COOK COUNTY/FOREST PRESERVE DISTRICT

ANNUITY AND BENEFIT FUND

SPECIAL AUDIO MEETING OF THE BOARD

STENOGRAPHIC REPORT OF PROCEEDINGS had at the audio meeting of the above-entitled matter, held at 70 West Madison Street, Suite 1925, in the City of Chicago, County of Cook, State of Illinois, on Thursday, June 4, 2020, commencing at the hour of 9:30 a.m.

APPEARANCES:

TRUSTEES PRESENT BY AUDIO CONFERENCE:

LAWRENCE L. WILSON, PRESIDENT
PATRICK McFADDEN, Vice-President
JOHN BLAIR
DIAHANN GOODE
STEPHEN HUGHES
JOSEPH NEVIUS
BILL KOURUKLIS
KEVIN OCHALLA
JAMES M. O'ROURKE

STAFF PRESENT IN PERSON OR BY AUDIO CONFERENCE:

REGINA TUCZAK, Executive Director
MARGARET FAHRENBACH, Legal Advisor
JANE HAWES, Director of Health Benefits
SARON TEGEGNE, Comptroller
GARY LEDONNE, Director of Benefits Administration
FERNANDO VINZONS, Director of Investments
MICHAEL MARATEA, Director of Finance & Administration
BRENT LEWANDOWSKI, Director, Member Services
CAROLINE VULLMAHN, Deputy Executive Director

ATTORNEYS FOR THE BOARD:
BURKE, BURNS & PINELLI, LTD.
BY: MS. MARY PATRICIA BURNS
MS. SARAH BOECKMAN
MR. VINCE PINELLI

ALSO PRESENT BY AUDIO CONFERENCE:

CATHRYN MARSICO, Cook County Bureau of Finance
MARC DIETRICH, Neuberger Berman

CAVANAUGH MACDONALD
LARRY LANGER
BRAD WILD
WENDY LUDBROOK
RYAN GUNDERSEN

LEGACY PARTNERS
COLIN THOMPSON
EDISON OSCHOLD

MS. TUCZAK: This is the Retirement Board Meeting on June 4, 2020.

PRESIDENT WILSON: This is the Cook County and Forest Preserve District Annuity and Benefit Fund of Trustees Audio Meeting for Thursday, June 4, 2020.

For the record, this meeting is being held by audio conference pursuant to Governor Pritzker's Gubernatorial Disaster Proclamation issued on May 29, 2020, which Proclamation extended the ability of public bodies, such as this Fund, to hold its Regular Board Meeting by audio conference.

As with our prior audio meeting, we are going to follow the same procedures we have been following. Trustees should identify themselves when speaking. We are limiting our agenda to essential items.

Although we are proceeding by voice vote, Trustees should understand their votes will be recorded in the minutes as if a roll call was taken.

Any Trustee can object to any motion and his or her vote will be so reflected.

Finally, we are recording this open

meeting and a transcript will be made available at a later date and posted on the Fund's website.

I would ask that you all get coordinated, that you mute and unmute, so that we can minimize some of the background noise because of the challenges of the audio meeting.

If there are no questions as to how we shall proceed, Peggy, please call the roll.

MS. BURNS: Trustee Wilson, may I do that, because I asked Peggy to print something out for me.

Trustee Blair.

TRUSTEE BLAIR: Here. Good morning.

MS. BURNS: Trustee Goode.

TRUSTEE GOODE: Present.

MS. BURNS: Good morning.

Trustee Hughes.

TRUSTEE HUGHES: Present.

MS. BURNS: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Present. Good morning.

MS. BURNS: Trustee McFadden.

TRUSTEE MCFADDEN: Present.

MS. BURNS: Trustee Nevius.

TRUSTEE NEVIUS: Present.

MS. BURNS: Trustee Ochalla.

TRUSTEE OCHALLA: Here.

MS. BURNS: Trustee O'Rourke.

TRUSTEE O'ROURKE: Here.

MS. BURNS: President Wilson.

PRESIDENT WILSON: Here.

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

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.

Hearing none, let's move on to item Number 1 on our Agenda.

There are two motions I would like to combine into one. I would like to entertain a motion to approve the Minutes of the May 7, 2020 board meeting as well as the May 7, 2020 Open Meetings transcript. TRUSTEE MCFADDEN:

Trustee McFadden moving that both the presented Minutes of the board meeting from May 27th and the transcript provided of the May 27th meeting be accepted and filed.

PRESIDENT WILSON: Is there a second?

TRUSTEE OCHALLA: Trustee Ochalla. I second it.

PRESIDENT WILSON: I heard a second from Trustee Ochalla.

Is there any discussion?

All in favor say "Aye".

(Chorus of ayes.)

PRESIDENT WILSON: Opposed say "Nay".

(No nays.)

PRESIDENT WILSON: The May 7, 2020 Minutes and the transcript for that same meeting has been approved.

For the record, the May 7, 2020 transcript will be made available on the Fund's website consistent with the provision of the Executive Orders entered by the Governor.

MS. BURNS: President Wilson, may I interrupt you for a second? I apologize, sir. It is Mary Pat.

We have been notified that people are having a hard time getting into the meeting for some reason so if you could just give me a second while we check that.

MS. TUCZAK: In addition, if we could also just for the record, other than the Trustees where the roll call was taken, can we also get for the record who else is on the call outside of the Trustees, please?

If staff could begin, my staff that is on the phone, could you first identify yourself and then we will ask for members of the public to identify themselves and then I will ask for the vendors CavMac and Legacy.

Staff, if you could identify yourself for the record, please. Thank you.

PRESIDENT WILSON: Thank you, Madam Executive Director.

MS. HAWES: This is Jane Hawes.

MR. LEDONNE: Gary LeDonne is here.

MR. VINZONS: Fernando Vinzons.

MS. TEGEGNE: Saron is here, too.

PRESIDENT WILSON: Any other members of staff?

Are there any members of the public?

We will start with CavMac.

MS. MARSICO: I'm sorry. Did you call members of the public?

PRESIDENT WILSON: Yes, I did.

MS. MARSICO: Cathryn Marsico.

PRESIDENT WILSON: Any other members of the public?

Moving on to vendors. Members of CavMac please identify yourself.

MR. LANGER: Larry Langer is on.

MR. WILD: Brad Wild is on.

MS. LUDBROOK: Wendy Ludbrook is on.

PRESIDENT WILSON: Thank you.

Members of Legacy. Colin, are you on the phone?

Any other visitors, staff or vendors that have not identified themselves?

MR. DIETRICH: Marc Dietrich with Neuberger Berman.

PRESIDENT WILSON: Thank you.

MS. BURNS: Mr. President, I think you are ready to resume, but I would ask everybody again on the call to please mute your phone, other than Trustees who may be speaking in terms of the motion. When we are ready for you to talk, we will ask you to unmute your phones so that everybody can hear on the call.

PRESIDENT WILSON: Thank you.

The next item of business is Review and Consideration of Bills, Payroll Records, Annuities, Spouse and Child Annuities, and Refunds, and Ordinary and Duty Disability.

At this time, I would entertain a motion to approve two different items under Bills and Payroll Records. That would be the payments for presented bills and payroll records in May, 2020 and expenses incurred in May, 2020 consistent with the Administrative Budget and approve the recommendations for staff to remit payments for those bills.

TRUSTEE MCFADDEN: Trustee McFadden moving that the action taken by the Fund staff in remitting the indicated payments for the presented bills and payroll records of May, 2020, the Board having received confirmation from the Fund staff that the payments were consistent with the approved 2020 administrative Budget. Along with the presented bills for expenses incurred in May of 2020 that are consistent with Administrative Budget. That the Board approve the recommendations from Fund staff to remit payments for the presented bills, that was the motion.

PRESIDENT WILSON: Thank you. Is there a second?

TRUSTEE GOODE: I will second.

PRESIDENT WILSON: Please identify yourself.

TRUSTEE GOODE: Trustee Goode. I will second.

PRESIDENT WILSON: Thank you, Trustee Goode.

Is there any discussion?

All in favor say "Aye".

(Chorus of ayes.)

PRESIDENT WILSON: Opposed say "Nay".

(No nays.)

PRESIDENT WILSON: The Bills and Payroll Records have been approved.

May I have a motion to approve all Annuities, Spouse and Child Annuities, and Refunds?

TRUSTEE MCFADDEN: Trustee McFadden

moving that after due consideration of the applications presented to the Board and having confirmed that the Fund staff followed the procedures in reviewing and processing the applications, that the recommendations from the staff for the presented Annuities and Refunds be approved.

PRESIDENT WILSON: Thank you. Is there a second?

TRUSTEE BLAIR: Trustee Blair will second.

PRESIDENT WILSON: Any discussion?

MS. TUCZAK: Yes. If you don't mind, President Wilson, I would like to make one matter known before the Trustees take a vote.

I would like to make sure that the Trustees are aware that on this list there is a Spousal Annuity listed with the last name of Rivera. It is an Ordinary Spousal Annuity which is consistent with the application that was filed.

The member that passed away was a Correctional Officer. The last name is Rivera, R-i-v-e-r-a, and the spouse's name is Nolan. This is a standard spousal annuity that is being submitted for approval, which is consistent with the application.

We are going to, if the Board approves these annuities, send a letter to Mr. Rivera advising him that he does have the option of applying for a duty related death.

This particular member again was a Correctional Officer and listed on the death certificate there is a notation of COVID-19.

