll need is a recommendation that these matters be reported to the States Attorney. We've talked about this in prior meetings, given the fact that these appear to be fraudulent events that we should be reporting that to the States Attorney in accordance with the pension code.

TRUSTEE HUGHES: So you need a motion on that there?

MS. TUCZAK: Yes.

TRUSTEE HUGHES: Okay, I'll move.

TRUSTEE BLAIR: Second.

PRESIDENT WILSON: It's been moved and seconded.

Any discussion on the motion?

Roll call please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

MS. FAHRENBACH: Trustee McFadden.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke

TRUSTEE O'ROURKE: Aye.

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

That item passes. Thank you. Anything else under benefit matters, Gina?

MS. TUCZAK: That's all under item five.

PRESIDENT WILSON: Okay. Moving on to Administrative matters, the review and possible approval of Concentra contract extension. Gina, can you present this?

MS. TUCZAK: We have an organization called Occupational Health Centers of Illinois. They provide a board physician review of our disability claims for ordinary disability. They charge us currently $52 per visit. The contract with them expires at the end of the month. They are proposing or we've agreed to I'll say an increase to $54.00 per evaluation. That's consistent with what the County is paying them. They have had an increase in their costs. In general, we're satisfied with their services. We've had a little bit of issues with staffing on their end, primarily relating to the pandemic, but we have worked through those and we have a 4th Amendment here that's been signed by them also agreed as to form by Mary Pat, and I'm recommending that the Board approve this contract and we continue to engage them for another year. There's a termination clause in here, so in the event that something goes awry and we're no longer satisfied, we can terminate them.

PRESIDENT WILSON: Thank you, may I have a motion?

TRUSTEE HUGHES: I'll make a motiom.

PRESIDENT WILSON: Is there a second?

TRUSTEE REED: Second.

PRESIDENT WILSON: Okay, any discussion on the motion?

TRUSTEE HUGHES: I just want to make a comment. It looks like they are charging the same as what they charge the County for similar services.

MS. TUCZAK: Yes. We called. They actually proposed a slightly higher rate, but we called the County and found out what the County is paying and that's what we were able to get them down to.

TRUSTEE HUGHES: Okay. Thank you.

PRESIDENT WILSON: Great.

Roll call please.

MS. FAHRENBACH: Trustee Blair.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Aye.

MS. FAHRENBACH: Trustee McFadden.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke

TRUSTEE O'ROURKE: Aye.

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

That item passes thank you.

The next item is review and approval of the engagement letter with RSM for the Fund's annual audit. Gina?

MS. TUCZAK: Yes. We have been in discussion with RSM with respect to the 2021 audit. With them, there's an annual arrangement letter that's presented to us for approval. When we had the RFP, you might recall, on the audit RFP last year and selected RSM as part of their response, they gave us a five year fee quote by year. So the arrangement letters are consistent with those fees. The terms of them have been reviewed by both internal counsel and fiduciary counsel who is willing to sign off as to form, and we are ready to have these executed is my recommendation if the Board is so inclined to approve and then we will begin discussions and work on the audit once the engagement letter is executed.

PRESIDENT WILSON: Thank you, may I have a motion?

TRUSTEE BLAIR: So moved.

TRUSTEE HUGHES: Second.

PRESIDENT WILSON: Okay, it's been moved and seconded.

Any discussion on the motion? Hearing none.

Roll call, please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Aye.

MS. FAHRENBACH: Trustee McFadden.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke

TRUSTEE O'ROURKE: Aye.

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

The matter passes. The engagement letters been approved. The next item is consideration and possible response to the correspondence from Commissioner Gainer. Gina?

MS. TUCZAK: Yes, thank you. You all have in front of you behind tab 6c., the communication that I received from Commissioner Gainer, it was also sent via email to you. I have had discussions with fiduciary counsel and Callan on this matter. She has a couple of requests in her letter. She's asking for s statement with respect to factors that have been considered on the County's investment decisions along with a description of factors that have been considered by the Board

and in accordance with a pension code term and, this has to do with ESG matters sustainability factors. And last, she has a request for potential dates for a public hearing. So, what we've discussed internally and when I say internally, I mean with Callan and fiduciary council is that, there's a lot that is done to ensure compliance with our policy, which of course is in compliance with the code on these matters. There's different pockets of procedures that are done, but what we think makes sense is that we come back to you at the February 22nd Investment Committee with a draft response on this which Callan would be instrumental in drafting with staff. At that time, we can talk, in more detail about this. We are planning to have ESG trustee education in the future this year as well whether it's at an Investment meeting or Board meeting, we can determine that later, but to have some significant ESG education, because ESG means so many different things. With respect to the hearing dates, I think what makes sense is if we have this draft at the February investment meeting, perhaps, then we could discuss that matter. So, I would propose that I would table that until we have an opportunity to take a look, you guys have an opportunity to look at, look back at the proposed response. So how does that sound? Is there any questions on this matter? I know we've gone through a lot today and this is an important topic, but that's kind of a summary of where we are.

