

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, November 5, 2020, commencing at the hour of 9:30 a.m.

APPEARANCES

TRUSTEES:

LAWRENCE L. WILSON, President
PATRICK MCFADDEN, Vice-President
DIAHANN GOODE, Secretary
JOHN BLAIR
BILL KOURUKLIS
JOSEPH NEVIUS
KEVIN OCHALLA
JAMES O'ROURKE

STAFF:

REGINA TUCZAK, Executive Director
MARGARET FAHRENBACH, Legal Advisor
CAROLINE VULLMAHN, Deputy Executive Director
JANE HAWES, Director of Health Benefits
MICHAEL MARATEA, Director of Finance and Administration
FERNANDO VINZONS, Director of Investments
BRENT LEWANDOWSKI, Director of Member Services
GARY LEDONNE, Director of Benefits Administration
MELODY AGUILOS, Member Service Coordinator

ATTORNEY FOR THE BOARD:

BURKE, BURNS AND PINELLI, LTD.
BY: MS. MARY PATRICIA BURNS

ALSO PRESENT:

DAN LEVIN, Senior Vice President, The Segal Group
CATHRYN MARISCO, Cook County, Bureau of Finance
GAR CHUNG, Financial Investment News
ANGELA MYERS, LOOP CAPITAL
EDWARD ROZELL
MAJA BEN SAED, Journalist from Fundmap

PRESIDENT WILSON: There may not be a quorum of trustees physically present at the meeting location. Some trustees however are present at the meeting location as is the Executive Director and Fund counsel. The remaining trustees will participate by video conference as allowed by the Governor's Executive Orders due to the pandemic.

For the record, the public has received notice of this meeting and of their ability to participate by video conference or to be physically present at the meeting. 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 Goode.

TRUSTEE GOODE: Here.

MS. FAHRENBACH: Trustee Hughes.

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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Here.

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

PRESIDENT WILSON:

Now, I would ask for a motion pursuant to the Open Meetings Act, based upon a determination that a quorum is physically present, that Trustees be permitted to join the meeting by video conference.

TRUSTEE MCFADDEN: Move.

TRUSTEE BLAIR: Second.

PRESIDENT WILSON: Okay, roll call please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Here.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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 O'Rourke.

TRUSTEE O'ROURKE: Here.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Here.

Thank you.

Consistent with Public Act 91-0715 and reasonable constraints determined by the Board of Trustees, at each meeting of the Board, members of the public may request a brief time to address the Board on relevant matters within its jurisdiction.

Are there any requests for public comment today? If any member of the public wants to speak, please identify yourself for the record. Are there any requests for public comment today?

Hearing none, may I have a motion to approve the Minutes of the October 1, 2020 Board meeting?

TRUSTEE O'ROURKE: Move.

TRUSTEE MCFADDEN: Second.

PRESIDENT WILSON: Any discussion?

TRUSTEE NEVIUS: Does that include the audio tape Board meeting of the Board meeting too?

PRESIDENT WILSON: Thank you for getting ahead of me, but we are not combining these documents since the October 1, 2020 Open Meeting transcript is not yet available and will be provided at the next meeting.

Any further discussion?

Peggy, please call the roll.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Here.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: Here.

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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

PRESIDENT WILSON: The October 1, 2020 Minutes have been approved and will be made available on the Fund's website.

The next items are the Review and Consideration of Bills, Payroll Records, Annuities, Spouse and Child Annuities and Refunds, Ordinary and Duty Disabilities.

PRESIDENT WILSON: I would like to entertain a motion to approve the bills and payroll and we will combine the approval to ratify the payments that have been made by Fund staff and approve the recommendation for payments by Fund staff.

TRUSTEE MCFADDEN: Moved.

TRUSTEE BLAIR: Second.

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

Peggy, please call the roll.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

Bills and payroll records have been approved.

May I have a motion to approve the Fund staff recommendations for all Annuities, Spouse and Child Annuities and Refunds?

TRUSTEE GOODE: Move approval.

TRUSTEE BLAIR: Second.

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

Any discussion?

Peggy, please call the roll.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

Thank you. The Annuities, Spouse and Child Annuities and Refunds have been approved.

May I have a motion to approve these Fund Staff recommendations for all Ordinary and Duty Disabilities?

TRUSTEE O'ROURKE: Moved.

TRUSTEE GOODE: Second.

PRESIDENT WILSON: Any discussion?

Please call the roll.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

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

In our board materials, we've received a final election report from our retained attorney who oversaw the election. Congratulations again to Trustee Ochalla on his re-election.

Gina, is there anything you'd like to present on this matter in addition to the report?

MS. TUCZAK: No. I think the report is self-explanatory and provides all the relevant details on the process. It was a very smooth process when we got to Election Day with a nice participation and I thank all the Trustees for all the hard decisions that had to be made leading up to that day.

PRESIDENT WILSON: Do any trustees have any questions of the staff or the Election Committee?

TRUSTEE MCFADDEN: Do we approve this?

PRESIDENT WILSON: We will.

TRUSTEE MCFADDEN: I'm sorry.

TRUSTEE KOURUKLIS: I have a few comments. I'm sorry, a few comments were given to me about the same subject. There really was no drop off for the current employees that are in the

building on the day of the election. They wanted to drop their ballot off and there wasn't any way to do so. I know there wasn't a location they could do so and they had to mail it in, but it would be too late to get here. So if you want, we wanted to talk about in the future considering something like that. If this election process is to be renewed, that would be something to talk about.

PRESIDENT WILSON: Yes, let's address that. That's a concern. Thank you.

Any other questions for staff or election committee?

May I have a motion to accept the November 3rd, 2020 final report of the retained attorney, adopt the formal proclamation certification for the October 2020 election and authorize the Board Secretary to sign and deliver the certificate?

TRUSTEE MCFADDEN: Moved.

TRUSTEE NEVIUS: Second.

PRESIDENT WILSON: Any discussion?

Peggy, please call the roll.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

Thank you very much. That has been approved.

Now we have healthcare, two healthcare matters for consideration, the election results, pardon me, are certified. Again, congratulations Trustee Ochalla.

TRUSTEE OCHALLA: Thank you. Thank you everyone.

PRESIDENT WILSON: Gina, please present the two healthcare matters for consideration today along with Trustee McFadden as our Committee Chair.

MS. TUCZAK: Alright, if I may, President Wilson? There's an error just brought to my attention on the proclamation, in that some of the Trustee names are incorrect, so that will be corrected and will be submitted for signature after the corrections are made.

PRESIDENT WILSON: Okay.

MS. BURNS: But just so the record is clear. It doesn't change the action of the Board certifying the election.

MS. TUCZAK: Thank you. Thank you. We have a former Trustee in error listed as a member and Trustee McFadden is not listed. So, it was just a clerical error.

PRESIDENT WILSON: So we're going to have that before the meeting is over.

MS. TUCZAK: It's a clerical error but thank you.

PRESIDENT WILSON: Not yet.

TRUSTEE MCFADDEN: Not yet?

PRESIDENT WILSON: Not yet, Gina.

TRUSTEE MCFADDEN: Put a line through his name.

PRESIDENT WILSON: Okay. Gina, you have the floor.

MS. TUCZAK: Yes, thank you very much. At the August 18th Health Benefits Committee, which was approved at the September Board meeting, the Board directed Segal, the Fund's health benefit consultant and Fund staff work with UHC to provide a renewal of the terms that we currently have in place with the retiree health care plan for the renewal which is for three years. And subsequent to that meeting, Segal and again Fund staff did work with UHC to come to, I'll call it a terms sheet, that could be presented to this Board for consideration. There is a letter in your material that is signed by Dan and articulates any changes from the current arrangement, most

notably the fees. You'll see that there is a nice fee change to the tune of about \$361,000 a year. That's of course assuming enrollment is consistent, which is something that is always fluid and then that savings will be earned over three years. And there's a couple other items that are detailed in the letter with respect to the formerly known as the Wellness credits. There will be an opportunity to use those credits immediately off the next bill with a future administrative credit of a much lower number that can be used on any matters. And then, there are a couple of changes noted on the performance guarantee which is listed on page two. So Dan, who is present on behalf of Segal, should there be the need to discuss anything further, has recommended that the three year renewal with UHC be approved by the Board based on the terms presented in the Board's materials.

TRUSTEE MCFADDEN: Motion.

TRUSTEE O'ROURKE: Second.

TRUSTEE MCFADDEN: Thank you Dan. That's a million dollars.

Thank you.

TRUSTEE MCFADDEN: You're a hard man to deal with.

PRESIDENT WILSON: It's been moved and seconded that the renewal of the fund's contract with United Healthcare for the 2021 to 2023 time period on the terms presented be approved. And based on the recommendations of the Fund's health care consultant authorize the Executive Director to take all

necessary actions to effectuate that direction including review by Fiduciary Counsel.

Is there any discussion on the motion?

PRESIDENT WILSON: Yes?

MS. TUCZAK: I just wanted to make note that the Director of Health Benefits had one concern on the renewal. So if you like, we can have her discuss that very, very briefly, as I think these terms are consistent with the current plan.

PRESIDENT WILSON: Okay, that'll be fine.

Ms. Hawes? We can't hear you. We still can't hear you.

TRUSTEE BLAIR: I think Brent is going to go tell her.

PRESIDENT WILSON: Unmute.

TRUSTEE MCFADDEN: Gina, do you know what was on her mind?

MS. TUCZAK: I believe that Dan talked to her directly, if that would be okay. Dan could perhaps update the Board?

MR. LEVIN: So she was just concerned that there was nothing in the letter about the option in the future to do the narrow charter network for non-Medicare folks. Segal did in fact do our due diligence, and we do have email from UHC confirming that the charter network is an option if and when the Trustees ever would like to entertain that option, and we even have the fee for it and it would not affect any of the other terms of the renewal including the fee for the other groups. But it is an option for

2022 or 2023 or whenever the Trustees would like to entertain it as a choice for non-Medicare.

TRUSTEE MCFADDEN: That's the first I've heard of that charter network idea...

MR. LEVIN: Well, we talked about it about I don't know, a year or year and a half ago.

TRUSTEE MCFADDEN: But it's not - this idea here is to negotiate the terms with UHC. So.

MR. LEVIN: Correct.

MR. LEVIN: So that, so that anyway, that was her concern that she just wanted it noted that the charter network is an option as part of the renewal terms. We do have written confirmation from the United Healthcare rep via email that that will be an option whenever and if the trustees ever would like to talk about it. We can talk about that at the next Committee Meeting and then we have the fees as well for that so.

MS. TUCZAK: So, that would be a significant plan design change that would have to be further vetted.

PRESIDENT WILSON: Okay. Jane, can you? Can we, do you want to try again?

MS. HAWES: Yes, yes, thank you sorry I was on mute.

PRESIDENT WILSON: I am grateful to hear Dan's presentation. He attempted to summarize your concerns on the charter network

option that's available to us, the fees etc, and that we can entertain it at a later date.

MS. HAWES: Right, right. I did hear some of that. My concern is that the, sorry, I hear a double echo coming down here. My concern is the, I'm gonna move so I don't get an echo. So my concern is that the renewal proposal does not include any mention of the charter network, which is a narrow network that would be offered alongside choice and choice plus and it would create a low premium, lower premium option for the non-Medicare members. This was proposed during the coalition RFP and we did suggest that it be part of this renewal, not for implementation immediately, but it would be considered part of the renewal.

My concern is that the renewal documents do not include a mention of this option, and I think it should be in there regardless of whether the Board decides to adopt it later on. But, I think that it needs to be in the renewal documents somewhere so that we have a record that it was part of the agreement and implementing it will not in any way void the current agreement. So the agreement is, includes a renewal letter from the, from United Healthcare summarizing what the renewal encompasses and I believe that United Healthcare should revise that letter to include the option of adding this at a later date subject to Board approval. And um, so it's just that I recommend the Fund accept the terms of the UHC renewal

contingent upon receiving a revised renewal letter from UHC, which acknowledges the option of adding the charter network.

PRESIDENT WILSON: Okay.

TRUSTEE MCFADDEN: When, can I speak?

PRESIDENT WILSON: Sure.

TRUSTEE MCFADDEN: Is there someone else?

PRESIDENT WILSON: Thank you, Jane.

MS. TUCZAK: Yes, I just would like to add that the third network is a, also a significant undertaking that has to be thoroughly vetted including programming of computer systems, and there's many things involved in that. Thank you.

TRUSTEE GOODE: I have a question?

TRUSTEE MCFADDEN: Was entertaining that part of this direction?

MS. TUCZAK: No, the Board's direction was to work on a renewal of the existing plan that we have.

TRUSTEE GOODE: I have a question though?

PRESIDENT WILSON: Yes?

TRUSTEE GOODE: Jane mentioned the coalition. So, it's my understanding that being part of that coalition has a benefit to us? So when we do things that are outside of what the coalition is doing, are we hurting ourselves, our relationship with them at any future bargaining?

MS. TUCZAK: So, the coalition is voluntary and the parties that came to the table, their involvement was voluntary. By no means was every Chicago agency involved in the coalition and the RFPs that were presented were not binding and there was no obligation for this Fund to take the offers that were on the table. In fact, this renewal with UHC is even more favorable than what was offered to us at the coalition. I believe that's the case right, Dan?

MR. LEVIN: Yes, so.

TRUSTEE MCFADDEN: Yes, that's right. That's what.

MR. LEVIN: Yes.

TRUSTEE MCFADDEN: And we saw that, those numbers at the last meeting. And, it was after we looked at those numbers that the Board authorized Segal and Company and staff I think to see if they could get reduced to writing an arrangement with UHC for our health benefits need and the thought at the time was that it appeared to the consultant that the terms and expense would be better than what they offered the coalition, which turned out to be true and why the companies did that is beyond me, but.

TRUSTEE GOODE: I just want to make sure that we are not hurting our bargaining position or bargaining style that's why I am asking.

TRUSTEE O'ROURKE: Mr. Chairman, I have a question if I may?

PRESIDENT WILSON: Of course.