MS. BURNS: I think what Gina is saying is that you are being asked to approve the spousal annuity today at the minimum amount that would be legally allowable under current law. And that if and when it becomes a Line of Duty Death, that would allow the applicant to apply for a higher benefit. We would then come back to you and ask you to approve the difference, but this at least gets the member some benefit while she determines what she may want to do regarding this possible Covid related death.

TRUSTEE MCFADDEN: This is Trustee McFadden. I would like to amend my motion to provide for Mr. Rivera.

TRUSTEE BLAIR: This is Trustee Blair. I

will second that.

MS. BURNS: It is staying at the minimum amount consistent with what has been presented. Thank you, very much.

So, sir, you have a motion and a second.

TRUSTEE OCHALLA: What is the amount difference?

MS. TUCZAK: We haven't done the calculations on a duty related death since we don't have an application for such. That would have to be something we would have to calculate at a later time, I don't have that information. Staff hasn't done that.

PRESIDENT WILSON: Any other questions or discussions?

All in favor say "Aye".

(Chorus of ayes.)

PRESIDENT WILSON: Any opposed say "Nay".

(No nays.)

PRESIDENT WILSON: The Annuities, Spouse and Child Annuities and Refunds have been approved as stated.

May I have a motion to approve all Ordinary and Duty Disabilities?

TRUSTEE MCFADDEN: Trustee McFadden moving that after consideration of the applications presented to the Board and having confirmed that the staff followed the Fund's procedures in reviewing and processing the applications, that the recommendations from the Fund's staff for the presented disability applications be approved, please.

PRESIDENT WILSON: Thank you. Is there a second?

TRUSTEE BLAIR: Trustee Blair will second that.

PRESIDENT WILSON: Thank you. Any discussion?

All in favor say "Aye".

(Chorus of ayes.)

PRESIDENT WILSON: Opposed say "Nay".

(No nays.)

PRESIDENT WILSON: The ordinary and Duty Disabilities have been approved.

Next item is Actuarial and Financial Statements. I will ask Gina to introduce the next two items on the Agenda related to the Fund's Actuarial Valuations and Financial Statements.

MS. TUCZAK: Thank you, very much, President Wilson.

For the Trustees, this is the time of year that we typically have the wrap-up of the Actuarial Valuations and the Financial Statements for the December 31, 2019 cutoff.

At this meeting, we will have the actuaries first present the results from 2019. They prepare quite a few reports. They prepare a combined report for each Cook County Fund and the Forest Preserve Fund and that combined report has both the pension obligation and the healthcare obligations in it. They are prepared using a discount rate of 7 and a quarter. And then in addition to those two reports, they also have a GASB 67/68 report, which is for Pension only. That report uses a blended discount rate that factors in the 7 and a quarter.

Once the assets are expected to be depleted, the discount rate changes to a government rate, that is going to have a much lower rate to reflect that there are no assets to pay benefits. That is required under GASB that that be prepared and put into the Financials.

There is a similar report, we call it GASB 74/75, that measures the health obligations and with that report again this lower discount rate is utilized because the healthcare program does not have any assets.

So each of the Forest Preserve Fund and the Cook County Fund have three separate reports that are prepared by CavMac and are available for you to review.

Larry Langer and his CavMac team, which I will introduce them in a minute, they have prepared a summary presentation called "Results of the December 31, 2019 Actuarial Valuations of the Cook County Pension Funds".

So this IS a separate document that they will walkthrough with you that summarizes their work and summarizes in particular the combined reports, which again the combined report is the Pension and the Retiree Healthcare Obligations, with a few references to the GASB reports.

I know that is kind of a lot to take in. I am happy to discuss any questions on the differences and whatnot, if you would like to do that offline. But in the interest of keeping this meeting moving, I am going to turn this over to Larry Langer to go through his results.

I would also ask Larry if you could introduce your team so those on the line know who your members are. Thank you.

TRUSTEE HUGHES: This is Trustees Hughes. One question. If his summary report is in BoardEffect, can you let us know what page that is on so we can follow the presentation?

MS. TUCZAK: Absolutely. Let me get that. It is on Page 79.

TRUSTEE HUGHES: Thank you.

TRUSTEE NEVIUS: This is Trustee Nevius. Gina, will copies, hard copies, of this report or any of the reports be available to us later?

MS. TUCZAK: Absolutely, yes. If you would like to have hard copies now, I can print them from our printers and send them to your address of desire.

Alternatively, if you are willing to wait until CavMac can bind them and send them to us in the nice format with the appropriate binding and cover, then I can also arrange to have all of those sent to you or any Trustees that may desire at the address of their choosing.

TRUSTEE NEVIUS: I prefer to wait. I can view any of these online, but for future reference it would be good to have a hard copy in hand. Thank you.

MS. TUCZAK: No problem.

MR. LANGER: This is Larry Langer from Cavanaugh Macdonald Consulting. With me on the call today is Wendy Ludbrook, Brad Wild and Ryan Gunderson. Our names are on the back of the presentation.

As Gina mentioned, we are going to go through the presentation entitled "Results of the December 31, 2019 Actuarial Valuations of the Cook County Pension Funds".

We will make sure that we let you know what page number we are on on the slide because I know it's hard to keep track of this stuff over the phone. Whatever format that you have on your board packet we don't quite have. I think I heard slide 79 we are on at the beginning, but we will be going by the numbers in the PowerPoint.

We do a summary of the results, instead of going through the six individual reports that we sent. We are certainly happy to discuss any elements in the other report. If there are things you would like to put into the PowerPoint, I encourage you to circle them through staff or whatever it is. We would like a little bit more on this particular topic and we will do our best to accommodate that in the future.

So the results that we have right here, like I said, are as of December 31, 2019.

The important thing to remember about that is anything that has happened since December 31, 2019 is not reflected in this report. The highlights would be whatever has happened in the market since December 31, 2019 and I think the more recent one is this Levin case; the outcome of the Levin case. These things aren't in here. You have to step back in time about five months to get a sense of this.

Next year we will be presenting the results of the December 31, 2020 valuation and contained within that valuation will be whatever happened during this year.

There is always a lag and it is common to have a lag like this while we work with staff to get the results together.

Slide 2, the purpose of the actuarial valuation. We have a bullet point list of things. The first one estimates the liabilities of future benefits.

These valuations, because these are defined benefit pension plans, no one knows with any certainty what the payments are going to be in the future. The payments are going to be based upon things like when people actually retire. What the benefit provisions are in place at the point they retire. What type of pay increases they receive over their lifetime. How long they live. Things of that nature.

So this valuation to me is really an in depth budget of what we think the pension plan will need in the future.

For those of you in budget, if you think about when you are budgeting something, you collect a lot of information about what you know now. And the information we know now that that provides us are who is in the Pension Plan and the OPEB plan, the retired health insurance plan, as of December 31, 2019.

We collect information on all of the participants. It's important to know how much assets are in the plan as of December 31, 2019, and staff provides us with that, and then the benefit provisions.

Those three things we know about right now, but we're trying to project what will happen in the future. To predict what is going to happen in the future, we make use of assumptions.

There are two different types of assumptions. Demographic assumptions and economic assumptions. Demographic assumptions cover people. So those are things like when will people retire, when do they terminate, when might they die, things of that nature. We put forth estimates on what might happen.

Economic are things like what is the investment return going to be over the long haul or salary increases, things that relate to money.

Those are reviewed every four years and I think Wendy gets into that a little bit later in the presentation.

Using these assumptions, we can project out into the future what the life of benefit payments will be paid from the Fund and we discount those back into today's dollars is what we refer to as the liabilities of the Fund. The liabilities of the Fund is how much money ideally we would like to see in the Fund.

That is it for my summary of the valuation process. Hopefully, that will help people get a sense as to what goes on here.

To redevelop those liabilities, we determine the actuarial contribution based on the 30-year funding policy that is tucked within the plan.

There is a lot of other items that we disclose within here. The reports are not only for funding purposes but they are also for GASB; Governmental Accounting Standards purposes. They serve a couple of different purposes. We disclose those amounts.

The next bullet point on Slide 2, we want to monitor any deviation from what we thought would happen and what actually happened.

So when we estimate what is going to happen in the upcoming year, the one truth we know is that we are not going to get it right. I know that sounds salacious to say something like that but no one can predict the future with any certainty. From year-to-year, we do a reasonably good job of that. But to the extent there are any differences, we like to report on them and talk to you about what impact they had.

For instance, we will talk a little bit about the fact that we assume a 7 and a quarter percent investment return, but the Fund actually had returns up in the upper teens.

What did that do to results? I think we had more retirements than anticipated during the year. What does that do to the results? Things of that nature. We try to report on what is different.

We analyze the report on trends in the contributions and liabilities, we will talk a little bit about that. What the statutory funding does to the Fund status compared to the IGA.

The last bullet point frankly is something we developed for Illinois funds and it is the concept of when the funds are expected to run out of money.

The statutory policy as we go through

this you will see that we are currently expected to run out of money on the statutory basis in the early 2040's.

Most plans, in fact every other plan outside of Illinois, we don't necessarily have to worry about solvency but here we do. I think we all know that.

Moving on to Slide 3. Things that happened during 2019 which impacted these results. We will talk about funding a little bit. Obviously, for the pension benefits there is an intergovernmental agreement and the intergovernmental agreement resulted in supplemental contributions of 320.3 million dollars during 2019 and that, obviously, helped the funded status of the plan.

Later on we will talk about that over time we think that the funded status of the plan is about 8 percent higher than it would have been absent these additional contributions that have been coming in since 2016. It is very beneficial for the fund. We would love to see that for the retiree health insurance as well as the Forest Preserve.