TRUSTEE BLAIR: I think that's reasonable.

TRUSTEE HUGHES: What other items would be on the agenda for the February 22nd meeting, do you know offhand?

MS. TUCZAK: The significant items are the fourth quarter review 2021, capital markets assumptions, completion of the asset liability discussion and then this.

TRUSTEE HUGHES: So it’s going to be a long the meeting.

MS. TUCZAK: Yes, there’s a lot and those are the main things.

TRUSTEE HUGHES: It think it makes sense, your recommendation.

TRUSTEE BLAIR: Yes, thank you.

TRUSTEE KOURUKLIS: What's the date again?

MS. TUCZAK: Tuesday, February 22nd?

TRUSTEE KOURUKLIS: 9:30?

MS. TUCZAK: 9:30.

PRESIENT WILSON: Okay, anything else Gina?

MS. TUCZAK: I'll work with Fiduciary counsel on a response to Commissioner Gainer in the meantime to let her know that we're considering her request, it that sounds acceptable.

MS. BURNS: Okay.

MS. TUCZAK: Okay. The next item is behind tab d and this is purely informational. Every year, or I guess the three years I've been here, we provided an update on enrollment in the

health plan and open enrollment statistics. So you'll see that the population in our plan has gone down just a little bit, but it's pretty consistent in terms of the mix of Medicare and non-Medicare. And then we have the second page shows our new enrollment activity. Not a lot of activity. We had 57 new enrollments. We had some people switching from one plan to another and then we had about 90 some people that dropped out of our plan because they selected a Medicare Part D program which automatically takes out of our plan. Under the CMS guidelines, you can't be into Medicare Part D plans. That's just a summary for information. There's no action needed.

PRESIDENT WILSON: Okay. Any questions or comments? If not, let's go into the Executive Director's report.

MS. TUCZAK: Okay, great. Thank you.

The first item is the actuarial RFP. It was requested that a draft schedule be provided at this meeting, so I've outlined in here a potential draft schedule for an actuarial RFP. Again, this is information, we're going to proceed with this, and the goal would be that we would have a draft for Board approval at the April meeting.

The next item, with respect to the Fund operations and COVID, I had provided staff the option to work remotely for the month of January given the situation of the pandemic. Luckily, positivity rates are declining and staff health has been great.

We haven't had many recent COVID cases so as of right now, staff are back in the office, but I'll continue to monitor the situation and make changes as necessary and advise you of such.

The next item is some health benefit COVID matters. I wanted to bring to your attention. In late December of last year, Pfizer and Merck received emergency use authorization from the FDA for an oral antiviral therapy for COVID-19 which is basically a pill, that federal government is going to pay for the ingredient cost of the pill. So, the only thing that's on the table of payment, on behalf of the plan, is whether or not the plan wants to pay the dispensing fee. And, I had discussions with CVS on this matter. The dispensing fee is $10 a script, and this is something that you take when you have been tested positive for COVID. You can go and get this drug when it's available. And, what they were recommending for their book of business is that, all plans would pay this $10 fee unless we instruct them otherwise. So we just had them do what they're doing for their book of business. This drug isn't even available yet, and there's a lot of questions on how it will be distributed, but I wanted to let you guys know that was a modification to the plan provisions at $10 a script.

The next item, you may have heard on the news about the Biden Administration.

TRUSTEE O'ROURKE: Just a quick question. On the $10 fee, is there any calculation when we pay the $10 fee whether a person has or has not been vaccinated?

MS. TUCZAK: I don't believe so.

TRUSTEE O'ROURKE: So we will be paying the $10 potentially for people to get the pill that did not get vaccinated, is that correct?

MS. TUCZAK: Potentially, because we're going off the doctor script, I believe.

TRUSTEE O'ROURKE: I don't have anything else.

MS. TUCZAK: The next item, you may have heard about this at-home COVID test, a requirement from the Biden administration to have health insurers cover the cost of these tests. After discussions with United Healthcare, CVS and Segal, it doesn't appear that this applies to retiree plans. Also, Medicare is not going to be reimbursing for these, so given that, CVS and UHC didn't make any changes to our plan to reimburse for these tests. That's just a FYI.

The last item is the Investment Committee meeting is Tuesday the 22nd at 9:30, just a reminder to put that in your schedule.

TRUSTEE KOURUKLIS I just have a question.

PRESIDENT WILSON: Go ahead, Bill.

TRUSTEE KOURUKLIS: Do we do from a Fund perspective, a zoom meeting on a regular basis with annuitants or employees who are currently looking to have a one on one with our staff or is that by phone? Or is that only in-person?

MS. TUCZAK: They could do it in-person or by phone. We have not offered a zoom.

TRUSTEE KOURUKLIS: Would you be interested in the Zoom platform if I gave you a structure on how to do it since we looked into it ourselves?

MS. TUCZAK: I think, well, we have Teams. Does it need to be Zoom?