TRUSTEE O'ROURKE: Is this discussion right now part of the motion to be passed or is this just information only?

PRESIDENT WILSON: There is a motion on the table and we are in questions on the motion. And, so we're just entertaining comments on the motion, but there is a motion on the table.

MS. BURNS: But Trustee O'Rourke, you could approve the motion today as it's presented to you. Because, we have an email from United Healthcare confirming what Jane wanted, which is that you could take advantage of the network down the road if that's what you want to do. So you could proceed today, if the Board is comfortable, then we will make sure that the email is put into the record so that you know you have the option to consider a network if you want down the road.

MS. HAWES: So, I would like to see some memorialization.

PRESIDENT WILSON: I beg your pardon. We have to call on you. I beg your pardon.

MS. HAWES: Okay.

MS. BURNS: It's a legal issue whether we're bound by, whether we need to go back and have you amend the health care proposal and you don't in my legal opinion to still take advantage of the charter network option.

TRUSTEE MCFADDEN: And I, I'm not prepared to consider that option. This is the first this has been discussed in an open meeting and we're here to approve the results of the

negotiations and the negotiation only happened because the Board specifically directed that a new arrangement be defined with United Healthcare that in substance was no different than what we had for the last three years, if that's what the period of time is. So, that direction had nothing to do with the charter network. So I think it's, I don't think it's the time to, I don't think it's the time to be spending time on this. This would require a bit more conversation, and regardless of whether or not it's in the contract, I'd be surprised and if they don't want to do business with us regarding the charter network. I don't know that you're going to contractually bind someone to make an offer other than simply make an offer. So, but now I'm talking about the question. So, I'd like to repeat the Motion to approve.

PRESIDENT WILSON: Well, let me call and ask. Are there any more questions from Board members?

TRUSTEE O'ROURKE: It's already been made and seconded. Let's have a vote.

PRESIDENT WILSON: Are there any other questions, Board members on the motion?

Hearing none.

Roll call please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

Thank you. The renewal terms for the United Healthcare contract for 2021 to 2023 period are approved.

Gina, please present the second issue.

Ms. Tuczak: Sure, the next item is 4b. There are a couple of administrative suggestions from UHC that are documented in a second letter from Dan. One of them is the Out-of-Cost Network, Out-of-Network Cost Savings Program that involves situations in which a non-Medicare choice plus member may voluntarily elect to use an out-of-network provider. There is a mechanism that UHC can utilize if the Fund is agreeable to such, that in those

situations they would have a third party negotiate a rate with this provider which would be lower than a reasonable and customary charge, which is what in many cases is provided. The savings to the program is about \$53,000 based on past activity, so it's not, it's not a big savings, it's not something that we might want to discuss for a long time. It is a very small matter. But, they did request whether or not we wanted to include this going forward and Dan's recommendation is that we go ahead and, and select this.

TRUSTEE MCFADDEN: Can I try?

TRUSTEE O'ROURKE: Please.

TRUSTEE MCFADDEN: The routine is if you go out of network and the bill is submitted, when the bill is submitted, United Healthcare will pay, will pay usual and customary expense. This interrupts that and in its place, instead of waiting for the bill to turn up from United Healthcare or from the provider. And United Healthcare saying well, this this is a usual and customary expense or it isn't. When the event happens, then United Healthcare will take the initiative the moment it's billed to speak to the provider and negotiate instead of having people pointing at what's a usual and customary expense. And, the idea is that if United Healthcare quickly, promptly approaches them, the provider that they will get better results than you for the expense to us than the usual and customary cost

scheduled. So, I don't really like it when things are introduced unexpectedly. Personally, I'm okay with this. At first, I thought that it, it would go against the annuitant because the paperwork wasn't just paid and done with but the professionals insist that that's not the case. And, it won't hurt the annuitant or go against the annuitant.

MR. LEVIN: So, it's actually designed to help.

TRUSTEE MCFADDEN: Did I say anything that was wrong?

MR. LEVIN: Um, I don't think anything is wrong. Um, just it, it protects the annuitant as well as the Fund because the point is that, when they negotiate, when UHC negotiates with a provider, they try to get a signed agreement provided that they will not balance bill anything to the annuitant. The way it works now with usual and customary fee, the annuitant can end up with a big balance bill because the bill charges may be way higher than the usual and customary. So this program.....

TRUSTEE BLAIR: This is a benefit.

TRUSTEE MCFADDEN: This is a benefit and this will control the process and not leave the annuitant exposed to having someone chase them for what our representative, United Healthcare, would have deemed over and above what they're entitled to. So it helps the annuitant.

TRUSTEE O'ROURKE: Except. And, I don't really know about this until I heard this, this morning, but I thought I heard

that United Healthcare can approach the provider directly and negotiate?

Mr. LEVIN: So.

TRUSTEE O'ROURKE: So, meaning, so my question, let me finish, please. My question is, how do we control what United Healthcare offers and couldn't they low ball it which would be good for them, but not so good for the insured whose providers don't want to work with anyone?

TRUSTEE MCFADDEN: Except that it's a benefit to us from United Healthcare. United Healthcare, the bigger the bill, the higher their administration fee so, it's not like they have real exposure here for the cost. There's no reason for them to try and take advantage of a provider because they're going to pay... we're...this isn't real insurance. United Healthcare is handling the paper work for us and if the United Healthcare passes along the bill for \$3,000 for the whatever, then we're paying it, that United Healthcare isn't absorbing it. So, there's no reason for them to be difficult with anyone. This really is a thing that controls and helps the Fund with their expense and the annuitant as an added bonus. So when it says that the savings could be 53,850, that's to the Fund and the savings for the annuitants could be infinite. So whatever the provider pays, which of course is what it is, I'm just saying it that way to illustrate.

(VARIOUS VOICES INAUDIBLE)

PRESIDENT WILSON: Would you like a motion?

TRUSTEE MCFADDEN: I'd like to make a motion while I was hoping to do the whole letter, but I'd like to motion that we accept the suggestion from United Healthcare as checked out and it's okay with Segal and company.

TRUSTEE GOODE: I second.

PRESIDENT WILSON: Any discussion?

Let me get back to the Committee Chair. Did you want to provide other information from the letter for the Committee before they go to the Board?

TRUSTEE MCFADDEN: Well, there's, the letter has three other suggestions from United Healthcare.

PRESIDENT WILSON: Please, carry on.

TRUSTEE MCFADDEN: Oh, okay. So we'll try and do the three.

MS. TUCZAK: So, that was the first one.

TRUSTEE MCFADDEN: Why don't you do the intro?

MS. TUCZAK: Thank you, thank you.

TRUSTEE MCFADDEN: The change in subrogation.

MS. TUCZAK: Yes, yes. So, that there's three. There are three matters to bring to your attention. The first one, we just covered. The second is a change in the subrogation process. The way that the subrogation works for the Fund with, through the UHC, currently. When a provider submits a bill, it's paid and then United Healthcare would pursue other agencies that might be

responsible for that bill. So, the easiest example that I can think of is like an automobile accident. Somebody goes and has some services done. In the current arrangement, UHC pays that and then they pursue. Are there other entities, Allstate, State Farm, whatever that might handle some of the medical. And, they try to sort that out later but we've already paid the bill. So what they're proposing is to flip flop it and if there is a claim, based on the coding that suggests that there's a subrogation opportunity they would pursue that. And, they've got a database that insurance agent's share, insurance company's share that would provide information that there might be other parties that would be liable for this. And, if they believe that there is, then they would direct the provider to that entity. If after 28 days, it's not clear that there's another party, UHC would just pay it. So, the changes rather than pay and pursue, they're recommending or I should say recommending, the option is that you pursue for 28 days and then pay.

TRUSTEE BLAIR: So, so they would, so instead of paying immediately upon receipt, they would wait 28 days, look for a secondary provider, right? Or somebody to pay the bill?

TRUSTEE MCFADDEN: In those 28 days.

TRUSTEE BLAIR: In the 28 days but then pay it on the 29th day.

TRUSTEE O'ROURKE: So to be clear, the provider would necessarily...

(VARIOUS VOICES INAUDIBLE)

MS. TUCZAK: If they would. Now, if they determined that there's another entity like Allstate, they would direct the provider to bill Allstate. And then it's between them and Allstate.

TRUSTEE O'ROURKE: But, but if we pass this? It is, I mean, just so we're clear I'm not necessary opposed to it, but we're adding a 30 day delay to the provider to get paid in some sort of circumstances, is that correct?

MS. TUCZAK: I think so.

TRUSTEE MCFADDEN: Possibly.

MR. LEVIN: It could be up to a 30 day delay in some sort.

TRUSTEE MCFADDEN: 28 days.

MR. LEVIN: 28 days but the provider doesn't bill you know, every day. A lot of providers bill monthly. So, it's not necessarily going to impact the member. It could, in a few cases where they just have to end up calling United Healthcare saying, hey, this is showing that you haven't paid yet and United Healthcare would explain to them that they will be paying shortly.

PRESIDENT WILSON: I think the key is it's not affecting the member.

TRUSTEE O'ROURKE: Well, I don't know if I agree with you, Chairman. If the providers, if their interests are being altered by what we do this morning.

PRESIDENT WILSON: uh hmm

TRUSTEE O'ROURKE: Whether it's good or bad, not making any judgment, but I am asking if in fact those providers are going to experience some additional delay relative compared to what they are experiencing now. Those providers may choose not to provide services to our members. In which case, that would be really, would affect our members even though it doesn't affect. I mean, even if you go to a doctor's office.

PRESIDENT WILSON: Let me ask that for clarification. My understanding when I was briefed, is that there would not be a delay in service?

MR. LEVIN: That's correct. I mean, you've still gotten the service.

TRUSTEE O'ROURKE: The service? I am talking about payment.

TRUSTEE MCFADDEN: They're under contract with United Healthcare to begin with. Otherwise they wouldn't be in the mix. All this is doing is, and I would have thought that they were doing it now. If I cut my finger on the table saw in the basement, I go to the emergency room. The first thing out of their mouth, the nurses before they know who they're even talking to is, did this happen at work?

TRUSTEE O'ROURKE: Yeah.

TRUSTEE MCFADDEN: And they, and they push it and no, it didn't happen at work. Otherwise they're going to and it might have something to do with Workman's comp. I don't know, but otherwise they're going to make a notation to that, and they're going to chase workman's comp and not your insurance company. So, this adds a buffer for that. And it, I think it would be good. Well, I thought it was being done to begin with because it, if it's pay and then worry about it, well, we know how that worked.

TRUSTEE BLAIR: So, during the 28 day period, they identify an additional responsible for an insurance like Allstate. Now, it gets tied up in that negotiation process of who's gonna be paying, who's going to pay what, be responsible for what? So the bill sits in limbo for six months as they argue over who is responsible.

MR. LEVIN: No, it's not.

TRUSTEE BLAIR: So, Will it be paid? So UHC will pay it on day 29, right?

TRUSTEE MCFADDEN: Right.

TRUSTEE BLAIR: Right. And then, they will take the effort to work with the insurance company, or whoever the responsible party is, right?

MR. LEVIN: Right.

TRUSTEE BLAIR: So, there's no effect to the annuitant.

MR. LEVIN: The only effect to the annuitant may be if the provider bills quickly. They may see a bill that has a balance on it that they didn't expect just because UHC didn't pay it as fast as they might have if there wasn't a possibility of 3rd party liability. But then, they won't actually have to pay that. They call UHC. UHC says no, we will be paying this soon. We just pended it to wait to see if there was a, you know the insurance company or the auto accident or whatever.

TRUSTEE O'ROURKE: Mr. Chairman? Can I ask?

PRESIDENT WILSON: Yeah, please. Please, do.

TRUSTEE O'ROURKE: Why did, why are we having this conversation now? Why wasn't this conversation made part of deliberations earlier so that we wouldn't...

TRUSTEE MCFADDEN: ...because this is a...

TRUSTEE O'ROURKE: ...right now? I mean, are we circumventing the process and if so, fine, but is there a really good reason why we have to circumvent the process?

TRUSTEE MCFADDEN: During the negotiating, the United Healthcare after that conversation was done, said, here are some things you might consider that would improve things and control things better. And, if they didn't say the 28 days here then and it was six months. Well, then I would. I wouldn't be for it, but. So that it was a suggestion from United Healthcare. And

there's at least one more. We thrashed through the, well, I don't know if it was a thrashing. The out-of-network savings that makes sense to me and this change in subrogation, I would have thought that's the way we were doing things now.

TRUSTEE BLAIR: Is that common practice?

MR. LEVIN: So, I would say both of these changes would be modernizing the plan is the way I would put it. To put it, you know, more than the majority of UHC's clients already have both of these in place. There's no additional cost and administrative fees for these so they're just improved process improvements to modernize the plan and make it work better administratively.

TRUSTEE MCFADDEN: Actually, there's only two changes.

PRESIDENT WILSON: Trustee O'Rourke, any other concern?

TRUSTEE O'ROURKE: No, I am very satisfied with Mr. McFadden's explanation.

PRESIDENT WILSON: Very good. The third?

TRUSTEE MCFADDEN: Well, the third one isn't like the first two.

PRESIDENT WILSON: What does that mean?

TRUSTEE MCFADDEN: The third one. Okay, this isn't so hard. So, the third one approaches the subject which we tripped over at the last time we were together in which CVS asked us to, what?

MS. TUCZAK: If we wanted to participate in the value added items and services where members when they log in there would be a sidebar of these programs that they could click on like for ShipT for grocery delivery, hearing aid, social network club, if we wanted to make this available to our members or opt out of that type of advertising.

TRUSTEE BLAIR: And we opted out.

TRUSTEE MCFADDEN: And we opted out. We didn't want to be sharing our annuitants' names and...

TRUSTEE BLAIR: Because those companies were not vetted. They were added on by CVS?

TRUSTEE MCFADDEN: And having them appear might give the annuitant some kind of assurance that this is okay otherwise, it wouldn't be here. So we said no, and we didn't want to be doing that.