Investment returns in 2019 were greater than assumed. Salary increases were lower than anticipated. There were members that died during the year but there were more members retired with greater benefits.

There were changes in the assumptions. Those changes in assumptions happened annually for the valuation. For the accounting purposes the discount rate changed. The discount rate changes for these plans every year because they are not funded.

Most of the plans that we work on that discount rate for GASB doesn't change because under GASB they are appropriately funded. Here they change every year.

Changes in benefits. There were fund provisions for retiree health insurance that changed. And consistent with past years, the Board is diligent over the cost coming out of the plan and they are always working on cost and payment. This year is no different.

And then we have to mention here, this is a late developing thing, the cost impact of the Levin case is not included here this early-on and we will work with staff as needed. There is a lot of information to be collected to discuss the impact of that.

I am going to turn it over to Wendy in a second on Slide 4.

One of the things that you will probably notice when you are going through reports, there's a lot of information in there. And as a trustee, I think you might step back and say, well, what do I do here?

A lot of what we have in the report is a summary of the information we have collected and I always encourage trustees to take a look at that and make sure it is consistent with what you think is happening.

I rarely find that there is a problem with this. I don't anticipate that there is a problem here with this. But as a trustee I think that one of the things you want to make sure is that the basis of the valuation, the census information, the assets and the benefit provisions, are consistent with your understanding. And then we will take it from there and develop liabilities around it.

So the first several slides that Wendy goes through she will talk about the information that we have collected to develop the valuation.

I am going to stop at this moment. Obviously, if there are any questions as we go through, ask as we go through, and we will answer them to the best of our ability. And with that I will pass things to Wendy. Thank you.

MS. TUCZAK: One thing before Wendy gets started, I want to let the Trustees know that just with the venue that we are conducting this meeting and the situation at-hand, we have asked CavMac to keep their presentation to approximately 25 to 30 minutes.

In case there is questions, of course, they will answer them. But we are just trying to keep this meeting running efficiently so I did ask that of them.

I think they are just about five minutes in. I just wanted to make the Trustees aware of that so we stay on task. There are quite a few things to cover today with this venue. Thank you, very much.

MS. LUDBROOK: Hello. This is Wendy from

CavMac.

You can turn to Slide 4 in our presentation of the summary results for Cook County.

The first four slides that I will go through are a high level summary of our valuation results and then the following slides a little more in depth. I won't spend too much time on the summary. This is just kind of a nice one page to look at to kind of get a little taste of where we landed with the valuation this year.

On Slide 4 for Cook County, if you look in the middle of the page, probably one of the biggest things that happened this year, you can see the assets had a wonderful year in 2019 and had an excellent return, that obviously has an impact on the plan. That is the key number here and then the numbers at the bottom of the page, the funded ratio of 61.19, you can see that it's up about 45 basis points from the last year's funded ratio of 60.75 percent.

The good plan is primarily due to the supplemental contributions and then there are also a few changes to the retiree healthcare and then those were affected a little bit with a demographic movement but at the end of the day the funded ratio ended up higher than it was last year.

If you look at Page 5, these are the contributions that we developed. The main guts of what we are getting at with these reports.

The bolded number in the middle of the page, that is the statutory contribution that we developed that will be payable during year ending December 31, 2021, that is based on the statutory tax multiple of 1.54. The number directly above it, the 650 million, that number is the contribution that we developed based on an actuarial method. The plan's funded policy which is a 30 year payments in a level dollar manner. Obviously, you can see the statutory amount is much lower than the actuarial required amount by about 450 million in the County plan. Luckily, the IGA hopes to fill-in that hole.

You can see last year in the December 31, 2020 column, the actuarial amount was 636 million, the statutory amount was 207 million, but an additional 306 million was put into the plan because of the IGA and that really helped to close that gap. The IGA is definitely having a positive impact on the Cook County plan.

At the very bottom of that exhibit, you can see the solvency base was pushed out a couple of years. Last year it was in 2040. Due to the asset return being greater than expected and supplemental contributions and then also a little bit additional help from the changes in the retiree health insurance, it was pushed out three years to 2043.

Turning to Page 6, similar results for Forest Preserve. Same exhibits. You can see they also have a good asset return 18.6 percent in the middle of the page.

However, you will notice the funded ratio for the Forest Preserve declined about 100 basis points from last year and this is primarily driven by the fact that they there is no intergovernmental agreement that is helping this fund.

If you go on to Slide 7, the bolded number in the middle is the statutory contribution amount, based on the 1.3 tax multiplier. The number directly above it, the 13.5 million dollars, is the numbers that would be the actuarially recommended contribution.

However, because of the good asset performance and some of the changes to the retiree health insurance, the solvency date was also pushed out from this plan from 2037 to 2043. There is a little bit of momentum there.

Turn to Page 8, this is the start of sort of the information that we gather in order to do the valuation.

In the left-hand corner, you can see a little chart. There are five items under the Input and then below that you will see the results with six items under that.

That is what Larry was talking about earlier, we get information from the Fund and we take it, analyze it and put it to together and what comes out of it are the results of the liability and the gains and losses and all that kind of stuff.

Right now we're looking at the input. The two big inputs that really drives the results is the membership. We receive that from the Fund. We analyze it. We go through it. Try to ask questions. We go back and forth with the Fund to make sure we are all comfortable with how the data moves.

We had everybody at 12-31-18. Where did they go during 2019 and where does everybody stand at 12-31-2019. We are able to track each and every person in the plan to make sure where they were and where they ended up makes sense, based on the information we were given.

On Slide 8 for the Cook County plan, you can see this is just a ten-year history of how the asset population of the plan developed. You will see the number of active employees declined and the payroll growth while it has grown it is less than what we've been expecting over the last decade, that will lower our liabilities. However, because of the way the contribution policy is set up it also results in lower contributions that contributed to a lower ratio over time.

Slide 9. You have a fairly stable population, active population, about 2013. There was a big jump in active population on December 31, 2013. It has kind of held steady since then. Because of that, that results in a higher employer contribution so that funded ratio shows a little bit of the contributions of the Fund.

Moving to Slide 10 and Slide 11, it is the active data that we received from the Funds for both plans. 10 is Cook County. 11 is the Forest Preserve. This shows a development of how the assets have grown and changed in the last decade.

The next column is the net cash flow column. Cook County is Slide 10. 12-31-2015 there was a significant negative net cash flow and then the IGA started and you can see how that really helped the plan. It has kept the net cash flow at a lower level. A little bit of a bump up at 12-31-19 and that is primarily due to an increase in the number of retirees that were a bigger jump than normal.

We look down at the Forest Preserve, you see that because they do not have the IGA arrangement, their negative cash flow has been steadily growing over the last few years.

Now if we move to Slides 12 and 13, we talk about the benefits division. For this year there were no changes in the benefit provisions on the pension side. For the retirees health insurance, there was a reflection in the subsidy amount that the County paid.

More specifically this exhibit is intended to illustrate the effects of the growing Tier 2 population. That group is now ten years, almost ten years, into the plan, and they are becoming a growing portion of the plan.

As the people with Tier 1 begin to retire, they are replaced by people with Tier 2 benefits. The Tier 2 benefit provisions have about 64, 65 percent of the value of the Tier 1 benefit. As more Tier 1 members retire from the plan and are replaced by Tier 2 members, the total overall percent of pay rates will start tending toward this 10.28 range. Right now it is at 14.2 percent.

And then if you look on Slide 13, the Forest Preserve, you will see as the members grow the total overall normal cost percent of pay that is contributed to the plan will continue to decrease. On Slide 14, this is a quick overview of the assumptions. Larry talked a little bit about this earlier. We have primarily two kinds of assumptions. We look at the demographic assumptions, that relates to people.

For the 12-31-19 valuation, there were no changes in these assumptions. However, you will note in the benefit portion, there's a new public table that is now available, that was sort of a new development during 2019.

We have not implemented them in this valuation and are planning on implementing them with the next experience review. However, they could be implemented sooner if the Board so decided.

The economic assumptions, these are the assumptions that relate to anything to do with money. The interest rates, inflation, payroll growth. Those have stayed the same.

We did reset the trend rate in the per capita cost to the retiree healthcare side. There were no other changes. And then for the GASB numbers, for the separate accounting numbers, the interest rates that we used are a combination rate, depending on when the plan is expected to run out of money. Because all of the plans are expected to run out of money, the lower rate ends up being used for GASB purposes.

At the bottom of the slide, that is the most recent Experience Study and changes in assumptions were adopted and used first in the 12-31-2017 valuation and we will do the next review and implementation for the December 31, 2021 valuation.

We have one more year on these assumptions and then we will do another Experience Study.

With that, I am going to get back over to Larry for him to talk to you about the funding methodologies for the plans.

TRUSTEE HUGHES: This is Trustee Hughes here. Wendy, I had a question, just a quick question, going back to Slide 5 for a moment.

The December 31, 2020 column where you list the actuary contribution of 207 million and the supplemental contribution of 306 million, there is still a gap between that and the arc of 636 million. Is that indicating that the County's IGA isn't covering that gap or is that gap funded through other means? I wonder if you could help explain that for me.

MR. LANGER: There is two elements that cause the gap and that gap is not being made up. There is not additional contributions to makeup that gap.

So the 636 million dollar number just above that, the employer actuarial required contribution, that amount has been shown in the valuation report for years. That is an amount that pays for both pension and the healthcare and pays for over a 30-year period, with the payments of the unfunded liability being a level dollar amount. Meaning they are a bit faster than what we normally encounter in the public sector.