TRUSTEE KOURUKLIS: It's more of a scheduling. No, it doesn't have to be Zoom, but it is a scheduling modification to it, so you could pick a time, a person, and then you would marry that with whatever software you have, Zoom, Teams, etc.

MS. TUCZAK: Okay. I am certainly would be open to learning more about your application.

TRUSTEE KOURUKLIS: I'm just saying what we have.

MS. TUCZAK: Yes. If we were to do Zoom, we'd have to buy a subscription to Zoom which you know, it's not expensive, but we have Teams.

TRUSTEE HUGHES: In my understanding, Zoom is better across multiple platforms, while I don't think Teams, maybe Teams has improved, but that was kind of the impression that I had.

TRUSTEE KOURUKLIS: Yes, I agree with you.

MS. TUCZAK: Okay.

TRUSTEE KOURUKLIS: The software that I'm talking about. I forget the name of it right now. It's not very expensive, it's I think like $8.00 a user per month, a user. And it's really a scheduling tool, and it just got created recently with Zoom and then others where you could pick a time, place, and location and if that's already scheduled, it bumps to the next person or you can forward it to somebody else. If you're on lunch and you can't take the person in queue, you can schedule ahead. It seemed really interesting for us because taxpayers have questions. A lot of times they want to flip the screen and show us a document, but you know, so you can share screen.

MS. TUCZAK: Okay, I'll connect with you.

TRUSTEE KOURUKLIS: Yes, I'll just email you.

MS. TUCZAK: We will take a look at it and evaluate it and can see what might work for our members and staff so we've got a streamlined appointment system so it doesn't get too unmanageable. Yes, let me take a look at it. And that concludes my Executive Director report.

PRESIDENT WILSON: Okay, thank you. The next two items on the agenda are legal matters and then also personnel matters.

I know we need to go in executive session for personnel

matters, do we need to go into executive session for legal matters?

MS. BURNS: President Wilson, this is the same format that we followed at numerous other occasions with the Board where Peggy has worked with the hearing officer. The hearing officer has recommendations in your Board books. If you are comfortable with having reviewed those and you don't have questions that are specifically related to any particular matter, then I think you're fine to proceed without a closed session and I would recommend if you're comfortable that you do it by consent agenda.

PRESIDENT WILSON: Okay. Do any Board members need to go into Executive session to get more detail or have more eligible discussion before we convene on these vote on these matters?

Hearing none. Let's go ahead with Item 7A. Gina or Peggy, who's going to present this?

MS. BURNS: I'll do the motion, if that's okay?

TRUSTEE HUGHES: Can we blend them together or do we have to do them separately?

MS. BURNS: You can do them all together by consent.

TRUSTEE HUGHES: Yes.

MS. BURNS: So the motion would be, the Board having had an opportunity to review and consider the hearing officers recommendations, the motion is to adapt those hearing officer

recommendations in matter numbers 132496, 158482, 195434, 165707 and 177620 and oh, excuse me, 141146 and if that motion is adopted those will be final decisions of the Board, allowing each applicant to appeal the Board's decision. So just need a motion to that effect.

PRESIDENT WILSON: May I have a motion? Thank you, counsel.

TRUSTEE REED: Motion.

PRESIDENT WILSON: Is there a second?

TRUSTEE BLAIR: Second.

PRESIDENT WILSON: It's been moved and seconded. Any discussion on the motion for the items that were mentioned that are all enumerated under item number 7.

Hearing none.

Roll call please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Aye.

MS. FAHRENBACH: Trustee McFadden.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke

TRUSTEE O'ROURKE: Aye.

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

So the matter passes.

And now, I would like to have a motion pursuant to sections 2C-1 and 2C-1 11 of the Open Meetings Act 5 Illinois compiled statutes 120 2C-1 and 2C-11 that the Board convene in Executive Session to discuss personnel and litigation matters.

TRUSTEE HUGHES: Motion.

TRUSTEE BLAIR: Second.

PRESIDENT WILSON: It's been moved and seconded.

Roll call please.

MS. FAHRENBACH: Trustee Blair.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Aye.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke

TRUSTEE O'ROURKE: Aye.

MR. LEWANDOWSKI: Trustee Reed.

TRUSTEE REED: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

Thank you. The motion passes.

We are now going to go into Executive Session.

MS. TUCZAK: For the Trustees on the virtual, you should have received an email from me earlier today with a dial-in number.

PRESIDENT WILSON: Yes, thank you.

MS. TUCZAK: Please use that number.

(The Board went into Executive Session off the record. No action was taken in Executive Session.)

PRESIDENT WILSON: Is there any other business to come before the Board today? Hearing none, is there a motion to adjourn?

TRUSTEE KOURUKLIS: So moved.

TRUSTEE BLAIR: Second.

PRESIDENT WILSON: Moved by Trustee Kouruklis. Seconded by Trustee Blair.

All in favor say "Aye".

(Chorus of ayes)

Opposed say "Nay".

(No nays.)

PRESIDENT WILSON: The February 3, 2022, Board of Trustees meeting is adjourned. Thank you.