So this program, if you read it is what? Something to do with tokens. This is something... that has been done. And, if I remember right was approved years ago by the Fund. Though I wouldn't bet a pay check on that. It's in the same church I might be on the other side of the aisle though, so in how this works and what its nature is, could you succinctly spell it out?

MS. TUCZAK: Yes, and this is more you know, for your information, based on what was discussed at the last meeting. When a retiree that's part of our health care plan logs into

their myUHC account, there is an ability to investigate a rally marketplace program where the member can earn tokens if they do various activities. Such as, it was explained to me, take a walk, you know you take a walk, you earn a token. Take a survey designed towards health matters, you can earn a token. And as you accumulate these tokens, you can then choose to look into opportunities to purchase or partake of other vendor matters such as you know. Okay, you can get half off of a Fitbit and then you click on a link the UHC Rally Marketplace website says you're leaving rally marketplace and you go to Fitbit's website, and then you can avail yourself of this discount. So, there are similarities as I think you put it very succinctly. It's in the same church, but I don't know that it's, it might be across the aisle but it is something that is going on currently, and Dan, is there anything you want to add?

MR. LEVINE: Yeah, so I would like you to know, and I don't know the details of the CVS program but we did verify this UHC program. They do not share any information about the members with any third party. This is totally voluntary. You have to actually choose to earn these tokens and then choose to go in and spend tokens on something of your choice. They're not solicited to, by a sidebar or anything like that. So, there are already people that are in this program that have tokens. But, but it was a point of information to bring this up because my

understanding is that the last meeting this was a concern for the CVS Employer Group Waiver Plan Prescription Drug Group. And so, you know, that's why it's here.

TRUSTEE MCFADDEN: So, if someone has a problem with it. Now would be the time to talk about it.

PRESIDENT WILSON: You mentioned the cost?

TRUSTEE MCFADDEN: Well, um

(VARIOUS VOICES: INAUDIBLE)

TRUSTEE GOODE: I'll wager that point.

TRUSTEE MCFADDEN: That's like, it's like legalized extortion. If you don't participate, they want \$40,000.

TRUSTEE BLAIR: Per year?

TRUSTEE MCFADDEN: So, that's beyond my comprehension.

PRESIDENT WILSON: It's revenue sharing.

TRUSTEE MCFADDEN: Well, and but we don't know how much revenue there is and how much they're sharing, so I don't like these kind of arrangements. But, and I wish we knew how many bodies had tokens. How many people are participating, but if it is 67 people, then leave it alone, I guess. If it's 6,700, then you'd want to you know. So, I would like to leave it alone for the time being, and maybe we can get those numbers from United Healthcare of the depth of participation, in the meantime. And then, the next time we have an opportunity we could add this to the list of things to talk about with that having that data. So,

this wouldn't require action today, it's just to give everyone, let them know that there's something not totally unlike the CVS that you didn't want to do, or the Board didn't want to do.

TRUSTEE BLAIR: I agree. I mean, they're going to charge us if we don't do it.

TRUSTEE MCFADDEN: Well, that, I don't want to think about that. Don't think about it.

PRESIDENT WILSON: \$40,000 a year.

TRUSTEE BLAIR: What if CVS turns around and does the same thing, right?

TRUSTEE WILSON: I agree.

TRUSTEE MCFADDEN: Then someone in the county has to push back, but I don't want to be the person to start pushing back today unless, we find out something?

TRUSTEE O'ROURKE: But we don't have to approve today?

TRUSTEE MCFADDEN: No, we're not approving it; we're just, the thought was that you're entitled to know, about it.

PRESIDENT WILSON: There was a motion to approve the changes.

TRUSTEE MCFADDEN: The first two.

PRESIDENT WILSON: Just, okay.

MS. TUCZAK: Yes, yes.

MR. LEVIN: So, just to be clear, this has been in existence for, you know, since UHC was with the Fund.

TRUSTEE MCFADDEN: Yeah, we know.

MR. LEVIN: Okay.

TRUSTEE MCFADDEN: Um, so can I amend my motion to include both of these suggestions? To amend the motion to approve both of these that we adopt both suggestions as regarding out-of-network cost savings program and the changes to subrogation process as vetted by Segal and approved as far as they're concerned - it's a good idea.

PRESIDENT WILSON: Yes. And that's how the letter reads just so we all understand. Okay.

TRUSTEE GOODE: And, I'll second.

PRESIDENT WILSON: Okay, anymore discussions on the motion? Thank you. Roll call.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

Thank you. The proposed plan administrative changes for United Healthcare contract for the 2021 to 2023 period are approved.

Next, we have various administrative items.

Gina. Please present these matters.

Ms. TUCZAK: Yes, thank you. So, the first item behind tab 5A is the cyber security training, which is an annual requirement of Trustees. So, it's a lengthy slide deck here, but what we are requesting is that you review the slides and then at the very back, there's a certification and we'll need you to sign that, that you've completed the training this year. Based on discussions with fiduciary counsel, we felt that once you review the slides, it would be about another hour towards the 8 hour ethics training requirement that you all have each year.

TRUSTEE MCFADDEN: Now, after the hour for the sexual harassment training.?

MS. TUCZAK: Yes, the sexual harassment training is also an hour which is a great reminder that if you haven't gotten the certification in on that, please do so for around eight hours.

TRUSTEE MCFADDEN: How many hours did we have? Wasn't there some time we had Callan make a special presentation and there may have been one or two of those?

MS. TUCZAK: Yes, so at the beginning of the year, the Capital Markets Presentation from Callan that was about half hour. And then Mary Pat also provided some Open Meetings Act Training at the last meeting that I think she said was an hour. And.

MS. BURNS: A half.

MS. TUCZAK: Yeah, so if you, if you've attended those two meetings, you're at two hours and then the sexual harassment is an hour, and this is another hour so you are at about four.

PRESIDENT WILSON: Can you, uh, provide the board a summary of what you just said? Some of the things we've done as a group just for everyone's record, please? I presume that those County employees that are also doing this have this requirement. You have security mentor, don't you? Do you have security mentors?

TRUSTEE BLAIR: Something similar.

PRESIDENT WILSON: Most of us, that are County employees, think all of us have to take this. So if someone chooses to provide proof of certification that they've taken that that

would be an allowable substitute although I encourage you to take this. I'm sure it's the same, but okay.

MS. TUCZAK: Yes.

PRESIDENT WILSON: Thank you. Okay. Carry on.

MS. TUCZAK: Would you like me to continue?

PRESIDENT WILSON: Yes, please. Yeah, you have the floor just keep going.

MS. TUCZAK: Okay. Alright, thank you. I just wanted to make sure.

The next item is, at the last meeting, the proposal from Mr. McCabe for three years of services as a legislative representative was discussed. And, the board agreed to work with Mr. McCabe on a contract and that is provided here. It is signed by Mr. McCabe and signed by fiduciary counsel as to form. So I am requesting that the Board approve this and the Executive Director execute on behalf of the Board.

TRUSTEE MCFADDEN: Did we approve the McCabe agreement or are we?

PRESIDENT WILSON: Yes.

MS. BURNS: We're approving the renewal based on an increasing price and the insertion of ...

TRUSTEE MCFADDEN: No, no, no. I mean, I thought we approved it last month and now it's simply.

MS. BURNS: Being presented.

TRUSTEE MCFADDEN: Being presented and executed, right? And we gave authority to Gina to. Uh...

TRUSTEE GOODE: Execute.

TRUSTEE MCFADDEN: Formalize it, have her approve as a form, executed by McCabe and then if then those two conditions were met, then Regina could sign it and it would be final.

MS. BURNS: Yes, right. And I signed it...

TRUSTEE MCFADDEN: Okay.

MS. BURNS: As to form.

TRUSTEE MCFADDEN: Okay, so it does not have to be here today? That's all I'm asking.

MS. TUCZAK: This might be redundant.

PRESIDENT WILSON: So according to the minutes, it said that we approved it and that it would be the finalized agreement would be presented to McCabe to the Board before it was executed.

MS. BURNS: Gina is just coming back and checking that off the list.

TRUSTEE MCFADDEN: On our behalf?

PRESIDENT WILSON: Yes.

TRUSTEE MCFADDEN: Executed by us?

PRESIDENT WILSON: Yes, yes.

TRUSTEE MCFADDEN: Okay, well then I don't know if it has to be here but it's here so can I move approval?

PRESIDENT WILSON: You may.

TRUSTEE GOODE: I second.

PRESIDENT WILSON: Okay. Any discussion on the motion?

Please call the roll, Peggy.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

The Legislative Representative Agreement is approved.

Gina?

MS. TUCZAK: Okay, the next item was discussed a few meetings ago. I think it might have been July. I had reached out

to BNY Mellon given the timing of the custodial RFP. It appeared that it would be beneficial for the Fund to pursue continuation of the BNY custodial agreement and they have agreed to extend it for one year at the existing fee and I... have a letter from them documenting that. Fiduciary counsel has looked at it. I would request approval to go ahead and execute this.

TRUSTEE GOODE: Move approval.

TRUSTEE BLAIR: Second.

PRESIDENT WILSON: It's been moved and approved that we approve the BNY Mellon Fee Extension letter as presented.

PRESIDENT WILSON: Is there any discussion?

Peggy, please call the roll.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

Thank you. CDW-G statement of work. Gina?

MS. TUCZAK: Yes, thank you. In this situation, it involves CDW-G, which provides various information technology services to the Fund. We do have in place a statement of work with them for 240 block hours where they assist with various IT tasks. For example, I've listed here firewall update installations, backup recovery issues if there's server alert matters, workstation patches, so the most recent statement of work for 240 hours was approved at the September 2019 Board Meeting. We are nearing the end of those hours and I have worked with them to come up to favorable terms for a new statement of work for a new 240 hours at the same fee. The statement of work that they provided has been reviewed by fiduciary counsel. They have, we have agreed on the terms and I think that what I would like is approval from the Board on this matter to go ahead and approve that these terms as I've outlined here and execute the document.

TRUSTEE GOODE: Move approval.

TRUSTEE MCFADDEN: Is, is? And I'll second but I have one little question.

TRUSTEE MCFADDEN: So I can look at this and divide arithmetic and to come at an hourly expense like \$125?

MS. TUCZAK: That's correct.

TRUSTEE MCFADDEN: One thing might be more sophisticated than the other, but it'll set the average? It balances out.

MS. TUCZAK: Yes. They have a certain way of billing where if they're using a higher tech person they might bill at a rate of like 1.25 times that rate. But that's, your arithmetic is exactly right, and that is the hourly charge.

TRUSTEE MCFADDEN: That's the base.

MS. BURNS: And those are the comments I made in revising the document. We didn't want it to look like a public pension fund will be paying someone to not work, instead, we inserted language indicating that this was a flat fee arrangement that was meant to cover various levels of expertise and service. That's why we were using the incremental time so no one could ever accuse you of overpaying for work not done. So, we inserted language, at Gina's direction. And they agreed to those terms. So you are protected from a fiduciary perspective in my opinion.

TRUSTEE O'ROURKE: Good to know.

PRESIDENT WILSON: Any other questions on the motion?

Roll Call.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

Thank you. THE CDW-G statement of work is approved.

Next is review and consideration of staff life Insurance options. Gina?

MS. TUCZAK: Thank you. At the last meeting, we talked about the fact that the County took the group life insurance out for an RFP some time ago and the County is going to be utilizing MetLife to provide staff life insurance to the Cook County Government employees. As part of that process, we are not able to participate in this arrangement. We had kind of been on the coat tails of the County and their arrangement with Securian in

the past. But with this new arrangement, we were not able to participate. We had brought the Board some options for a new provider to provide staff life insurance and the request was made to go ahead and get some more quotes which I said I would go and get two more. So, the next page provides these two quotes. We did not utilize a broker. The deputy director actually reached out to the insurance companies directly and solicited the quotes. So, we are falling under kind of a small employer type of structure and we're not able to get the terms that are the ones that the County has. Now, put this into context, the whole budget for this staff life insurance here is \$4500, so this isn't, you know, a big ticket item. But, if you look at the comparisons here, the Hartford is presenting the most cost effective solution on the proposals that we got. They, all the carriers, with the exception of Securian, indicated that to underwrite this, there would be a 35% reduction of the benefit for those people, those employees that are 65 and over. And that reduction would go to 50% when the employee was 70 or over. We have talked to fiduciary counsel about that. I don't know, Mary Pat if you'd like to address that?

MS. BURNS: When Gina brought this to my attention, when I first heard it, I thought well, aren't we discriminating against people over 65 or 70. And I have to admit, I've never dealt with this. And, so Gina gave me some time to go back and look at the

law. And sure enough, the American with Disabilities Act and Employment Act state that it could be discriminatory if you take away a benefit to someone at a certain age merely because of age. It's called the Equal Cost Defense and what we have to show are four things. One, we have to show that the cost of the benefit does increase with age, in other words, if the insurance company would increase the cost because of age. Two, the benefit has to be part of a bona fide benefit program which it is here, so I'm not worried about that second element. The third one is does the employer, here, the Fund, spend as much on behalf of or incurred the same cost for its older and younger employees. In other words, we can't give an employee a benefit that costs us \$4.00 and give one to the older person that only costs us \$2.00. We've got to make sure that we're spending the same. And lastly, if the benefit levels to older workers have been reduced such reduction has to be only to the extent necessary to achieve approximate equivalence in costs. So, that's the standard you have to meet. We asked Hartford and Hartford said they wouldn't give us the information we need to make that assessment as to whether we meet the equal cost defense. Which is okay, but we don't have the information to make that assessment. So what I would recommend, and I know Gina wants to get this done, but I'm worried that we would be violating and possibly engaging in discrimination unless I can make these findings. So what I would

respectfully suggest, if you're inclined to approve the recommendations of staff that you at least do it, subject to me being able to put a memo in your file indicating that we believe these four criteria have been met and that will mean I will have to go back to Hartford to have a few conversations to gather information. Does that make sense?

TRUSTEE BLAIR: Yes.

TRUSTEE O'ROURKE: May I ask a question?