I think the big one is pension and the retiree health insurance. The payment to the unfunded liability is acceptable but it is just not as fast as what is under the employer actuarial required contribution.

So those are the primary differences. Does that answer your question, Trustee Hughes?

TRUSTEE HUGHES: Yes, it does. Thank you, very much, Larry.

MR. LANGER: So bouncing up to Slide 15. Actually, it is a great lead-in to funding methodology.

One of the primary purposes of the report is of the actual services that we provide to funds across the country is talking about the funding of the pension plans or retiree health insurance plans and a reasonable method.

Going back on Slide 5, that employer actuarial required contribution of 636 million and the similar numbers for the Forest Preserve is ideally what you should work towards for funding.

We refer to that as actuarial math rather commonly.  What that is designed to do is fund the benefits of each member during the course of their career.  So you don't need to pay for those amounts if all of the assumptions are met. If you do happen to be behind, if you have unfunded liability, you make a payment towards that.

So we give examples of actuarial math that we think are appropriate.  The IGA for pension benefits is a reasonable funding policy.  At the moment we're expecting to get the full funding by 2047.  It is reasonable.

And then, obviously, the employer actuarial contribution of 636 million that is another example of actuarial math.

Items we don't recommend are in the first set of bullet points.  We call it non-actuarial funding. You don't need an actuary to determine that amount. You just take the member contributions and multiply it by 1.54 or 1.30 and that gets put into the Fund.

You do, however, need an actuary to determine when the funds would run out of money on those policies.

This term, I saw in the Tribune maybe ten years ago now, Illinois math. Illinois math uses actuarial math, that is certainly an improvement because it does calculate the liabilities and what should be put in, but then the parameters need to be tightened down.

So an example here is like a policy that gets you 90 percent funded by 2062. Only putting in 90 percent of it doesn't make a lot of sense. And then 2062, I mean, actuarial standards right now are thinking somewhere around like 20 to 25 years as far as you want to go.

There is a lot of papers on this topic. The GFOA, the Government Finance Officers Association, they have this link to element the core funding policy.

The reason I like this link is that I

think it is like two or three paragraphs. The stuff that actuaries read are like 30, 40, 50 pages with all the nuances of it. This thing cuts to the chase.

The bottom box, we recommend actuarial math funding policy be legislated. It is our recommendation for funding and working towards getting there.

I am going to pass things off to Ryan on Slide 16. He is going to start talking about some of the results, including this actuarial value of assets. Thank you.

MR. WILD: I am Ryan Gundersen with Cavanaugh Macdonald.

I am going to turn to Slides 16 and 17 first. This details the development of the actuarial value that is for Cook and Forest that is used in the funding valuations.

The difference between the actuarial value of assets and the market value is that the actuarial value smooths investment gains or losses that occur during the year over a five year period on a level basis.

We do this smoothing to reduce the

volatility in the actuarial required contribution and the funded status.

So if there's a one year large gain or loss in investments, it won't have as large as an impact on the required contribution and the funded status as if it would if we were just using market value of assets.

As you can see on Slide 16, Cook County experienced fantastic returns on a market value basis at 19.1 percent. Forest Preserve similar at 18.6 percent.

However, using that smooth actuarial value, they only returned 6.8 percent for Cook County and 6.6 percent for Forest Preserve, which is less than what we assumed of 7 and a quarter.

The main reason for that is you will see towards the bottom of Slide 16 fiscal year 2018 we had that large loss of 1.2 billion. We're still recognizing that and once we recognize that in the further out years, then we will get back to the 7 and a quarter percent assumed rate of return.

On Slide 17, it is similar to the Forest Preserve. We are still recognizing that loss in 2018 and that is why we're getting less of an return than expected on the actuarial value of assets.

Turning to the Slides 18 and 19, we have the Fund's actuarial accrued liability and the actuarial value of assets over the past ten years.

On the left side of Slide 18, you will see the accrued liability broken out into three groups. We have the active and deferred vested member portion paid by the employees through employee contributions.

Item 2, we have the members currently receiving benefits, that is their portion of the total accrued liability.

Item 3 is the employer portion, the amount that is not funded by employee contributions for active and inactive members.

Item 4, we have the actuarial value of assets each year. To the right, we have the portion of those liabilities that are covered by the actuarial value of assets.

I think the main takeaway here is, if you look at Item 3 all the way to the right, none of the employer portion of the active member liabilities are covered by current assets and the portion of the current members receiving benefits liability is not covered by assets.

This is going to continue to trend this way as long as the statutory funding policy is in place and similar to like an actuarial math funding policy that Wendy and Larry mentioned where you are paying the cost of benefits each year on retiree healthcare and pensions and then funding the unfunded liability over a decent period.

Slide 19 shows the actuarial accrued liability for the Forest Preserve. It is a similar situation where you have none of the employer portion of the active member liabilities covered and a portion of the members receiving benefits is also not covered.

Slides 20 and 21 offer a historical look at the funded ratio and the unfunded liabilities of the plan.

Looking at Cook County first, you will see starting in 2010, the funded ratio was 60.74 percent and by 2015 it decreased to 55.39 percent.

Looking all the way to the right at the unfunded liabilities during that same period, they increase from 5.1 billion to 7.2 billion. This is while the statutory funding policy was in place so you expected the funded ratio to decrease.

Starting in 2016 when the Board and the County entered into the IGA, which has been paid through 2019, you will see the funded ratio start to increase. It makes sense. It is getting a large supplemental contribution in addition to the statutory to cover pensions and that funded ratio increases from 55 percent to 61 percent and similar the unfunded liabilities start to decrease from 7.2 billion to 6.97 billion.

As Larry mentioned earlier in his comments, we estimated that the funded ratio is about 8 to 9 percent higher since the IGA has been in place. It would be obviously 8 or 9 percent lower if it was just the contributions were just based on the statutory policy.

On Slide 21, since there is no IGA for Forest Preserve, you are going to see just a downward trend in that funded ratio because statutory contributions isn't enough to cover the cost of benefits and an amortization on the unfunded liabilities.

Over a ten-year period from 2010 to 2019, the funded ratio decreased from 65 percent to 59 percent. The unfunded liability increased 98 million to 139 million.

On Slides 22 and 23, we dig into what caused the unfunded liability that it increased for both funds during the year on a funding basis. The next two slides after this will discuss the increase in the unfunded liability on a GASB basis.

On a funding basis in a valuation we estimate liabilities based on a set of assumptions, which Larry talked about earlier and Wendy. Such as the discount rate, retirement rates, how salaries are going to increase during the year, mortality rates, how people are going to exit the population.

Any deviation from this expected experience will cause an increase or a decrease to the unfunded liabilities during the year.

Then we expect over time as we update our assumptions to reflect actual experience, these gains or losses will net each other out and we will be where we need to be.

As mentioned earlier, the next Experience Study to review the assumptions is going to occur after the December 31, 2020 valuation and it will be implemented for the December 31, 2021 valuation. That falls in line with the Board's resent practice to review Experience Study assumptions every four years or actuarial assumptions every four years.

For Cook County, on Slide 22, you will see on Item 9 there was an increase of 175 million in the unfunded liability but why does this happen?

If you look at Item 7, it increased 49 million due to contributions being less than the normal cost and interest on the beginning of year unfunded liability.

Item 8A shows that investment returns on an actuarial value were less than assumed. 6.8 percent compared to 7 and a quarter percent. That had the affect of increasing the unfunded liability by 46 million.

Item 8B, Salary Increases were lower than we expected so that decreased the unfunded liability by 21 million.

Assumption Changes, Item 8C, we had to reset the trend assumptions on the retiree healthcare side. The trend assumption increases claims and retiree contributions into the future.

We reset that and that increased the liability by 10 million.

Plan Changes decreased the unfunded liability by 49 million and that is the result of the retiree contribution percentage on the retiree healthcare side being increased for the members.

Finally, 8D, the Other Sources. There was a 140 million dollar increase in the unfunded liability, that is mainly due to more retirements than expected while with greater benefits than expected.

Slide 23, I will just briefly go over it. Very similar to what happened with County, just on a smaller scale because Forest Preserve's liabilities are much smaller.

Slides 24 and 25 are new this year. This goes over the net actual gain or loss on the GASB side. Here it is the same thing. What caused the unfunded liability to increase or decrease?

Except for GASB, we have other terms for those. On the pension side, we call the unfunded liability the Net Pension Liability and on the OPEB side we call the unfunded liability the Net OPEB Liability.

You will notice that these numbers for Cook County are much larger than what is reported in the funding results. The reason for that is that the interest rate we are using is much lower than the expected rate of return that we used in the funding at 7 and a quarter, which Larry and Wendy touched on earlier.

When plans are projected to become insolvent, you have to use a risk-free rate to value those liabilities. The risk-free rate we go by is the Municipal Bond Rate closest to the valuation date, which changes each valuation.

And when you have no assets whatsoever as on the OPEB side, you can only use the Municipal Bond Rate, which was 2.75 percent in 2019.

Just looking on the right side of Slide 24 at the Net OPEB Liability, you will see there is a large fluctuation from year to year in the Net OPEB Liability.

Beginning in 2018, the Net OPEB Liability for the retiree healthcare plan was 2.1 billion. During the year, we saw benefit changes in the retiree contribution percentage. That decrease and the inclusion of Medicare Part A subsidy for members to be able to be on the plan, that decreased the Net OPEB Liability by 293 million. And the change in the Municipal Bond Rate from 3.16 percent at the beginning of the year to 4.13 at the end of year decreased that Net OPEB Liability by 300 million.