The change of benefits to people over 60 and over 70, is it true? I'm just anecdotally guessing that that doesn't apply to Cook County employees' life insurance programs?

MS. TUCZAK: Right.

TRUSTEE O'ROURKE: Because they have this huge volume and they say, do it our way or forget it. So, could we have a second strategy do what we need to do to secure life insurance for your employees right now, but make sure we comply with the law. But also seems to me, that some good conversation with Risk Management and others at County government might allow them to change their mind about letting us participate when we point out to them the difficult consequences of that decision. Like why would they want to screw us, in other words.

MS. TUCZAK: So, I have had discussions with them and they are not really interested in including us in the arrangement because the administrative issues associated with reporting of

payroll and what not. They've indicated they had zero control on that. They don't have access to our records, and they're not interested in us being included.

TRUSTEE O'ROURKE: Are they speaking for themselves or they speaking for elected representatives? I mean, is anybody in the Board Finance committee, on a committee, like endorsed this change? Because I mean, it sounds pretty ugly on the outside. And I always, I like to fight for a little guy. But also, it seems to me that that we would protect ourselves from criticism by at least trying to reconcile this. I mean, the daily or weekly, every two seconds, but I can't imagine those guys say, yeah, let's screw those guys over at the pension board because the paperwork is kind of hard.

TRUSTEE MCFADDEN: This isn't fair because I stepped out for a minute but, is the total expense for the Fund a year, for this life insurance. How much was it last year?

MS. TUCZAK: The budget is \$4,500.00. I'd have to see what the exact number is but...

TRUSTEE MCFADDEN: But it is in that neighborhood?

MS. TUCZAK: Yes, it's in that neighborhood.

TRUSTEE MCFADDEN: And, it provides for one times the salary of the employees. Okay? And do they kick in anything?

MS. TUCZAK: For the one times? No.

TRUSTEE MCFADDEN: Okay, but to buy additional, do they?

MS. TUCZAK: That's on the employees.

TRUSTEE MCFADDEN: And, if you're over 65 or over 70, it starts to get expensive. This is term insurance, this gets expensive for the people over 70. I mean it gets expensive every year you get to be more every year you are blessed to be around.

PRESIDENT WILSON: Age.

TRUSTEE MCFADDEN: Is that right?

MS. TUCZAK: I'd have to look at how they calculate the rate.

TRUSTEE MCFADDEN: There should be a schedule like

MS. TUCZAK: Right. I think it's a rate per thousand that they charge. I don't know that that rate is age dependent, but I think that the underwriting of the risk changes.

TRUSTEE MCFADDEN: What I've seen people do is they have, um. For the additional insurance, a rate per thousand and you can only buy up to two times. The second half, or twice of your salary and it would seem to me that the older person should be paying more but should be included in the base. Does this include everyone at one times salary?

MS. BURNS: No.

TRUSTEE MCFADDEN: Or will that not?

MS. BURNS: What happens now is today, every employee gets one times salary.

TRUSTEE MCFADDEN: Oh, okay. Good.

MS. BURNS: What they're proposing is that all employees under 65 get one times salary. If you're over 65 you only get.

MS. TUCZAK: .65 salary.

MS. BURNS: I'm sorry? You only get 65 % of your salary

MS. TUCZAK: .65 salary.

MS. BURNS: If you're over 70, you only get 50%. And that's what causes the concern because you discriminate, possibly discriminate, based on age.

TRUSTEE MCFADDEN: Um. I. Uh. I don't like that. If they want \$4,500 to do everyone last year then charge us \$9,500 to do everyone this year.

MS. BURNS: You can do Securian. You can do that policy, for \$8,400. You could.

TRUSTEE MCFADDEN: Have everyone like last year.

MS. BURNS: Everyone has the same benefit then.

TRUSTEE MCFADDEN: Right, but then when you go to, so, if that's fair, I would think that's as it should be and, that should be transparent to the employee. Regardless of their age. Where, it, then, after, to buy additional another salary for yourself at your own expense, should be whatever the rate is, I would think.

MS. TUCZAK: So there is an exhibit back here that shows the incremental cost by age and you're exactly correct. If we go with Securian, there is no reduction of amount at age 65 or 70.

What they have provided is a quote for \$50,000 of life insurance per employee would be across the board and then the amount here. The annual amount would be \$8,400. And then, there is the supplemental articulated on the sheet. So if that.

TRUSTEE MCFADDEN: Okay. I'm sorry and I should have studied this before closer. What's the \$50,000?

MS. TUCZAK: That would be what Securian is willing to underwrite. \$50,000 of life.

TRUSTEE MCFADDEN: So, if we have 30 employees, if anyone passes away, they'll get \$50,000 regardless of their salary and position and everything else.

MS. TUCZAK: I believe so. Yes.

TRUSTEE MCFADDEN: Well, I think they're, they're making it. And last year, it was the salary that you.

MS. TUCZAK: The one times salary.

TRUSTEE MCFADDEN: The one times salary. Uh. I would think you'd keep it at the one times salary and put a max on what they can buy extra and that's according to the schedule. And they're not doing this they're making it really difficult. So, someone that makes 25,000 gets 50 and someone that makes 125,000 gets 50.

MS. TUCZAK: That's what Securian has proposed.

TRUSTEE MCFADDEN: Okay. I wouldn't vote for this.

MS. BURNS: So again, if you did The Hartford, which is what staff is recommending, that would allow, that's number 4 on the grid. For about the same thing the Fund is paying this year. Next year, your employees will get one year's salary if they were to die, unfortunately, while serving as an employee. The issue with that is that under the policy, it changes if you're 65 or over. And so, to be comfortable under the law, I would recommend as your fiduciary counsel that you meet these equal cost defense requirements before you.....

TRUSTEE MCFADDEN: Okay.

MS. BURNS: Before you bind this coverage, which I think we can do.

TRUSTEE MCFADDEN: But if I'm here and 70 and I wanted to buy twice my salary, if I want to buy another portion.

MS. BURNS: You could do that.

TRUSTEE MCFADDEN: I can do that, except that, is it capped at the 200,000? Is s question, kind of an incidental question, and if they want to change the percentage of what the policy is, then. Where does? Uh. That's for the base policy?

MS. BURNS: Yes, sir.

TRUSTEE MCFADDEN: That's for the base policy? I uh...

MS. TUCZAK: The base policy is in the top part of the chart. .166

MS. BURNS: Right. What Trustee McFadden I think is asking is that if you are 70 years old and under the policy, your salary is \$150,000 you pass away, you would only get \$75,000 in coverage right? Under the base. If you wanted, you're still alive and you want to buy a supplemental coverage, are you only limited to only buying \$75 or can you buy the \$150? So that if you died, your family will receive \$225.

MS. TUCZAK: I don't know the answer to that.

MS. BURNS: Yeah, so that's what you're saying. You want, if I understand you.

TRUSTEE MCFADDEN: Well, yeah.

MS. BURNS: Supplemental should be able to go for full salary without reduction. Based on age...

TRUSTEE MCFADDEN: My suggestion. I would uh. I don't think it's right to penalize people at their age. I mean, if you're going to benefit, if a benefit is going to be your salary insurance. It is or it isn't. And they shouldn't fool with it. If they wanna fool with it, then they can fool with it. How much is the premium 4,977 Hartford says?

MS. TUCZAK: Yeah.

TRUSTEE MCFADDEN: Well, then increase that and take this element out.

MS. TUCZAK: We tried.

PRESIDENT WILSON: And we can do the column one.

MS. TUCZAK: We tried. We tried with Hartford and they're not willing to underwrite it any different.

TRUSTEE MCFADDEN: Okay. Well then, if you go to column one, What if you went back? I'm sorry.

MS. TUCZAK: No, no, go ahead.

TRUSTEE MCFADDEN: I'm sorry, this is not the time we should be doing this, I guess.

MS. TUCZAK: Okay.

TRUSTEE MCFADDEN: If you went to column one, what's the 50 mean?

MS. TUCZAK: That's 50,000 of life insurance per employee regardless of salary. It is across the board.

TRUSTEE MCFADDEN: So these one and four aren't apples and apples?

MS. TUCZAK: That's right.

TRUSTEE MCFADDEN: Okay. And, column one won't do? What I where I was going?

MS. TUCZAK: Where you're going in terms of doing a one times life? I believe we asked about that and they declined.

PRESIDENT WILSON: So, none of these gives you, what you're looking for, which is your age, I mean, your salary without the reduction?

TRUSTEE MCFADDEN: Right.

MS. TUCZAK: Can you? Caroline, I don't know if you - Caroline has the answer. Caroline did this analysis. So I can have her verify that.

PRESIDENT WILSON: I guess I have another question as well. Uh.

MS. TUCZAK: She's on mute. Caroline...

TRUSTEE MCFADDEN: See...

PRESIDENT WILSON: Because of the population and as Trustee O'Rourke said and we don't have the bargaining depth. Are there cost pools or associations for smaller entities that you can get into a pool that allows you to have a larger group to underwrite your cost in besides the employer or pension plans or something else we could piggyback on?

MS. TUCZAK: I'm sorry I missed the question...

PRESIDENT WILSON: Are there any? Are there any associations or other groups that we could underwrite our costs? We can, where we could go and have our risk pooled with their memberships so that there is a larger group and you get the benefit of the less risk and cheaper premiums?

MS. TUCZAK: I'd have to, I'd have to research that. I believe that part of the Securian proposal is an assumption of kind of a pooling of small business associations.

MS. BURNS: So, maybe you consider a broker to help you? Somebody who knows the market?

TRUSTEE MCFADDEN: Yeah. I uh. Life insurance comes and goes depending upon their experience and they're trying to sell it like crazy one year and a couple years later, they're all afraid of it. I think you should be out. I don't know why. Blue Cross Blue Shield, I wouldn't have picked up the phone and talked to them. The Hartford is more of a liability company. MetLife is in a life insurance company and I've never heard of the other people. Now...

PRESIDENT WILSON: So, do we have to make a?

TRUSTEE MCFADDEN: Which doesn't make it right, or that I know have a clue what I'm talking about, but none of this works for me.

PRESIDENT WILSON: Do we have to make a decision today? Do we have time to have a broker look into this for us to see?

MS. TUCZAK: So, we do...

PRESIDENT WILSON: If there's a place where we could get a pooled rate?

MS. TUCZAK: If the fund would like me to utilize the services of a broker? We did reach out to one, and then she had requested a letter indicating she's a broker of record.

PRESIDENT WILSON: Sure.

MS. TUCZAK: So in the interest of saving costs for the Fund we elected to try to contact the carriers directly, but we can certainly do a broker of record for the Fund.

TRUSTEE MCFADDEN: See if how much do they want?

PRESIDENT WILSON: But the cost goes to the insurance company, doesn't it? We don't pay that.

MS. TUCZAK: Right, but there will be that the broker told us that you know her involvement, they're gonna, they're going to increase the premium a little bit. It's not going to be for free, so somebody's gotta get paid to do that work. So there would be a little bit of a charge that they received from the policy for a commission.

TRUSTEE GOODE: But we have to make sure that we take care of the employees of this Fund.

TRUSTEE MCFADDEN: The broker for their experience and intimacy with this business, I think is worth the expense. I...

PRESIDENT WILSON: Particularly if they can tell us ahead of time.

TRUSTEE MCFADDEN: \$8,400 expense...

PRESIDENT WILSON: They should be able to tell us ahead of time if there is an association or pool where they can get us a more competitive rate and so that we could have an apples to apples comparison so we know what the return is. If there is an entry cost, I guess there's an annual renewal brokerage fee but...

MS. TUCZAK: Okay.

PRESIDENT WILSON: Yeah.

MS. TUCZAK: So...

TRUSTEE O'ROURKE: Pardon me ...I'm still waiting to hear if there's someone we can reach out to at the County government?

PRESIDENT WILSON: Yeah.

MS. TUCZAK: It's expiring at the end of the month, so I'd have to work with, we have to work with the broker ASAP. And then, just come back to you on the recommended solution. Probably do like some type of....

MS. BURNS: Phone poll?

MS. TUCZAK: Phone poll.

MS. BURNS: And, we could do that because I would feel comfortable doing that with the Open Meetings Act because you're having this robust discussion; all we would be doing is reporting back to you on your direction, implementation of your direction to us today.

TUSTEE MCFADDEN: If that cost us less than \$10,000, Gina and you can do it. I would feel more comfortable for you if you find it the job, for less than 10,000, then go ahead. It would, I think it's within your purview, but I would suggest that you have Mary Pat sign off as to form. But, if I was the insurance guy, I would want you to tell me here's the ages of everyone who may want to cover their whole salary. Okay? And then, I want you to give me and how much that'll cost me and then give me a schedule of how much per thousand for additional insurance. And don't tell me anything else. That's all I want to know.

MS. TUCZAK: Okay. So, we can... I've got like I said, I have a broker that we had reached out to before. I was, we were trying to save cost so we didn't go that route but we can contact the broker this afternoon and get her started.

PRESIDENT WILSON: Let me ask.

TRUSTEE MCFADDEN: I was just making a suggestion.

PRESIDENT WILSON: We were just talking back here. There's Illinois Municipal League, there's a National Association of Pensions and I would also look at those groups and see if there's a piggy back and see how whether they have a product. I presume we're members of those groups, and if not, we could join Illinois Municipal League.

MS. TUCZAK: We are not a member of, if that's a group that requires dues. I know we don't pay them dues, but I don't know what it entails to be a member. So maybe, we are.

TRUSTEE MCFADDEN: Did we pay someone dues today? I think.

MS. TUCZAK: I have to look, I don't remember.

TRUSTEE MCFADDEN: I think we did, but that, don't, don't, don't...

TRUSTEE O'ROURKE: Can you think of a method to give yourself a little more time since this isn't quite, since it's a do or die thing, 15 days or whatever? I mean, it seems pretty unnecessarily hard on you and your staff if we buy an extension

from our current vendor so we have a little time to do this thoughtfully?

MS. TUCZAK: They won't extend the current agreement. They won't. Because it was, it was the County was attached to this, and they're not anymore. So this is the biggest extension we could get, we tried.

MS. BURNS: We've heard your direction. You want to keep the same benefit for your employees without an age discrimination factor and keep it under \$10,000 or come back to you.

PRESIDENT WILSON: So it sounds like we have a couple options on the table. We were whispering back here and Peggy's, got a list of the couple of associations that the Fund staff can talk to and see if they have a program and if not then go to the broker and see if there's a benefit to utilize a broker. And then if not, then we come back to the options on the table.

TRUSTEE BLAIR: Fair enough.

TRUSTEE O'ROURKE: Well, can we not wait to talk to a broker. We talk to a broker but not necessarily hire a broker.

PRESIDENT WILSON: Certainly.

PRESIDENT WILSON: Yes, simultaneously. I agree.

TRUSTEE MCFADDEN: Forbes has a current list of the big good insurance companies. That got Pacific Life, Penn Mutual, Northwestern, Pruco, Prudential and Lincoln. Those are all familiar names with five stars.

TRUSTEE MCFADDEN: You can learn from talking to these people too.

PRESIDENT WILSON: Yeah. The broker that does our fiduciary insurance, Mesirow, is that who were you talking to? Although, sometimes I guess they're big enough, right? That they would be able to have a life side sometime near one side or the other, but.

MS. TUCZAK: I could contact Mesirow. The broker that I had contacted was Debbie Rowe, Doyle Rowe, who I know had provided brokerage services for staff insurance at my prior Fund. And I know they do other work with IMRF and so I reached out to her because I know her.

PRESIDENT WILSON: I hate to pile your list. Maybe you talk to both, and then decide who's, who has, who can help us and make a decision. That way and then just go for it.

MS. TUCZAK: Yes.

PRESIDENT WILSON: Does that sound amenable to everyone?

TRUSTEE MCFADDEN: It does to me.

PRESIDENT WILSON. Okay.

TRUSTEE MCFADDEN: And I hope that they're responsive to you.

MS. TUCZAK: I, I have confidence that Debbie Rowe would be responsive because she does these types of small arrangements.

Mesirow, because they are larger organization, I don't know what their interest would be but I can certainly reach out to them and see.

PRESIDENT WILSON: Sure.

MS. TUCZAK: And how quickly they could turn something around.

PRESIDENT WILSON: If they don't, then that's fine but we've at least demonstrated our fiduciary obligation. We've talked to a small or medium size broker, specialty and a large, and we can at least demonstrate we're doing our best that we can.

TRUSTEE MCFADDEN: There's no getting out of this, if we have an arrangement with one of these people.

TRUSTEE O'ROURKE: Mr. Chairman, point where... I'm sorry, are we agreed that we're not going to discriminate against people 60 or 70?

PRESIDENT WILSON: Oh, of course. We are following the recommendations of counsel and we will make sure that we address the equal cost defense.

TRUSTEE O'ROURKE: Thank you.

PRESIDENT WILSON: Always.

TRUSTEE MCFADDEN: So, looking at number four were a fellow or woman pays third gets 35% or 50% might be legal, so you're, you're okay with that, if it's legal? I wouldn't be okay with it.

TRUSTEE O'ROURKE: I'm not okay with that. I thought...

TRUSTEE MCFADDEN: So that the ... I wanted to get out.

TRUSTEE O'ROURKE: ...that costs?

TRUSTEE MCFADDEN: So everyone should get their salary.

MS. BURNS: That's what we're going to try.

PRESIDENT WILSON: We're going to try but if that does not exist, these are the options that we there was not a get your full salary option so we can say that's what we want, but if staff if it doesn't exist now we're back to this.

TRUSTEE MCFADDEN: And that would be if Debbie says that doesn't, that animal doesn't exist.

Ms. TUCZAK: Or it does exist, but it's going to cost you \$20,000.

TURSTEE MCFADDEN: Okay, then there's I guess there's something to talk about but I still think you should spend the \$20,000.

MS. TUCZAK: Okay, alright.

TRUSTEE O'ROURKE: But, or maybe I'm...

PRESIDENT WILSON: Go ahead, clarify.

TRUSTEE O'ROURKE: I think it's a big deal when this Fund experiences increase in price because another government decided they didn't want to continue providing that benefit to us as supposed, at the end of the day that is their right. But my guess after knowing this government pretty darn well is that a

lot of people who might be interested in that decision, didn't hear about it. And so, because it makes things, it's not just insurance, where does it end? I mean, about the level good level of cooperation between the Pension Board, the County Cook, everything I know is good cooperation and we start nickeling away at that, a cooperation is not going to be there in five years.

PRESIDENT WILSON: Understood.

So what do you think?

TRUSTEE KOURUKLIS: Where is this coming from? I'm sorry. What did they tell you the last time you spoke to the County about this? What was their direction on this?

MS. TUCZAK: So, the information, the communication was held with the Director of Risk Management? I believe that's her title, and their position was they don't have access to our payroll information. They don't control our information. There's no way that they can submit the information for the coverage and that they, that because they can't assist with the administration of it, we can't be a part of the contract. That's cutting to the chase. I mean, they first didn't have a problem with it, but then when MetLife became aware of the difference, is that they'd be getting submissions from two different entities, they said no, it has to be one submission and the County said we can't do that and so that was where that ended.

So if you want me to take this to the County CFO, I'm happy to do that.

PRESIDENT WILSON: So it sounds like it's a more of MetLife issue, but I don't know. From what I'm hearing, whether there is a way to work this and is it too late, or is there still time? I don't know. All I can tell you is I do know when we've worked with these vendors and we always were having a lot of issues with third parties, whether it's Aflac or Nationwide, they want a payroll report that comes out of the County's payroll system and they want ... and I don't know why but.

TRUSTEE GOODE: It sounds like we might not get that resolve but I kind of agree with Trustee Hughes about you know, about working with us, assessing when the scrutiny about everything you do so we can't resolve it with them this time.

PRESIDENT WILSON: Yep.

TRUSTEE GOODE: So maybe, when the contract comes up again, but then it's us that would make that point to other entities. This is the second thing that they've done that I can think of where we work with them, and they kind of put us out there on our own.

TRUSTEE MCFADDEN: What was the other one, Trustee?

TRUSTEE GOODE: The County Doctor thing.

TRUSTEE MCFADDEN: Oh, the doctor business.

PRESIDENT WILSON: Yeah.

TRUSTEE OCHALLA: They also did that with the rent.

TRUSTEE MCFADDEN: Printing?

TRUSTEE OCHALLA: When we were looking to move from the Dearborn address, there was a potential for going into 69 West.

TRUSTEE MCFADDEN: But then the wind up there, if I'm not mistaken, is that the wrong person was talking to the wrong person and that they were, the higher ups were surprised to hear that, and if and I am 99, 95% certain that that would have worked, it could have worked.

PRESIDENT WILSON: Yes.

TRUSTEE MCFADDEN: But at first blush we were told no.

PRESIDENT WILSON: You're right, that's true.

TRUSTEE KOURUKLIS: Well, maybe that, because of that, thank you Kevin, Trustee Ochalla, maybe the Executive Director should reach back out to risk management and say, have you double checked with maybe the Chief of staff or the CFO because the Board did have question? Are you sure that that's the only alternative or have an alternative, I should say, and I want to make sure that's the answer officially from the County.

TRUSTEE O'ROURKE: Who's the Bureau Chief that...

PRESIDENT WILSON: CFO.

TRUSTEE O'ROURKE: That presides over Risk Management?

PRESIDENT WILSON: CFO.

MS. TUCZAK: CFO, that's why I suggested I could contact the CFO directly.

PRESIDENT WILSON: We have a relationship with the CFO, just go straight to Ammar?

MS. TUCZAK: I think that would be more direct.

PRESIDENT WILSON: Yes.

MS. TUCZAK: Yes, and I'm happy to call him. I mean, we talk on an occasional basis.

TRUSTEE MCFADDEN: You know, of course that this is a double edged sword. Renting space at 69 building is one thing. Mixing the payrolls together and what was the other thing?

TRUSTEE KOURUKLIS: The doctors were unable to see our members.

TRUSTEE MCFADDEN: The doctors. I can understand the doctor's thing because they had the space on the 8th floor and I think they wanted to stop that, and they're using the Cook County Hospital and I think that was a step removed. But I think it was also you get what you pay for. The more we take advantage of them, the more it makes them less removed from us as a corporate entity.

TRUSTEE BLAIR: I was just saying the same thing.

TRUSTEE MCFADDEN: And that's what I don't feel good about.

TRUSTEE BLAIR: Trustee O'Rourke, we are talking about \$4,500, right?

PRESIDENT WILSON: Yeah.

TRUSTEE MCFADDEN: Well, right. We spent more time on this than we've spent on 10's of millions.

TRUSTEE BLAIR: Just a perspective. I would like the independence.

TRUSTEE MCFADDEN: Well, I would too, as long as they don't come up and say with it's you know, as long it's a defensible amount.

PRESIDENT WILSON: Yes, I think there's philosophically you're right, but there are some things that are large dollar. And then there are some things where there's an advantage to some economies of scale and we have to look at each other individually and determine whether the benefit is there or not and maintain independence along the way. And, certainly Risk Management is a big one as well as procurement. I mean, that is procurement.

TRUSTEE: KOURUKLIS: These contracts are for how long?

MS. TUCZAK: I don't know the term of the County contract. The ones that we have on the table. I think there's a two year?

TRUSTEE MCFADDEN: And three.

MS. TUCZAK: Yeah.

TRUSTEE MCFADDEN: One and three. Three and two years and one arrangement.

PRESIDENT WILSON: That's the rate guarantee, but is that the term as well?

MS. TUCZAK: It might not be. Maybe it's an annual contract with the rate renewals frozen. I'm not sure.

TRUSTEE KOURUKLIS: I think Mary Pat told us before that just because we enter into a contract, doesn't mean we can't get out of it, they have to stick with us. But we, as a group can always go elsewhere.

MS. BURNS: Usually, on insurance companies, you can get some of your premium back, but I'd have to check the policy.

PRESIDENT WILSON: Yeah, that's true.

MS. BURNS: They prorate the policy, but...

TRUSTEE O'ROURKE: Typically, you have to pay the whole year?

PRESIDENT WILSON: Well, they're going to make their profit when even when you cancel. There is a cancellation fee but you can get out of it. Meaning its guaranteed premium. I beg your pardon, let me get the language right.

MS. BURNS: But, we understand what the Board's saying I think, Gina, and Peggy and I can work on it and update the Board. But we get the direction that you want your employees to retain the same level of life insurance coverage that they currently have if possible, for at least a one year period. On

an alternative basis, we're also supposed to see if we can work to get back into the County's program, I get that.

PRESIDENT WILSON: Are we coming back? We're going to have a special meeting to talk about this? It sounds like it's too complicated to just delegate authority to the next step, so.

TRUSTEE KOURUKLIS: That was the broker part.

PRESIDENT WILSON: What's the...

TRUSTEE KOURUKLIS: We, we're back at the broker part, to see what they could find.

PRESIDENT WILSON: And perhaps an association.

TRUSTEE KOURUKLIS: \$10,000 I think? We're giving them the authority to move forward as long as Mary Pat signs off on the document.

TRUSTEE O'ROURKE: Just ask them, Mary Pat, Gina and Peggy, to proceed along lines we've discussed and leave it up to them. And if they find something they like, well, just do it.

PRESIDENT WILSON: Put that into a motion or someone, please.

TRUSTEE O'ROURKE: I would move that the Board authorize the Executive Director, Fund Counsel, Fiduciary Counselors and staff to make additional inquiry into the cost availability of insurance for staff with an eye towards making sure that all employees of this Fund receive the same level of benefits. And

additionally, but separately, that when it's appropriate that the Executive Director makes best efforts to reach out to senior members of the administration to see if there is a way to resolve our differences, in the future. It's kind of long..

TRUSTEE MCFADDEN: But, but Securian is buying it from Minnesota Life?

MS. TUCZAK: Yes.

TRUSTEE MCFADDEN: Securian is OCHS, is owned, Securian is, OCHS is not a company. Securian is a subsidiary of Securian financial. If they were doing business with the Police Department Fund, then, they didn't, no one comes who wasn't sent. So I, that I wouldn't even pick up the phone and call them. I would call those five companies that Forbes recommends and tell them real succinctly this is it. I have people that are 70. The other 28 or give them the list and tell them to do it. Everyone gets their salary and give me a schedule for what it costs to buy more to a maximum of two times the salary and then all you have to do is compare the base and along with keeping in mind what the incremental rate is.

MS. TUCZAK: Okay. So, Securian had nothing to do with the Police Department. I just mentioned the broker that could assist with making these. But, if you're advising that rather than use a broker, you would like staff to reach out to those five

companies directly, then we can do that. I just need clarity. I thought we were going to a broker and then the associations.

RESIDENT WILSON: We want a broker and then the associations.

TRUSTEE O'ROURKE: We want both. We want both of them.

PRESIDENT WILSON: Yeah, that's two things. A broker and pursue associations such as a Pension Association, the Municipals.

TRUSTEE MCFADDEN: Whatever he says. Not what I say.

PRESIDENT WILSON: They are authorized to.

MS. BURNS: I can make a phone call.

PRESIDENT WILSON: Yeah, that was included in the motion. They are authorized to proceed.

Did we hear from each trustee? We had a couple of conversations going on.

TRUSTEE MCFADDEN: I'm good.

TRUSTEE O'ROURKE: Yeah.

PRESIDENT WILSON: Okay.

TRUSTEE MCFADDEN: Are you good?

MS. TUCZAK: I believe so.

MS. BURNS: So Trustee O'Rourke, made the motion. I don't know who?

TRUSTEE BLAIR: Second. What's the motion?

(LAUGHTER)

TRUSTEE BLAIR: Let's start all over?

TRUSTEE MCFADDEN: I think. I think Gina understands the motion.

PRESIDENT WILSON: Hopefully, Peggy does.

MS. TUCZAK: We have this recorded.

PRESIDENT WILSON: Alright, we're good.