Now visa versa in 2019 you see the opposite effect of the discount rate. Since the Municipal Bond Rate changed from 4.13 to 2.75 percent from the beginning to end of year, you are getting a 385 percent increase in that retiree healthcare OPEB liability.

So without proper funding, you're going to see this large flip flopping effect between the beginning of the year and end of year Net OPEB Liabilities because there is no assets being accumulated to be able to use that larger rate of return to discount those liabilities.

Slide 25 is a similar situation for the Forest Preserve. You can take a look at that.

Next on Slides 26 and 27, we discuss the employer contributions for fiscal years 2020/2021. You have seen this earlier in the presentation when Wendy went over it.

If you look at the actuarial math contribution in Item 9, it was 636 million for 2020, 650 million for 2021 and these represent funding pensions and healthcare over a 30-year period on a level dollar basis and paying for the cost of benefits for healthcare and pensions.

Item 10 shows the actual statutory contribution in 2020. With the IGA, we are expecting 513.5 million for the contribution. In 2021, without the IGA, the statutory amount is 200 million.

And then, finally, Item 11, we have the required tax multiple for the actuarial required contribution. What this means is in 2020, based on the statutory multiple, you would need a multiple of 4.73 instead of 1.54 to pay that 636 actuarial required contribution.

Same thing in 2021. You would need a multiple of 5 instead of 1.54 to pay that 650 million and that covers healthcare as well.

The last slides I am going to go over is 28 and 29 where we have the funding projections of both funds under the statutory funding policy.

Keep in mind these projections assume

that all actuarial assumptions will be realized as expected, including earning 7.25 percent investment each year.

Looking at Slide 28, you will see that Cook County is projected to run out of assets by 2043. However, if the IGA were in place, pensions would be 100 percent funded by 2047 and retiree healthcare would remain pay as you go because the IGA only covers pensions.

Lastly, Slide 29 for Forest Preserve, you will see that they are projected to run out of money by 2042, based on only receiving statutory contributions.

That concludes my prepared remarks now, we will be happy to answer any questions.

MR. LANGER: I guess that means we covered that rather thoroughly.

We will be back after Legacy comes on to talk about the intergovernmental agreement packages. Thank you.

PRESIDENT WILSON: Thank you for simplifying some very complicated information but very important. Thank you.

Gina, do you want to carry on?

MS. TUCZAK: Yes. Thank you.

The next item on the Agenda is to discuss the draft Financial Statements.

Before I continue on that, I would like to ask President Wilson and the Board if you would like to consider the motion on Item Number 3 on receiving, accepting and filing the draft valuations and making them a final document.

Is the Board willing to entertain such a motion at this time?

TRUSTEE MCFADDEN: Trustee McFadden moving that the Board receive and file the 2019 draft actuarial valuations of the Fund as prepared by the consultant, along with the draft actuarial valuations of 2019 for the Forest Preserve as prepared by the consultants.

PRESIDENT WILSON: Thank you.

TRUSTEE MCFADDEN: Before a second, when will we see the final?

MR. LANGER: Our intention is for these to be final. I think we would like to give the Trustees a look at it. Staff and Cavanaugh Macdonald has worked diligently to get these tied down. There might be a couple of little tweaks.

There are some people on the call that are really good at English to help polish things up, but we don't anticipate changes.

TRUSTEE MCFADDEN: Thank you. I made the motion. I can repeat it, if someone wants.

MS. BURNS: I don't think it is necessary. There is a motion to accept and file and the question is is there a second?

TRUSTEE HUGHES: Trustee Hughes seconds the motion.

PRESIDENT WILSON: Thank you. It's been moved and seconded.

All in favor say "Aye".

(Chorus of ayes.)

PRESIDENT WILSON: All opposed say "Nay".

(No nays.)

PRESIDENT WILSON: The motion to receive and file the actuarial valuations for Cook County and the Cook County Forest Preserve has been approved.

Let us now move on to the presentation of the 2019 draft Financial Statements. Gina.

MS. TUCZAK: So the next item on the Agenda is the draft Financials. If you are following along in BoardEffect, the first page of the County Financials is Page 486.

As an update, you may recall, Legacy Professionals is the independent accounting firm that is hired by the Fund to audit the Financial Statements.

We do have Colin Thompson on the phone and he is going to provide a short presentation overview of the Financial results.

So I am going to turn that over to Colin and I would also ask that you introduce any team members that you have on the phone with you at this time. Thank you.

MR. THOMPSON: Thank you, Gina. Good morning. This is Colin Thompson partner-in-charge of the audit from Legacy Professionals.

Also on the phone with me right now is Edison Uschold. He is the manager-in-charge, the primary fieldwork, and et cetera.

So I am going to present the draft Financial Statements for Cook County and the Forest Preserve for the year ending December 31, 2019. I am going to go through Cook first. It should take roughly ten minutes and then I will follow up with

Forest. It should take maybe five minutes or so. I will hit most of the highlights as I am going through Cook and a lot of these things will also be highlighted for Forest.

Prior to getting to those couple of reports, these Financial Statements right now they are draft. However, we don't expect the final Financial Statements or their disclosures to materially change from now until they are finalized within the next couple of weeks.

So what is holding us up? We are currently working on wrapping up some various testing items, third-party confirmations and other miscellaneous items that allow us to finalize and issue our final report.

Things have been rather challenging to complete this year primarily due to Covid-19. The pandemic started and the Stay-At-Home Order began when we typically start and perform the bulk of our fieldwork there at the Fund's office for several weeks.

So we have been working with the Fund these past couple of months on creative solutions to meet these challenges. I know that Edison has been FaceTiming with members of the Fund staff who are in the office, sending screen shots, all sorts of stuff, to be able to complete our audit work, but this has delayed the finalization of the audit and the issuance of our final report slightly.

There is a past audit adjustment for approximately $45,000 on the Forest Preserve.

This was a misstatement that was identified by the Fund staff after they had submitted the Financial Statement Schedules to the actuary for them to complete their valuation. So instead of hitting the reset button on the actuary, as they were very far along in their valuation and rather than going back to square one, due to the very small amount of the 45,000, it just barely breaches an item called a Trivial Threshold, where we would ignore it all together. The Fund has decided to issue a past audit adjustment instead of going back for this.

Also, we do expect there to be a past audit adjustment for the value of the alternative investments. We are still working on obtaining a handful of the smaller alternative investment values from some of the investment managers.

We do have all of the individually significant alternative investments back. So the ones that just by themselves could move the needle, we do have those so we are comfortable with the numbers being able to be final. As the remainders there is just really not a mathematical change of an adjustment being high enough for us to actually have to restate the draft Financial Statements.

So we're very comfortable with the numbers that you are going to see in this report. There might be some tweaks and changes just like with some reports with some of the wording. Maybe a little slight modification on some of the foot- note disclosures but we don't expect anything to be significant between these draft Financial Statements and the final ones you should receive in a few weeks.

Before I get to the couple of the reports and start hitting all the highlights and the numbers, does anybody have any questions on the couple things that I just went through there?

Alright. The first item I am going to go through is the Cook draft Financial Statements and I am going to be kind of flipping through pages so

I will try and pause in between moving to the next section to try to hopefully get everybody to be able to find their page on their report that they are looking at so please bear with me here.

The first item it is Page 1 through 3 of the reports. This is the audit opinion. This is Legacy's opinion on the audited Financial Statements for Cook County for the year-end December 31, 2018.

This is an unmodified or clean opinion. It states that everything is fairly stated in the Financial Statements in the footnote disclosures.

So following the opinion, which begins on Page 4 of the report, is the section Management Discussion and Analysis.

I typically like to use this for a board presentation because it has a nice summary of the plan. If you want to read five or so pages, it is going to give you a real good feeling of everything that is going on at the plan. You can read this and get a real easy high level of understanding of the plan. I will use this as a primary tool to hit the numbers and then I am going to point out some things further in the report.

On Page 4A, it is the next page.

MS. TUCZAK: Colin, I would like to stop you for one second. For those following along, that is Page 493 in the PDF. 493 is the equivalent of what Colin is discussing when he says Page 4A. Thank you.

MR. THOMPSON: As you can see, there's a table and this has the Plan Net Position as of December 31, 2019. 2018 and 2017 are presented off to the right.

There were total assets of the plan of 12 billion 242 million as of December 31, 2019 offset by total liabilities of 751 million. That gives us the total combined Plan Net Position for both pension and OPEB, although OPEB doesn't have any assets, of 11 billion 490 million. This was an increase from 2018 of 1.6 billion dollars. The Fund had very good results for 2019.

And we could go to the very next page and see the Statement of Changes in Plan Net Position for 2019 in the summary. '18 and '17 are presented therein.

Going down from the top, the plan had total additions of 2.561 billion dollars. The bulk of that was the employer contributions 526 million.

You will note that there is a decrease from 587 for 2018, 587 million, to 526 million. That was due to there was a 25 million dollars IGA payment for the 2019 IGA that was received on December 31, 2018.

So with the IGA that money is recognized when it is actually received by the Fund. So because it was paid a bit early, it fell into the prior year. So it is kind of like the 2018 had an extra 25 million in it that would have normally have been in 2019. So that 50 million dollar swing accounts for the bulk of that change that you will see in employer contributions.