MS. TUCZAK: So, I can always listen to the recording.

TRUSTEE BLAIR: Okay. Alright.

PRESIDENT WILSON: The summary is we are directing staff to pursue other options and then, we're giving them the ability to pursue and execute. And, part of the motion also was to also make sure we explore opportunities to work with the County, the employer to secure procurement at better pricing.

TRUSTEE O'ROURKE: And they don't necessarily have to come back here for approval. Right?

PRESIDENT WILSON: Yes, that was in there.

TRUSTEE BLAIR: Okay, because it's up at the end of the month.

MS. TUCZAK: Which includes utilization of a broker as one of the options.

TRUSTEE BLAIR: Okay, got it.

PRESIDENT WILSON: Broker and professional associations. Two different directions.

MS. TUCZAK: Yes.

TRUSTEE BLAIR: Got it.

TRUSTEE O'ROURKE: I'll second that.

PRESIDENT WILSON: That was your motion.

MS. BURNS: Trustee Blair?

TRUSTEE BLAIR: I'll second.

PRESIDENT WILSON: Okay.

Roll call, please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Yes.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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.

MS. FAHRENBACH: Trustee O'Rourke.

TRUSTEE O'ROURKE: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

Thank you very much.

TRUSTEE OCHALLA: Peggy, you can count me down as aye. I had my mic off.

MS. FAHRENBACH: Okay.

TRUSTEE OCHALLA: Thank you.

PRESIDENT WILSON: Okay.

Also, we have a State of the Fund draft report.

Gina?

MS. TUCZAK: Yes, so it was requested a few meetings ago for staff to put together a state of the fund report that could be shared with other interested parties of the Fund. Possibly given to the Commissioners as a reference tool specifically when presentations are made and questions may come up. So, we have put together a draft State of the Fund report. It is comprehensive, which my understanding is that's what was desired and this has been distributed to all of you. It's draft, so I'm just soliciting feedback. Certainly not at this meeting because you just got it but soliciting feedback from you on any changes or other requests that you have on this.

TRUSTEE MCFADDEN: Does it suit Trustee Kouruklis?

TRUSTEE KOURUKLIS: Yeah, so we've talked. We've gone through a lot of it. I have some notes. I haven't shared the additional notes. Overall, though, if when you do go through it, you'll notice that some of the comparison charts are very favorable to the Fund showing how, how especially in the

healthcare side compared to CPI and how our expenses have gone down from CPI, I believe CPI is 80%. We are down over 11 years or I'm sorry, over the period is 11% per person.

MS. TUCZAK: Per person. Right, right. Overall, the cost increase per year per person is less than CPI.

TRUSTEE KOURUKLIS: The investment portfolio side is very, very interesting. It's great to have at your fingertips. The informational technology side, maybe we could add a little more, but I don't, I don't know how to do that. IT towards the end, so I'm still going through that. Anyway, I think the goal for this is really to have that available for the public's use as transparency from the Fund. Maybe on an annual basis it's updated so we don't have to spend so much time on a quarterly basis. I think you guys would probably appreciate that. If anybody else has any recommendations you know, please feel free to share with the Executive Director. But I think, overall to have one document I'm always going back and forth from investment side, to see where we're at to our funding side to our legislative side. And it's, you know, trying to find the latest version. And this really recaps it very nicely. So, good job and I hope to see other comments from the rest of the Board.

PRESIDENT WILSON: So, I'm unfortunately the devil's advocate on this. As we start this, my concern is the number of hours that went into the preparation of this, time of Gina and

staff, because this is a very detailed and informative report. I agree. But one who gets reports from Board where they'll ask for something, and then it gets immortalized into another redundant report; I raise concerns that a lot of this information is available on the website. And so I think we are transparent. I think Gina has gotten compliments from Commissioner Gainer and the Board on the presentations and if there's any information that has been lacking, let's identify that. But this is a very dense, intense report that provides information we already have. And it takes a lot of staff time. Unless there is a demonstrated shortfall, why memorialize a new report? There's a serious opportunity cost of doing this and it's not a criticism of staff but as we were going through agenda review and talking some of the things that had to be delayed to do this. There are two RFPs out there, transcripts, there's a budget. We talked about additional analysis on some of the agenda items. The information is already available. So I am really not in favor of us creating a 85 page report that just summarizes what's already there. And when we talked about it we said that the Commissioners would like this. In all deference to a Commissioner, I don't see them reading this entire report.

PRESIDENT WILSON: Yes, Sir.

TRUSTEE MCFADDEN: Is this what you had in mind, or is this more than what you had in mind?

TRUSTEE KOURUKLIS: It is more.

TRUSTEE MCFADDEN: Could it be, could it be?

TRUSTEE KOURUKLIS: Yeah, I, I really...

TRUSTEE MCFADDEN: Because the Commissioner is, he may look, his clerk may look at it the first time and then not the second time.

TRUSTEE KOURUKLIS: Yeah. So, just from experience, our office is a small office now. We had 255 people, now we're down to 58 and we have this report on an annual basis that we provide to every Commissioner and it's part of our budget presentation as well. So we do it at the same time. We incorporate our budget highlights in this and the Commissioners normally get a budget book and this is just the highlights during our presentation now.

TRUSTEE MCFADDEN: So, this would be okay if you were going in for a budget presentation?

TRUSTEE KOURUKLIS: We did use ours. We did use ours...

TRUSTEE MCFADDEN: Okay. Okay.

TRUSTEE KOURUKLIS: Just last week as a matter of fact and we've been doing it for maybe 11 years now, 12 years from that perspective. It was difficult to do the first two or three times, but once that template for us was there, we just updated charts because they're mostly charts. They weren't, you know, most of this too is a lot of big print and highlights. And now,

that becomes easier for us to update on a regular basis because it's available. We look at the data and we just update the data. That's how we we've grown to use it and it is. We always direct people, especially through FOIA when we do have questions regarding our office. We direct them to our State of the Office Report so they can gather their information there. To the President's point, he's right. We do have a lot of that, not all of it, but we have a lot of it on the website. But, to gather it all and to find it, it is somewhat time consuming. So...

TRUSTEE MCFADDEN: Is this more of an, would you characterize this?

TRUSTEE KOURUKLIS: Annual report.

TRUSTEE MCFADDEN: As annual report?

TRUSTEE KOURUKLIS: Yes.

TRUSTEE MCFADDEN: Well, when you go and do you think it could be disturbed annually without enormous hours?

TRUSTEE KOURUKLIS: Well? I'm sorry, I have to add one more thing. What you could do is time this around when you do meet with the County. So, when you know, when the Pension Committee calls upon you and the Fund representatives and us of course to go there, you can time it around that time. A month before you know two months before, you can bring that as your State of the Office, State of the Fund Report. Give it to them a couple

weeks before the meeting itself so they can digest it and answer their questions right away. It could be helpful.

PRESIDENT WILSON: I don't. I don't disagree with any of that, but unfortunately I sit in this seat where someone will ask a question and we have a CAFR which presents most of this. We have numerous Investment Reports, we have Actuarial Reports and to your point, it is a challenge because someone at the Board may think that they're asking a budget question, they're asking an audit question, an actuary question and they want, oh, can you put all of that in one document? You can, but it's not cost beneficial to try and anticipate every piece of information and put it in one document. Do you have any idea how many documents you have on the website? I mean, it's a lot. So, unless there is a need other than it's nice to have everything in one place, why give them all of that effort? We have the Pension benefit issue.

(INAUDIBLE TRUSTEE VOICE)

PRESIDENT WILSON: Well. I haven't heard a complaint. I hear that, but I thought I heard compliments. The last time we were there, we were getting compliments. Gina got great compliments on the report. Unless I, am I overstating that?

MS. TUCZAK: I think that the way that this discussion ensued was that in that presentation, Commissioner Gainer had asked some questions that I didn't have the answer on the tip of

my tongue. And if I recall this correctly, Trustee Kouruklis had suggested that if you have a State of the Fund report, you can just say oh, it's in the State of the Fund report.

TRUSTEE KOURUKLIS: Right.

TRUSTEE MCFADDEN: Well, You know what my experience over there was. That will always be the case.

PRESIDENT WILSON: And you say, I don't have the answer I will get back to you, and you send them an answer.

TRUSTEE KOURUKLIS: Yeah.

MS. TUCZAK: Which is what was done. Which is what was done. I just want to be clear that an answer was provided.

PRESIDENT WILSON: It is not in deference against what the Treasurer was doing by any means. I think this is a very comprehensive document. But, there are so many priorities and backlog that staff have not been able to address to just create another that in priority of all of the pending things that we haven't been able to address. Why put something on there that's not necessary? So, that's why.

TRUSTEE MCFADDEN: This is a beautiful document, and I think it's the most comprehensive ~~that~~ document about the organization than has ever been assembled.

MS. TUCZAK: Thank you.

TRUSTEE MCFADDEN: So...

PRESIDENT WILSON: But people won't...

TRUSTEE MCFADDEN: I'm anxious to get home to...

PRESIDENT WILSON: ..the CAFR...

TRUSTEE MCFADDEN: ...actually read it.

PRESIDENT WILSON: Who reads that...?

TRUSTEE MCFADDEN: At least once.

TRUSTEE KOURUKLIS: Well, it also puts it in plainer English than the CAFR...

PRESIDENT WILSON: No, I am giving you an example, I agree. But whether it's the actuary report, the budget document, the CAFR, I mean, you pick any one of these published documents, Investment reports from Callan that are available.

TRUSTEE KOURUKLIS: Yeah, I just wanted one, to make one more point, and then I'll drop it. I think it's overall you won't see numerous staff that are going to have to put that together.

Maybe one person that would just gather and repeat updating these screens. If you were going to do this right, that person would just go source that same information. Update it. I would also recommend that you distill it to even a smaller report. But during our discussions with the County CFO and some of their staff, you know, we talked a lot about what the County Pension Fund is doing regarding healthcare, regarding funding, and a lot of misinformation I think, gets discussed and it's always nice to have a document that you can always refer to during those

meetings instead of having to dig up the last calendar report or the last actuarial report we got from our actuary. That's all I mean. It's a useful tool for us to, I hate to say defend, but I feel like a lot of times we get to defend the good working of the Fund in these smaller discussions that we have.

PRESIDENT WILSON: I think that's going to be ongoing. Gina probably can't tell you how many hours...

TRUSTEE MCFADDEN: You're talking about a narrative now.

PRESIDENT WILSON: ...into this and I think that she probably is uncomfortable even saying that how much of an effort it is to do this, or what. If you're willing to create another report that is not required and we got so much pending things that we can't address, pursue but I would, I would vote no.

TRUSTEE KOURUKLIS: I don't know, do we have motion or is this just...?

PRESIDENT WILSON: This is just a conversation.

TRUSTEE MCFADDEN: I would make sure you try hard to keep this current. Otherwise, all this work will go and we forgot. What they asked me to do once, the powers that be, would be to give them, come down and tell me in writing, notes of what you've been doing and I didn't take offense at that. And, so on my calendar, I write something that occurred to me was worthwhile. Where I'm going with this is, is what Trustee Kouruklis is, sounds what I'm thinking, I'm hearing is more of

like a narrative. And, if you thought of it in terms of quarterly or yearly or half year, is that what we're doing in our RFP for the Emerging Market International Fund? And, we've been doing an RFP for the Mellon custodial

MS. TUCZAK: ...Custodian...

TRUSTEE MCFADDEN: Custodian...

MS. TUCZAK: And the auditor RFP.

TRUSTEE MCFADDEN: ..and we renegotiated a contract with United Healthcare that saved us a \$1,000,000 over the course of the next three years and brag about what you've done, and we reported the most comprehensive report that's attached for you. So this is what we've been doing, if you're wondering. And I would think that there you are blowing your horn on the good stuff that's going on.

PRESIDENT WILSON: I would say that should be in the budget document where you talk about goals and accomplishments.

TRUSTEE MCFADDEN: So you're going...?

TRUSTEE KOURUKLIS: Goals and accomplishments are great, but when the Commissioners are asking or not asking questions, it's because they don't have all of the information in front of them. When you have it in front of you, it's really much easier to explain how well the Fund has been doing.

PRESIDENT WILSON: No doubt.

TRUSTEE KOURUKLIS: You know...

PRESIDENT WILSON: So, we're just back and forth. So let's move on. If you want to vote whether we should do this, you want to review it, that's fine, but I think it's a, it's an optional, unnecessary busy work that's not required. We don't have a problem. When they ask for information, we give it to them afterwards and it's over. So, we're creating unnecessary busy work, but if that's the pleasure of the group be my guest.

(VARIOUS VOICES INAUDIBLE)

TRUSTEE KOURUKLIS: Well, I mean I like it with what the Fund is doing ...

(VARIOUS VOICES INAUDIBLE)

TRUSTEE KOURUKLIS: That's up to you President Wilson, but I like the hard work that the Fund has been doing with small staff. In my opinion, is not busy work and it's really something...

PRESIDENT WILSON: No, it's not.

TRUSTEE KOURUKLIS: ...that they should be proud of.

(VARIOUS VOICES INAUDIBLE)

TRUSTEE KOURUKLIS: to have a smaller, a smaller report then that's fine. But to chalk up all this great information because it's located in 20 different areas and say this is not useful...

PRESIDENT WILSON: No. No. What I'm saying is. It is. When I say busywork, let me be real clear. The information already exists somewhere. And, to try and combine all of the various

reports that the Pension Fund does formally that are on the website, what they do at their desk and it's not in reaction to a problem, and then it's done at the expense of other priorities...that is why I call it busywork. Not the quality but the priority.

TRUSTEE GOODE: So I'll try to sit here and be quiet, but this is the second longest discussion that we have had. I think we did a little bit of micro managing it...

PRESIDENT WILSON: Well, I agree, and...

TRUSTEE GOODE: Micro managing of the director. I mean, we had too long discussion about something, I mean, come on. Let her do her job.

TRUSTEE MCFADDEN: Well, this started because one of the Trustees was suggesting that this should be at your fingertips. So that when someone...

TRUSTEE GOODE: We always suggest that but we spend a lot of time on this and we're not spending enough time on some other stuff.

PRESIDENT WILSON: That's the whole point.

TRUSTEE GOODE: And if she's breaking her neck every time somebody asks for something.

PRESIDENT WILSON: So, the report is there for your review. Let's move on to the next item.

Gina?

MS. TUCZAK: Okay, thank you.

Under the Executive Director report, on the COVID situation, so operations continue as they've been since Labor Day, with about 65% of the staff here on a daily basis. Member service continues uninterrupted. That's how things are operating.

The second item, I wanted to let you know that the Microsoft Exchange Server that we use on our email system has reached end of life. A new system was not budgeted for 2020. However, I think it's important that we get a solution in as quickly as possible. So, I just want to let you know right now, there are two viable options and I'll just talk about them briefly. But the plan is I'll come back in December with something that will be concrete, but in essence there's two options.

One is we continue what we have right now, which is to buy a server and buy licenses from Microsoft 2019, which would be an upfront cost of about \$22,000. There would be a small annual fee that we pay for, like Microsoft Teams...

TRUSTEE MCFADDEN: Does that include the server? Sorry.

MS. TUCZAK: Yes it does.

TRUSTEE MCFADDEN: The 22?

MS. TUCZAK: It does. It includes the server.

TRUSTEE MCFADDEN: Okay.

MS. TUCZAK: It doesn't include the CDW people that we would bring on site to help with the migration. So there would be a higher upfront cost and then a very small annual charge. The second option is to go with the Microsoft Office based Cloud, which would be an annual fee right now of about \$7,250 a year. And all of our emails would then reside on the Microsoft Cloud and there would be, once you start that, you know the annual fee will continue and probably not decrease. And once the emails are in the Cloud, they're no longer on our server, so it would be difficult to undo that situation if we wanted to go back with an onsite server. So I want to just bring this to your attention. I worked with Jodi here on this, but I will come back with a more formal recommendation that we are going to need to implement shortly thereafter. So I just wanted to mention that to you, I know the cloud is something that we haven't really used here. The pension benefit system that was subject to an RFP a few years ago, those were cloud solutions, but it is something that I am considering. If there's any significant interest in further discussion, I'm happy to have that. I've also reached out to the Chief Information Officer at the County just to get a little bit of further information on the County's procedures and pros and cons.

PRESIDENT WILSON: Okay. There are no questions, keep going.

MS. TUCZAK: Okay.

The budget staff continues to work on the 2021 budget. The departments have requested and their requests have been submitted. They're being evaluated. I will have a budget draft available for the December 3rd meeting. And then at that meeting, we can discuss or as I've done in the past, have more detailed discussion, one on one with trustees that might want to spend more time on certain issues than others. Everybody's kind of got their interest points and then I would request adoption at the January meeting if there's no further concerns. And I would also have the request that the 2020 budget just be extended until the January meeting. So that's the current plan.

PRESIDENT WILSON: Okay.

MS. TUCZAK: Okay.

Next item is the inactive member account balances. Again, something that we've taken on this year that we haven't done before. Similar to the custodial RFP and the auditor RFP. These are all great new initiatives. In July of this year, we began formal communications to inactive members over the age of 70 and a half, advising them of their contribution balances in the Fund. Today, we've had 78 that have come and taken their money. I mean, we've got a big number here. There's over 1,000 of them, but we're going to keep...

TRUSTEE MCFADDEN: But it's defined. It's 1,165. That's critical, I think, right?

MS. TUCZAK: Yes and yes.

TRUSTEE MCFADDEN: Thank you.

MS. TUCZAK: So we're going to continue our outreach to these members. You may remember that the revised Uniform Unclaimed Property Act Legislation requires that we have to report the names and various information on these balances to the State Treasurer's office, and we're working to prepare this submission.

TRUSTEE MCFADDEN: But, we keep the money?

MS. TUCZAK: That's correct.

TRUSTEE MCFADDEN: That's great, that's a, how did you do it? Did you send out 1,200 letters at the get go or...?

MS. TUCZAK: No. We have sent out, I think 400.

TRUSTEE MCFADDEN: Okay.

MS. TUCZAK: There's some that we have no address information on and we did not send out. There's over 400 of that group that are deceased so we're going to work on that.

TRUSTEE MCFADDEN: Do you have to find the?
Okay, out of the 400 you got 78 responses.

MS. TUCZAK: Yes.

TRUSTEE MCFADDEN: Wow.

MS. TUCZAK: Yes. People are happy to...

TRUSTEE MCFADDEN: Well, sure...

MS. TUCZAK: ...get the checks.

TRUSTEE MCFADDEN: ...farthest thing from their mind. Good.

MS. TUCZAK: Some of there were very surprised.

TRUSTEE MCFADDEN: Yes.

TRUSTEE O'ROURKE: You should get testimonials.

TRUSTEE MCFADDEN: It's kind of a mixed bag. Where the hell have you been for the last 15 years, is the first question.

PRESIDENT WILSON: Okay.

MS. TUCZAK: Okay, the next item is the communication survey. The newsletters for the Fund went out in September and October and included in the retiree newsletter was a communication survey and I am excited to report that we've gotten over 3,000 surveys back. The results are being compiled and we'll provide a summary of that at a later date. But what's interesting is that, there are many retirees that indicated that they read the pension notes as soon as they get it, and they want to continue to get it in the mail. We had some very cute responses. Somebody wrote, I am 97 years old, I don't have a computer, so it's just interesting to see that you know, dynamic of their experience with communicating with us.

With respect to the IGA, I'm just letting the Fund know that we got our \$25,000,000 payment from Cook County at the end of October as planned.

And then, the last item to report is that we do have a Committee meeting, the Investment Committee meeting on, it's

Tuesday, November 24th not Thursday. It's Tuesday, November 24th, which is 2 days before Thanksgiving. And what will be the main focus is the Emerging Manager International Equity Finalist Presentations.

PRESIDENT WILSON: Very good, thank you very much.

For the Executive Director's report, Gina, can you give us a summary over, an overview of the benefit matters?

MS. TUCZAK: Yes. So, I'm going to move on now to item number 6. So the first item is office number 141197, which we had discussed in prior meetings. I've got a summary here, but if the Board would like just for efficiency purposes, I can move it. Fiduciary counsel has been in contact of this member's attorney.

MS. BURNS: In the interest of time, I spoke with the attorney actually at 8:00 o'clock this morning, he called. He requested deferring taking action on this matter for an additional, another, month so that they can see if they can work something out. This is Mr. Moreci if you remember. And his lawyer, totally understands the situation, but he just needs a little more time and I said I would ask you. But then, I thought you might want to resolve this matter by the end of the year.

TRUSTEE MCFADDEN: Would you? I don't know if we have a problem. Is there something that I'm missing?

MS. BURNS: Only that you have to make a lump sum payment back to the day in June, eventually. But, you know, that's it.

TRUSTEE MCFADDEN: So it'd be one-sixth more or whatever.

MS. BURNS: Right, exactly. So the motion would just be a deferral of taking action on this motion at their request.

TRUSTEE MCFADDEN: What do you think, Mr. President?

PRESIDENT WILSON: I want to follow the recommendation of fiduciary counsel.

TRUSTEE MCFADDEN: She's ... talking. I say it's okay.

MS. BURNS: I'd say it's okay.

PRESIDENT WILSON: Okay.

MS. BURNS: I would like to accommodate this attorney. He wants to see if he can resolve this one. The reason it is a little bit troubling, on the record, is that he, Mr. Moreci, has been reaching out to Commissioners who then reach out to us. You know, the whole things get messy, so for now, ... the lawyer asked his client to stop doing that.

TRUSTEE MCFADDEN: Oh, that's better.

MS. BURNS: ...because I don't like people trying to go around us and going around the Board. The bottom line is, the lawyer is in charge, he wants a month, I told him I'd ask you...

TRUSTEE O'ROURKE: Oh, yes. Right.

PRESIDENT WILSON: Okay.

MS. BURNS: I don't even think you need to take an action?

PRESIDENT WILSON: No action required. Great.

Carry on.

MS. TUCZAK: Okay, moving on to item B.

So, we have a surviving spouse who is a line of duty death widow, of which of which we have one. So this is, you can rest assured there's not a large population of these. Under the terms of the statute, this surviving spouse has a calculation change when the deceased would have turned 65. So, the Director of Benefit Administration was working on the new calculation and in his work he learned that a workers compensation payment that has been received by this member since the death of the employee increased significantly in November of 2017. And the way that the line of duty Death Benefit Works here is that, if there is a workman's comp offset, if there's a workman's comp amount awarded by the County, that line of duty Death benefit is decreased to reflect a total between the two. So when this increase occurred in November of 2017, which has to do with a child that had reached a certain age, had aged out, and so that additional benefit went to the surviving spouse. The payment, the incremental amount was such that the annuity we've been paying should have been reduced. And in fact, we should not have been paying in annuity for these past three years because the amount that she's receiving is an excess of what's awarded under the statutes. So, the amount of that is approximately \$62,000.

You know, I've just discussed this with Mary Pat. What we are gonna do is we have a letter that we're going to send to the surviving spouse informing her of this matter and requesting repayment of the 62,000 and we will see what that person says. And then, we will come back to you in December on the next step in the event we are unsuccessful in collecting that.

MS. TUCZAK: Yes?

TRUSTEE MCFADDEN: My concern is not the 62 though that's substantive, is how these things are happening? First, the workman's comp thing or the, are we provided a list every month or that they take action or something? How would we...?
(INAUDIBLE)

MS. TUCZAK: There is a website where we have to go in and you know, seek out information.

TRUSTEE MCFADDEN: Okay. Good. And when you search, what do you, how do you search? What's the element, I mean? I have access to a site to check on someone's Social Security Number and with the Government and by putting the name in, and what they are telling me, their Social Security is, then it tells me whether I'm right or wrong. Do you? If every, these are people, how do you search? I mean, is it. Is it broken up by where they worked?

MS. TUCZAK: If you want, I can have Gary address how its searched. I haven't done the search. I know that we use this

most commonly in the duty disability calculations. We use this information on a regular basis, but I have to...

TRUSTEE MCFADDEN: Well, I don't want to micromanage, but I wanna know if you don't figure out a foolproof way to prevent it from ever happening again. Foolproof to the extent that someone sits in front of a computer and definitive with an appropriate amount of effort, it shouldn't be onerous to begin with. It should be able to find it and react to it. Unless they're sleeping, that's the only excuse and then they would be a memory so that...

MS. TUCZAK: I understand, I mean...

TRUSTEE MCFADDEN: We had something of this nature that we could have caught before.

MS. TUCZAK: We had an overpayment last month was...

TRUSTEE MCFADDEN: And a couple years ago we had...

MS. TUCZAK: Oh, okay.

TRUSTEE MCFADDEN: No, no, thank you. I'm interrupting you now. A couple of years ago we had or a few years ago we had someone that was supposed to be from the State's attorney's office in a courtroom and they didn't turn up. I don't think or they didn't do ... so or did they and they did a poor job.

MS. BURNS: The later; they were horrible.

(VOICE INAUDIBLE)

TRUSTEE MCFADDEN: Okay, so I'm wrong there, but the, but it's not unlike the thing from a couple weeks ago, is it?

MS. TUCZAK: It's there.

TRUSTEE O'ROURKE: Are you done now?

TRUSTEE MCFADDEN: Yes, I'm sorry. I'm done.

TRUSTEE O'ROURKE: ... Pat's question kind of brought this to my mind. Is there any, do we open ourselves up to some type of charge of selective enforcement of this? Is this a sort of ad hoc how we have to catch this person is not like a, so that's my question. Selective enforcement, if there's not a protocol, how to look with these people, then I would say hey, why would you pick on me for it? And secondly, if this event happened 2017?

MS. TUCZAK: That's when the increase in workman's comp occurred.

TRUSTEE O'ROURKE: And we're talking about it now and seeing if they would give us a \$62,000 check? I'm saying, why don't you tell me about it 2017 when it would not have cost \$62,000 to resolve? And so, I think we have about legally, and maybe Mary Pat can explain this, but I think as a, as we feel, we have a fiduciary relationship with our members, this doesn't seem all that, I don't want to say it's inappropriate. But, it is four years later that we finally found out about this and we gave no warning or opportunity to cure the problem. No opportunities to

like get a second mortgage or payoff this claim or something. I mean, when we send out that letter. Aren't they going to say, hey, how do I have \$62,000 and how many people can have that money? I'm sorry am I sounding too liberal or something...?

MS. BURNS: Well, you don't sound like a Trustee.

TRUSTEE BLAIR: Huh?

MS. BURNS: I said, you're not sounding like a Trustee. The pension code tells you what to do. I mean, I get what you're saying. You're sounding very much like a human being.

TRUSTEE O'ROURKE: And I would.

MS. BURNS: As a Trustee, the pension code specifically tells you when you discover a mistake; you have to correct the mistake. It says, you "shall" correct the mistake. So, Gary discovered this mistake and it was a mistake. Your question is well taken as to what procedures are in place to make sure it doesn't happen again? So, it doesn't look like selective enforcement but once you discover the mistake, you have to correct it. So you have to ask the person as a fiduciary to get the money back. But they're going to state what you just said; they're going to say no, I'm not paying you back. The code says if the mistake was discovered longer than three years from the mistake, then the Fund may not be able to recover the money back. So, we're going to have to figure out, I think Gina's recommendation is, we'll come back to you in December and let

you know if the three years is already expired from 2017 to 2020, right, depending? And so this person then would have no obligation to pay the Fund back.

TRUSTEE O'ROURKE: If that's not the case and we had this mandate from the State. Does that mandate mean that now when we send a letter, would we sue them and we take their house away, we get their savings? Do we take their sons' college fund? How far do we go with this?

TRUSTEE MCFADDEN: You're assuming that they...

TRUSTEE O'ROURKE: They don't have the money. They don't.

TRUSTEE MCFADDEN: No, you're assuming that they were clueless and didn't know where the \$66,000 turned up from. So I think you jumped the gun. That's all I'm saying.