The employee contributions held constant right at about 134 million for each of the years. We could see the plan had fantastic results for 2019 with their investments of 1.865 billion dollars in net investment income and which also includes the securities lending income versus a total net loss for 2018 of the 428 million.

We have another item there, 35 million versus 27 million. That number there is primarily the EGWP Medicare Part D subsidies and the employer federal subsidy program so there's a detail a little bit later in the schedule that is pointed out.

That gets us our total additions, those additions are offset by total deductions of 932 million or 2019 versus 870 for 2018. The plan had total benefits of 890 million, which was an increase from 831 million. This was primarily the cost of living increases, a higher number of annuitants and also new annuitants entering the plan at higher monthly annuities than those leaving the plan so we always expect to see, based on the structure of the plan, that benefits number increasing from year to year.

Refunds have held constant in that 35-ish million or so per year over the past several years.

And then Administrative Expenses 5 million for '19 and '18 so the cost administered to the 5 million has stayed relatively constant right about that 5 million dollars for the past half dozen years or so.

If you take those total deductions, we're left with that 1.6 billion increase for '19 versus the net decrease of the 545 million for 2018. The plan had excellent financial results for the previous year for '19.

After that, on Page 4D, so it is two pages after that, the actuarial information here I just wanted to show that GASB 67 2019 total pension liability less the plan fiduciary net position in that first table, we have the 25 billion dollar liability less the 11.49 billion dollars in Plan Net Position equals the Employer's Net Pension Liability of 13 billion 580 million.

The actuaries just went through all this so I am not going to rehash on any of these. I wanted to point it out. There is a lot of footnote disclosures also included in these Financial Statements that discuss this as well.

Below there is the Post-Employment Healthcare or OPEB benefits. We can see that there was the 1.9 billion which was an increase from 2018 of 1.5 billion. There is no assets that are held as part of the plan so that gets us to that 1.9 billion, that is all counted as the Employer's Net OPEB Liability.

These are the liabilities that Cook County will recognize in their Financial Statements as in relation to the plans unfunded pension and OPEB benefits.

Beyond that, I would like you to turn to the Combining Statements of Net Position, which is Page 5 of the Financial Statement.

Gina, I don't know if you can let them know which page of the packet that would be.

MS. TUCZAK: That is 498.

MR. THOMPSON: I am not going to go through it. I hit all the numbers here. I want to point out this is the detailed breakdown of the assets and liabilities, the combined pension and OPEB plans. You can see the receivables, all the investments, collateral, accounts payable, healthcare payables, et cetera.

This gives us the total Statement of Plan Net Position. The two pages following that are the Statement of Changes in Plan Net Position.

One item I wanted to highlight on that is the second statement or second page of the Statement of Combining Statements and Changes in Net Position, which I guess would be Page 498.

You can see, if you are looking, we have deductions about halfway through the page. You can see that there is --

MS. TUCZAK: Colin, that is Page 500 in the PDF.

MR. THOMPSON: Okay. On Page 500 of the PDF, we have a column in there Deductions. If you go to the line items, the Healthcare Less Annuitant Contributions of 52 million for one for '19 and 50 for '18.

One thing I wanted to point out that is the amount that the annuitants contribute to the healthcare plan for their share of the post-employment benefits so you can see that.

Their share has increased from the 50.1 million to the 52.4 million. GASB requires us to net the health annuitant contributions against the actual post-employment healthcare benefit payment.

If you are wondering how much comes into the plan from the annuitants, this is the only spot where you are going to actually see it on the Financial Statement. That is a relatively important disclosure, but the GASB presentation kind of forces us to net those items together.

TRUSTEE HUGHES: Colin, this is Trustee Hughes. Can you go through that again? You lost me a little bit. If you could walk through that again, please.

MR. THOMPSON: Sure. Absolutely. So if we look at that Post-Employment Healthcare column, we can see for 2019 that the Fund itself paid 67 million 120 thousand for post-employment healthcare. Now that number is net of the annuitant contribution. The actual amount that left the plan, or roughly that, the 52 million plus the 67 million. So the Fund's share was 67 million in the Post-Employment Healthcare column and the annuitant portion is just disclosed over to the left in the description. The annuitant portion was 52 million 401. If you add those two items together, about 112 million I guess, or I can't do the math in my head right now. If you add those two together, that would be the total gross payments that were paid for healthcare insurance.

TRUSTEE HUGHES: Thank you, very much for that.

MR. THOMPSON: Absolutely.

Following these couple statements, beginning on the very next page, is the footnotes to the Financial Statements. These are all required additional disclosures under the plans GASB presentation.

A couple of things to note. There were no new account pronouncements. This years notes are primarily updated numbers as compared to last year. I am going to just hit a couple of items of significance that I just want to point out for the Trustees that if you're going to read through the notes that you might find them to have some weight for you.

The first item is sensitivity of the Net Pension Liability changes in the discount rate. This is part of Note 3.

Gina, it is on the Page 12 of the footnotes, if you can help me out with the page number.

MS. TUCZAK: That is Page 505 in the PDF.

MR. THOMPSON: 505 in the PDF. I wanted to point out we have that 13.58 billion dollar liability that Cook County is going to recognize on their Financial Statements.

I like this table in that it shows just how sensitive that number is to 1 percent change net discount rate. That one little discount percentage is so vitally important to measuring those liabilities.

So that we can see that if that discount rate decreased by 1 percent, the liability would increase by 4 billion dollars and vice versa if it were to increase 1 percent.  I just wanted to point that one out to the Trustees.

Following on the very next page, footnote Number 4, Summary of Employer Funding Policies. The second item there Supplemental Funding.  This goes and describes the 2019 and 2018 intergovernmental agreements.  320 million was received during '19 versus 378 million during '18 and that 25 million dollar difference of the date in the deposit where it came in on December 31, 2018 kind of accounts for that swing.

I wanted to make sure everybody understood that.  The County has been making all of its payments in accordance with the IGA.  They actually made one of their payments early, which accounts for that 25 million dollars hitting the 2018 versus hitting in 2019.  It is nothing to be alarmed about.  Hey, why did the contributions go down, that is why.

After that, if we look at footnote Page 31, this is Employer's Post-Employment Healthcare Liability.

Gina, if you could help me out with what page the Trustees would want to turn to in their document on this one?

MS. TUCZAK: That would be Page 524.

MR. THOMPSON: Page 524. These are a couple of some of the similar tables for sensitivity of the Net Post-Employment Healthcare Liability of 1.9 billion dollars that the County will recognize.

We can see if discount rates were increased by 1 percent or decreased by 1 percent, we could see it move.

Now it is not quite as sensitive, obviously, as the pension benefits because it is a smaller liability, but it does move around based on that discount rate.

Then the table beyond that right below, it shows also another required disclosure of the sensitivity of that liability to changes in the healthcare cost trend rate, which is disclosed as part of the actuarial assumption.

We can see those couple of assumptions go and they do move the needle quite a bit on the health care OPEB liabilities.

Almost done with the footnotes. On the very next page, footnote Number 12, Pronouncements Issued Not Yet Effective. The very first one GASB Statement 95.

GASB just issued this statement in May of 2020, which pushed back the effective date of many of the GASB pronouncements by one year.

GASB kind of gave everybody a break. Covid-19 is really kind of creating a lot of pressure on all of these various reporting entities, let's not pile it on with having a bunch of additional GASB pronouncements that they have to adopt. We are going to extend the effective dates of everything one year to hopefully ease things up a bit.

That being said, none of these GASB pronouncements are going to actually significantly effect on the Fund's audited Financial Statements when they do go into effect.

I just wanted to point those out and nothing goes into effect for 2019.

After that, a couple of pages, footnote Number 13, Subsequent Event.

MS. TUCZAK: This is Page 527 of the PDF.

MR. THOMPSON: This one I would really recommend that the Trustees of the Fund read and understand these couple of Subsequent Events footnotes.

The first item we have there is the Levin case. Now that one in the Cook County Fund it sounds like there is still a lot of question marks figuring out how this is going to effect the Fund going forward in the future. So it is not reasonably estimable to measure the impact that it's going to have on the Fund at this point.

We know in the future it will probably make the biggest changes on the actuarial valuations for OPEB and then we also have to figure out any other things that it might affect as far as payment of the benefits.

And then the last item there, obviously, we see this disclosure going out. Right now you will see something similar on everybody's Financial Statements. It is in relation to the impact of Covid-19 so of course this is still ongoing.

The extent of this impact in regards to the funds. We don't know the extent of the impact to the Fund's investment, contributions, benefits et cetera. This is still a highly unknown and still ongoing.

Those are the footnotes. After those, the very next pages, there is three pages. This is required supplementary information for pension. This is three pages for the pension liabilities and related items as they relate to Cook County.

So I am not going to hit any of these numbers, just pointing out where these are. These are primarily determined by the actuaries disclosed in the financial statements.

After those pages there are two pages of post-employment healthcare required supplementary information.

Just like with pension, OPEB also has a couple of required Financial Statement disclosures that relate to the Cook County. These are actuarially determined numbers included in the Financial Statements.

Beyond that, there is a couple of supplementary schedules in the Financial

Statements. Page 40 of the PDF is the Schedule of Administrative Expenses and Professional and Consulting Fees.

MS. TUCZAK: That is Page 536 of the PDF.

MR. THOMPSON: This statement goes and details the net administrative expenses of about 5 million dollars to run the plan.

There is really no significant changes between '18 and '19 for the cost to run the plan. It has been right around the 5 million dollars for the past several years. There is actually a schedule a couple of pages later that actually details it out.

The two pages following that are the Schedule of Investments Expenses. This goes and details investment expenses by investment manager as required by the plans CAFR submission. This is a required CAFR information that gets included in supplementary information.

After those couple of pages, I like the next page, there's an Additions by Source, Deductions by Type. It is historical data for additions and deductions to the plan so we can see some trends here.

This is on my Page 43. Gina, what page would the Trustees see this one?

MS. TUCZAK: That is Page 539.

MR. THOMPSON: 539. I like this particular schedule because you can see some of the trends and the volatility and some of the major additions and major deductions.

The first item to take a look at up at the top, Additions by Source, that employer contribution column. We can see '14, '15 about 190 million in employer contributions and 186 million. It significantly jumps for 2016 and subsequent. That is that IGA, that additional supplemental funding, that Cook County is making to the Fund. It makes a significant increase in the employer contributions coming in.

Employee contributions. Those have been relatively stable around 130-ish million dollars or so.

The next column over Net Investments and Net Securities Lending Income. We can see there is definitely some volatility there. We see it ranging from 2019 of 1.8 billion in the black to 2018 424 million in the red. We can see those amounts and that is why the actuary goes and smooths those items over a five year period to kind of iron out some of the bumps in the road.

Then the other column, those are primarily increases. Those are primarily increases from EGWP and the Medicare Part D program and RX prescription rebates. We have been seeing that increase on a yearly basis.

Down at the bottom, Deductions by Type. The biggest thing to look at there is Death Benefits. We see the trending in benefits from '14 through '19. We can see that go up on a yearly basis. It is cost of living increase that is built into there. It is the increases of the annuitants and then the increases of new annuitants generally coming on to the Fund at a higher monthly rate then the old annuitants; the people leaving the Fund.

Refunds. Those generally have been in the 30-ish million dollar range. We see that from year to year.

The Net Administrative Expenses to run the Fund you can see six years ago it was 5 million dollars. This year it was 5 million dollars. That has been very steady from year to year.

Finally, on the very last pages of the Financial Statements, there is a Schedule of Employer Contributions Receivable. This goes and breaks down the receivable by the contribution year of the 203 million that the County will pay to the Fund during 2020.

That is what I've got on Cook. Anybody have any questions on Cook or want me to go through any more detail before I move to Forest?

Alright. I will move on to Forest. I will be much briefer in Forest. I am primarily going to hit the Financial Statement numbers on here. I won't need to explain as much.

Gina, can you let the Trustees know where to turn to find Page 1, the Independent Auditors Report for Forest, please.

MS. TUCZAK: That would be Page 544 of the PDF, that is the Page 1 of the audited opinion for the Forest Preserve.

MR. THOMPSON: Thank you. Likewise, with Cook County, this is the report on the Forest Preserve District Annuity and Benefit Fund of Cook County. Our audited opinion appears on Pages 1 through 3.

This also presents an unmodified or clean opinion as of December 31, 2019.

If you turn to Page 4A, which would be on --

MS. TUCZAK: Page 548 of the PDF.

MR. THOMPSON: We can see the Net Position table as of December 31, 2019. '18 and '17 also presented. The Forest had total assets of 214 million less the total liabilities of 2.4 million. It gives us a Total Net Position of the 211 million for '19 versus 190 million for '18, which was an increase of 21.3 million for 2019.

We can see the details on that increase, if we turn to the very next page. This is a summary of the statement of changes in the net position.

The Forest Fund had total additions of 41.7 million for '19. 4.2 of that being employer contributions. 3 million of employee contributions. Net investment income of the 33.6 million and some other items gives us our total additions versus last years total loss of 261,000, that was primarily due to the net investment losses in '18.

The additions were offset by total deductions of 20 million 498 for '19 versus 19.711 for '18. Benefits 19.2 million versus 18.2 million for the prior year. Again, we have the same thing going on with Forest as with Cook. We have the cost of living increases. The annuitants were right about the same.

Refunds has been around a million dollars or so. The employee transfers to and from Cook County, that is on the other side, when a person transfers between the funds.

Then the administrative costs to administer the plan has been right about 154,000. That number has also been like with Cook about the same for the past six or so years.

It gives us a total net increase for 2019 of 21.2 million versus a total net decrease of 19.9 19.972 million from the prior year. The Forest Fund also had very good performance for 2019.

A couple of pages after that, on Page 4D, Actuarial Information Pension Benefits. This is the GASB 67 liability.

One significant difference between the Forest and Cook is the Forest doesn't have that IGA funding. If we look at that, we can see that the Employer's Net Pension Liability has been growing. The plan fiduciary net position has been about the same, but the plan fiduciary net position as a percentage of the total pension liability, we can see that that percentages is shrinking on a year to year basis, based on the contributions into the plan and the growing liabilities out of the plan.

The actuary did a lot better job explaining this than I can. I just want to point that out there.

That is likewise as with the table below, there is the OPEB liability of 2019 of 43 million. That number increased from the prior 35 million so these two liabilities, the OPEB liability of the 43 million and that employers net pension liability of 284 million, those are two numbers that will then go and appear on the Forest Preserve District's Financial Statements for unfunded pension and unfunded OPEB liability that they will recognize.

Continuing on Page 5 of my report, but, Gina, if you could let us know what PDF page this will be.

MS. TUCZAK: Page 553.

MR. THOMPSON: On Page 553, this is the combining statements of net position that detail all of the Fund's assets and liabilities and then break it down by the pension and OPEB columns.

On the very next page, this provides the details for the additions and deductions of the Fund broken down by pension and post-employment healthcare.

I hit all the highlight numbers so I am not going to repeat anything through here.

Following on the very next page after that schedule begins the footnotes to the Forest Fund's Financial Statements. So these provide all the required disclosures for the GASB disclosure presentation.

Also, as with Cook, there's been no new effective GASB pronouncements and the information has primarily the numbers have been updated for the FY 19 versus the FY 18 presentation.

The only item I was going to go and point out in here is on page PDF Page 26 of the report, which would be on page --

MS. TUCZAK: That is going to be Page 574.

MR. THOMPSON: On Page 574 of the Forest report. And, likewise, with Cook County, we also have the same two subsequent event footnote disclosures in regards to, number one, the Levin case. And, number two, in regards to the Covid-19. So we do have the same subsequent events disclosures for that.

Likewise, after the footnote end, we have the two sections. The required supplementary information for pension and for OPEB. That is where the information that the actuary prepares is required to be included in the Fund Financial Statement is presented.

Beyond that, the supplementary information on PDF Page 32, which would be on --

MS. TUCZAK: We don't have a 32, Colin.

MS. BURNS: Is it the Schedule of Administrative Expenses?

MR. THOMPSON: Yes. Schedule of Administrative Expenses and Professional and Consulting Fees.

MS. TUCZAK: That is Page 583. Thank you.

MR. THOMPSON: Thank you. So this

details the actual costs to administer the plan. If you are looking for the details to see how the Fund spends its money to administer the plan, that is included here.

The very next page, Schedule of Investment Expenses breaks down the investment managers. The fees paid to each one of the investment managers. Obviously, the Forest Fund has quite a few less investment managers so probably only a handful there listed.

And then the last page I was going to go over is the very next page, it is the Additions by Source Deductions by Type. It is the six year historical data. We can say that employer contributions column.

MS. TUCZAK: We are at 585.

MR. THOMPSON: Thank you. So we can see that employer contributions column between '14 and '19. We can see that growing. That one doesn't have that big jump like Cook in '16 because it was don't have the IGA. These are primarily based on the multiplier times the employee contributions which have typically you can see in the next column have been growing. Although '19 was down just slightly.

And then the next column is the Net Investment Net Securities Lending Income. You will look at that one and you will notice if you compare it to Cook that Forest has quite a bit less volatility than Cook. It is primarily just based on the investment makeup. Forest investments are a little more conservative than Cook's investments so they experience a little less volatility.

And then down in the very bottom, Deductions by Type, the benefits column, we can see that increasing on a year to year basis as we would expect primarily due to the COLA increases and new annuitants coming on at the higher monthly annuitants rates than those leaving the plan.

So that is the highlights of the Forest Financial Statements. Anybody have any questions?

I know I blasted through that one pretty quickly. Does anyone have any questions on that or want me to go through anything in there in more detail? I'd be happy to.

PRESIDENT WILSON: This is Lawrence. I have just a general question. What kinds of findings or observations did you have in terms of the conditions of the records? Did you see anything that was not severely bad or I would say a finding that wasn't severe but just rose to the level that you would make a recommendation on process improvements?

MR. THOMPSON: I will qualify it that there is still a couple of tasks that are open that we're trying to get wrapped up. To-date, as of today, this morning, we don't have anything in regards to findings of anything like that as far as operations or testing items or anything. Everything has been fairly clean as we've been able to complete our audit procedures.

PRESIDENT WILSON: I understood that no formal findings but just no observations where you might have some just recommendations on what we need to do to improve?

MR. THOMPSON: I'd have to double check some of the stuff that we kind of keep track of internally. I think a couple of things that we have documented on our binder are a little more somewhat theoretical in nature as far as like that there is -- for instance, that there is not a funding mechanism for the OPEB benefits and we would recommend that the Fund work with the employer to go and establish a funding mechanism and go and actually have investments of a net position for the OPEB. I guess it's more of some of the theoretical items that we have talked about in the past. I know that we have also talked about --

PRESIDENT WILSON: Let me just jump in. I appreciate the policy from a board level, but no observations or suggestions for management or us on internal controls? So internal controls and segregation of functions and all of that was satisfactory and no suggestions on improvements there?