MS. TUCZAK: May I add one item just if it's okay, and I mentioned this in the beginning. This is a line of duty death where the deceased employee is turning, would have turned 65 and that's why this calculation was looked at and we only have one line of duty death in our member population. So, you can rest assured that it's not like I have 500 more of these that this was a one off that had the Statute requirement that the benefit is modified at 65, and so we were following procedure to take a look at it.

TRUSTEE MCFADDEN: If, ... But you'll. As time goes by, you see a weakness, you fix it and hopefully a foolproof way and I hope that happens. If ...Um...So, I ...

TRUSTEE O'ROURKE: How does a person and this is my last question, how, on what basis do we hold somebody accountable for knowing that particular aspect of the law? Is that in the guidebook that we send them, how do we know? I mean, if you're a really good lawyer you are going to tell your client here's this nice check, by the way, you better square things up with the Pension Board. A really good lawyer would say that but another lawyer might miss it.

MS. BURNS: First of all, you are presumed to know the law. The Pension Law is very clear on what happens when there is a mistake even though no one really knows all the law. That's why it's best to use a lawyer that knows the law. The second thing is this was an agreement that she signed as worker's comp, part of the worker's comp agreement, that this deduction happened. So, it's just a one-off, as Gina said. But you, as Trustees have to look at each case when it's brought to you as to how you want to enforce it or collect the money due and owing to the Fund. But as fiduciaries you have to make some effort. So you may determine in a particular case not to collect or you may determine to try to collect the money back. The point is to always have the discussion each time so that there's some effort

that you made a decision as to what's in the best interest of the Fund. You may very well conclude that it's in the best interest not to collect all the money paid in error; that is okay. You just have to make that inquiry. It's process driven.

TRUSTEE GOODE: I have two questions. One I'm asking to kind of put it on the radar. I am concerned with overpayment and not being able to recoup money that's owed. I'm not sure what you could put in place where we could catch it, do we do audits every year, etc.? But the question is, would a new pension administration system help with that and I don't want an answer right now but I want you to take a look at it.

Second question, this says that the Fund may recover the amount due from spouse annuity benefits beginning in January 2022. Is that a typo?

MS. TUCZAK: Thank you. No, thank you very much. Thank you for bringing that up. So, this annuitant is entitled to cost of living increases. So, for this month and until January of 2022, we don't owe her any money because the workman's comp is sufficient for the benefit. With the COLAs coming into place in January of 2022, there would be a small amount due her which would continue to increase each year as cost of living increases accrue.

Thank you, thanks for bringing that up.

TRUSTEE O'ROURKE: So, the discretion on how aggressively we enforce this seems to be taken away. So we are just gonna like stop the payment to until we are paid back?

MS. BURNS: No, Gina is not saying that. That would be your decision.

MS. TUCZAK: Right now, we stopped the payment because what she's receiving in workman's comp already exceeds what by statute we pay in a line of duty death.

TRUSTEE O'ROURKE: You're therefore getting the Fund paid back, right?

MS. TUCZAK: No. No, we're not because she's not entitled to any money given what she's getting in workman's comp right now.

MS. BURNS: So, here's what happens. The law says that you have to offset any workers' comp. payment from the annuity. So she's getting, say hypothetically she is due an annuity of \$1,000. If she's getting a \$1,500 workers comp benefit, you don't pay the annuity, right? So...

TRUSTEE O'ROURKE: I get it now.

There are two things that are unrelated. Right?

MS. TUCZAK: Okay.

MS. BURNS: Yes, you're right.

MS. TUCZAK: yes.

MS. BURNS: You're absolutely right.

TRUSTEE O'ROURKE: So, I spoke...

MS. BURNS: Yes, so Gina's just bringing this to your attention because next month our guess is that this woman is going to say we are not paying you this \$62,000 and then you'll have to exercise your discretion. We'll come to you with recommendations as to what your options are, and you can choose what you'd like to do.

TRUSTEE MCFADDEN: Can you bring us the document she signed? And we broach this subject together?

MS. BURNS: Yes. Yes sir absolutely.

MS. TUCZAK: And in the interest of transparency, I wanted to bring this to you now so that you're aware of what we have encountered.

PRESIDENT WILSON: Anything else on this matter?

Let's move on to consideration of litigation matters.

At this point, do we need to go into closed session to discuss a pending litigation matter?

MS. TUCZAK: That's the recommendations of counsel, I believe.

PRESIDENT WILSON: May I have a motion to go in to closed?

MS. BURNS: Hold on, hold on one second. Is Trustee Ochalla, you know, I don't care one way or the other. This matter is pretty much resolved...?

MS. TUCZAK: Okay, whatever you would like.

MS. BURNS: This is a really quick one.

PRESIDENT WILSON: Okay.

MS. TUCZAK: This is now, we've moved on to item 7, right?
The Oliphant matter.

PRESIDENT WILSON: Yes.

MS. TUCZAK: Okay. So, Trustee Ochalla, I mean you see all
the people that are on?

MS. BURNS: Is there anyone here who is, who is the Edward
Rozell?

So, here's the issue on the Oliphant matter. This goes to
your point Trustee O'Rourke, about collection matters. So, the
law requires, or the law says that if an employee received
what's called an alternative retirement calculation and they
returned to work with the Cook County, they have to pay that
benefit back. It was like a bonus, an early retirement benefit,
if you will. They told people if you want to leave, take your
contributions, we will double your contributions or give you 1/2
times your contributions but if you come back you have to pay
the money back. About a couple years ago, your Fund did an audit
and found out that a number of people had returned and never
paid back the contributions. So, you asked us to work with Gary
and Gina and her predecessor to go and initiate collection on
all of these matters; and we recovered a lot of this money. This
Oliphant, we sued because she owed us money in the amount of
about \$85,000 at the time she returned to government and at the

time when the Fund discovered this error. So, we sued her. And when we sued her, we found out that she had a pending litigation in an unrelated matter. She was suing somebody else and we put a lien on that judgment. If she ever recovered money, the Fund wanted to be able to get it. So what our memo says is that at the time you authorized us to file suit, she was, she owed the Fund \$94,000 approximately because she took a \$49,000 bonus payment and she was required by the Code to pay it back with interest by statute at 6%. When Gary or his predecessor first demanded repayment, it was \$78,000 that she owed the Fund; she didn't pay. Then the Board in 2016, discovers the mistake and asks for payment, and the amount owed was \$84,000. And when we filed suit the amount owed was up to \$94,000 so you can see how the interest accruing makes for a big payment.

TRUSTEE MCFADDEN: That's 3%.

MS. BURNS: Right, so we went to, we had the complaint filed on behalf of the Fund and recovered a judgment for the money. And a judgment was entered in favor of this Fund against Ms. Oliphant in the amount of \$96,220.29. So that's what your judgment is against her.

We got notice from counsel for Ms. Oliphant the other day that her litigation settled and her portion of her proceeds that he is holding in his IOLTA account is \$112,000. Right? So we're

going to be made whole on this one. We're going to collect this money back and the Fund is going to be made whole.

But Ms. Oliphant called and said. Hey, rather than \$112 grand can I give you \$50,000 in full settlement and I said, well, I'm never going to go to the Board with \$50,000, get close to the \$80,000 figure for the Board to consider. So she came back and said \$80,000; that she would give us \$80,000 in settlement.

TRUSTEE MCFADDEN: Can I interrupt? But, everything we're entitled is right there within your fingertips?

MS. BURNS: It's within my fingertips.

TRUSTEE MCFADDEN: Well then I would take it.

MS. BURNS: The problem is it would take me in order to get the money and collect on a judgment, it's going to cost you probably a year to go through the citation proceeding given COVID and all related matters. I'm going to spend attorney's fees to do that, and if I can get her to settle today or the end of this month, we walk away with like \$85,000 or \$90,000 which would get you full payment of \$49,000, which is the bonus, plus you would have gotten full interest and almost all of the other prejudgment interest, post judgment interest as well...

TRUSTEE MCFADDEN: Yeah, yeah.

MS. BURNS: That kept accruing over time.

TRUSTEE MCFADDEN: Plus your, what we've paid you going backwards?

MS. BURNS: Yeah, maybe not dollar for dollar. I can't be sure of that but all the court costs for sure.

TRUSTEE MCFADDEN: Well, the court costs but?

MS. BURNS: Because you'll be getting \$44,000 more than repayment of the bonus.

TRUSTEE MCFADDEN: But that 3% we're entitled to, don't?

CONVERSATION UNCLEAR

MS. BURNS: That is 6%, but yes.

TRUSTEE MCFADDEN: Oh.

MS. BURNS: The statute says she has to repay the ARCP bonus at 6%. The law made it a penalty.

Now, the one thing in the memo I say repayment of the bonus does not result in any increase in our ultimate retirement annuity. That's a true statement but as Gary pointed out, as you know, Ms. Oliphant is now back in County Service, and she ultimately could rebuy that time but she'd have to pay for the time. That doesn't have anything to do with the bonus issue. But, I just want to make sure you know that someday she might be back in front of you buying back the prior time she had but she'd have to pay for that if she does that.

My recommendation is you can hold out and we'll go to collection on the \$112,000 and that will take probably by the

time we get there, it will be closer to like, she owes us now \$96,000 and probably closer to maybe \$100,000 by that time. So the Fund would take \$100,000 out of her \$112,000 and she'd only get \$12,000. But you're going to spend approximatley \$7,000 to get me to do that. And it will probably take a year. So we thought, we'd bring it to you to say, do you want me to go back to her and say look, give us \$85,000, give us \$90,000, we'll walk away, she still gets something from her lawsuit then.

TRUSTEE MCFADDEN: How much are we entitled to?

MS. BURNS: You're entitled to \$96,000.

TRUSTEE NEVIUS: So you're recommending item number option three in your memo?

MS. BURNS: Yes, Sir. I would say that if it was up to me given this woman, the lawsuit just so you know I was worried that the lawsuit was that she had been subject to medical malpractice or something that might be of interest to you. But what it was, was allegedly some employer had a camera in the changing room where the nurses were changing or the people were changing and so she was part of a class action based on that violation. She was in there changing on film, so it's not you know a personal action; it was like a group of women who are going to be covered by this judgment. So, she's going to recover, she received \$112,000 grand for that injury. The

question is, do we wait to take the whole \$96,000 and go through the process or do you settle for \$85,000 to \$90,000.

TRUSTEE MCFADDEN: I'll be back in a second, if you need a vote.

MS. BURNS: Well, we're going to need a vote so tell me what you want me to do. Any questions on Oliphant?

TRUSTEE O'ROURKE: Well, I don't have a few questions. Do we do comments as well?

PRESIDENT WILSON: Yes, please.

TRUSTEE O'ROURKE: I mean, if we're getting back our original enough to \$47,000 and we're tagging them for \$40,000 more in interest. You know. I think that's enough.

MS. BURNS: That's good, Trustee Goode, Trustee Nevius or Wilson?

TRUSTEE GOODE: I agree with your recommendation number three.

PRESIDENT WILSON: Okay.

Anyone else, Joe, do you have any comments?

Trustee Ochalla, any concerns or comments?

TRUSTEE OCHALLA: OH no. I'll second.

PRESIDENT WILSON: Okay.

TRUSTEE MCFADDEN: Did you vote?

PRESIDENT WILSON: Not yet, we're waiting for you.

MS. BURNS: We're waiting for you.

TRUSTEE MCFADDEN: Finally...

PRESIDENT WILSON: The motion on the table is comment number is recommendation or option three. Comments on that? Go ahead.

TRUSTEE MCFADDEN: My uh...three, is that?

MS. BURNS: Settling the whole. The whole \$96,000.

TRUSTEE MCFADDEN: Right, that's what you were suggesting.

PRESIDENT WILSON: At a higher amount.

TRUSTEE MCFADDEN: If it came up for a vote, I would vote yes with prejudice. Can you do that?

MS. BURNS: No.

(VARIOUS VOICES INAUDIBLE)

PRESIDENT WILSON: We have a second. Trustee Ochalla seconded.

TRUSTEE O'ROURKE: You can step out of the room.

PRESIDENT WILSON: Okay. Hearing no more questions. Roll Call, please.

MS. FAHRENBACH: Okay. Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: 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.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

Okay, so the motion to accept the proposed settlement has passed.

Is there any other business to come before the Board?

Hearing none, is there a motion to adjourn today's meeting?

TRUSTEE MCFADDEN: Can I have one little business? Can I ask that for an inventory of lawsuit cases especially ones with the State's attorney?

MS. BURNS: Oh, I don't think there are any sir.

TRUSTEE MCFADDEN: Oh, okay.

MS. BURNS: I think they helped on one. But I think...

TRUSTEE MCFADDEN: Well, double check, and um

MS. BURNS: Yes, we'll get you that inventory.

TRUSTEE MCFADDEN: UM

PRESIDENT WILSON: Okay.

TRUSTEE MCFADDEN: An inventory so to speak. It doesn't have to be a science, just.

MS. BURNS: Okay.

TRUSTEE O'ROURKE: One more thing Mr. President.

PRESIDENT WILSON: Yes, sir.

TRUSTEE O'ROURKE: I just think that someone when Gina opened up her remarks, when she said oh, by the way, everybody's getting their pension check and there are no problems and I think we really ought to be very grateful for her hard work and all her staff. This doesn't happen by accident that these things are problem free. So, thank you very much, thank you,

MS. TUCZAK: Thank you. Thank you.

PRESIDENT WILSON: You're welcome.

MS. TUCZAK: And I thank my staff too who certainly is very committed to member service.

PRESIDENT WILSON: Is there a second on the motion?

Second?

PRESIDENT WILSON: Any discussion?

Who get to move?

TRUSTEE O'ROURKE: I move.

TRUSTEE GOODE: I'll second.

PRESIDENT WILSON: All in favor say "aye".

(Chorus of ayes).

PRESIDENT WILSON: Any opposed, nay?

(No nays.)

PRESIDENT WILSON: Okay, we are adjourned.