MR. THOMPSON: That is correct. Yes, everything was satisfactory. We did not have any comments as far as improvements for internal control.

PRESIDENT WILSON: Okay.

MR. THOMPSON: It is very good at the Fund office.

PRESIDENT WILSON: Thank you. I don't have any other questions or comments.

TRUSTEE HUGHES: This is Trustee Hughes

just with a quick question. I saw that the schedule with Additions by Source for both the County and the Forest Preserve, there is a big increase in the EGWP in the Medicare fee reimbursements starting in 2017.

Being a new trustee, was that due to legislation or the Fund is doing a better job as far as applying for those rebates? I don't know if that is a question best answered by you or maybe staff.

MR. THOMPSON: The staff would probably have a better answer than I would because they would have a lot more details than I would from the audit prospective on the refunds.

MS. TUCZAK: There was a change in how the Fund applied for rebates and we went to the EGWP program in 2017, which significantly increased the rebates, subsidies, that we get from the government. And that has been shown to be quite effective in the years '17, '18 and '19 and ongoing. We changed the program on the prescription drug benefits.

TRUSTEE HUGHES: I'd like to congratulate staff for doing that. Thank you.

MS. TUCZAK: Thank you. That was a decision that was made at the Health Benefit Committee level and certainly approved by the Board so I also want to make sure that I provide the credit to the Health Benefits Committee for making this change and accepting it, which is always a challenge to change the way things were done. That was a big decision that was made and has been to the benefit of the Fund.

TRUSTEE HUGHES: Thank you.

PRESIDENT WILSON: Any other questions for Legacy on the draft Financial Statements of Cook County Fund or the Forest Preserve draft audit?

Hearing none, may I have a motion to accept the draft audit for Cook County and then another motion for the Forest Preserve District?

TRUSTEE MCFADDEN: Trustee McFadden moving that the Board receive and file the 2019 draft Financial Statements of the County Fund as audited by Legacy Professionals, Limited Liability Partnership along with the Board receiving and filing the 2019 draft Financial Statements of the Forest Preserve District Fund as audited by Legacy

Professionals.

PRESIDENT WILSON: May I have a second?

TRUSTEE GOODE: Trustee Goode seconds.

PRESIDENT WILSON: Any discussion? All in favor please say "Aye".

(Chorus of ayes.)

PRESIDENT WILSON: Any opposed?

(No nays.)

PRESIDENT WILSON: The draft audit Financial Statements are received. Thank you.

On to the next item, we would like to have a discussion on the approval of the actuarial projections. Gina.

MS. TUCZAK: Thank you. Moving on to your materials, if you are following along in the PDF, this is beginning on Page 587 of the materials.

So now that we have discussed the actuarial valuation results by Larry Langer and CavMac and the draft Financials by Colin Thompson and Legacy, the next piece of the puzzle is the request for funding for next year.

So the IGA is something that has been in place since 2016. It is a supplemental contribution that the Cook County government makes to the Cook County Fund. This does not impact Forest Preserve. It is Cook County Fund only.

This IGA was set up so that in 30 years, if every actuarial assumption was exactly on point, the pension liabilities would be funded in 30 years.

There is obviously reality and actuarial assumptions are a little bit different than experience so there are pieces of the calculation that allow for experience versus assumptions to be smoothed out over a 30 year period. So it is possible that at the end of 30 years the funding will not be exactly at 100 percent. It would be more like 98 or 99 but that is all part of what Larry Langer and his group does with this.

So this draft letter was prepared by CavMac. It is something that if the Board is able to receive and file is provided to the Cook County government. I will talk about that a little bit later in my report. But at this point, I would turn it over to Larry Langer to discuss briefly the contents of this letter dated today. It is approximately about six or seven pages long and provides the information that the County would need to Budget for this supplemental contribution.

MR. LANGER: Thank you, Gina.

The letter I am looking at it is entitled "Employer Contribution Requirements for the County Employees and the Officers Annuity and Benefit Fund of Cook County".

This is where we document the amount under the intergovernmental agreement. The intergovernmental agreement is something we started to work on in 2013 and it was put into place and signed December 8, 2015.

The primary benefit of this intra-governmental agreement as we discussed during the valuation it puts the pension fund on course to become 100 percent funded at some reasonable point in time. At the moment we will be projecting it to be by 2047, but that can change with a different experience.

In here, the second paragraph of the letter, we estimate the additional funds in excess of the contribution to be 341,961,760. It is an increase of about 36 million from last year's estimate of 306 million.

We touched on a couple of things that can cause the increase in the valuation presentation. Just to summarize a couple of the high level stuff, one, while we had a return well in excess of 7.25 on market basis, on a smooth basis it was less than that. It was I think 6.75, 6.8 percent. We call that an actuarial loss. I never liked that term. What that really means is we are shy of expectations so the unfunded liability grew a bit more. More retirements than anticipated. People lived a bit longer. Things like that.

On top of that, we anticipate the way this contribution has developed, the payment to the unfunded liability, the overall gross payment, is scheduled to increase by 2 percent per year, that is tucked within the third paragraph. That there's a 2 percent escalator in the development of the amortization payments. Amortization payments were the unfunded liability of the Fund.

The fourth paragraph of the letter just states that this doesn't impact retiree healthcare benefits. Those are on a pay as you go basis. It doesn't impact the Forest Preserve at all.

The second paragraph on the second page

talks about the Levin case is not put into here because that is a fluid situation.

Finally, there is all sorts of nice exhibits that document the calculations starting at Exhibit 1.1, 1.2, and 1.3 that documents the calculation, which is of great interest to actuaries but nobody else likely.

Exhibit 1.1 there is a couple of highlights I'd like to talk through with you all. Just looking at 2021, Exhibit 1.1. I am not sure what page that is. About two or three pages into it. We have something called Projected Normal Cost for Pensions at 202 million.

MS. TUCZAK: That would be for those following along Page 589 of the PDF.

MR. LANGER: Thank you, Gina.

The payments of the unfunded liability is 402 million dollars. So most of your payment is going towards payment to the unfunded liability to the plan.

There is expenses in there. The administrative expenses and then interest account for when the contributions are paid. That leaves us with a total of 632 million dollars.

Employees contribute 139 million dollars. So while the cost of benefits accruing was 202 million, employees contribute what looks to be about not quite 70 percent of that. That leaves the IGA funding amount net of employee contributions of 492.

We add in something for retiree healthcare contributions for the year estimated amount, that leaves us with the total of 542,368.

In total, earlier in the cover letter, we backup the statutory contribution amount. That is probably as deep as you want to get into the calculation amount.

I have to say whenever I lookback I always get stunned by this agreement from the point of it is a very large increase in contribution and it puts the plan on track towards 100 percent funding which is to be applauded. This is a really terrific step in the right direction. If it could be extended to the retiree healthcare plans and the Forest Preserve that would be even better yet.

That ends my prepared comments. I am delighted to share any unprepared comments.

TRUSTEE KOURUKLIS: It is Bill Kouruklis.

Larry, I have a couple of questions.

The letter addresses the current IGA dollars but it could be misleading in reading it because it doesn't really address the issue of long-term funding.

It addresses the issue of if the IGA continues we obviously would be in great standing but it doesn't really identify strongly enough where earlier in your presentation you brought up we are at 1.54. At a multiplier we should be at 4.73 and 5 next year. Our funding ends at 2043, based on not having actuarial funding codified into law.

Am I correct, Regina, this is going to go to the County Board as well?

MS. TUCZAK: Yes, it has always gone to the County Board.

TRUSTEE KOURUKLIS: We got the bad side and good side in Larry's presentation and his groups presentation today, but the letter doesn't reflect the bad side.

I think in times like this where we are trying to get funding in Springfield, we are trying to get somebody to listen to us, if there is a new

President of the County Board, the IGA goes away. It is possible that happens. Without any sort of law requiring the funding to continue at an actuarial rate, we are really at the mercy of a year by year IGA.

So I ask that we have at least a paragraph from the experts, not from the Board, not from the Pension Fund, but you and your group that identifies the downside since we got the downside today in our hour and a half, two hour presentation.

MR. LANGER: I would be delighted to do that. All six of the reports and maybe even the presentation goes to the County Board. The summary letter is going to be what is going to drive this.

TRUSTEE KOURUKLIS: If I sat on the County Board, I would say great, we are doing a great job. We are up to 61 percent funding. We are at 55 percent funding in 2015. This is wonderful. Everything is great. But there is a big downside to this, that we, as a Board, as Pension Board Members, are ringing the bell trying to get the legislative initiative worked out in Springfield and getting some sort of cooperation and without a strong statement from the experts saying that this is still a Band-Aid to a really serious solution. You said it earlier I think we are the last Fund in Illinois that is headed towards that 2043 insolvency, that is my point.

MR. LANGER: I will be glad to work with staff to implement some of those elements. We will look for feedback from them and work with them.

I think we still have a few days before the deadline, if I am recalling right.

TRUSTEE KOURUKLIS: Appreciate it. That is all I have.

MR. LANGER: Thank you.

PRESIDENT WILSON: Anyone else have any comments on the matter? Can I get a motion?

TRUSTEE MCFADDEN: Trustee McFadden moving that the Board accept for purposes of an anticipated intergovernmental agreement with Cook County's actuarial required contributions projected for 2021 for the County Fund made by the actuarial consultant contingent upon addressing or revisiting the letter to put some emphasis on our position or situation absent a formal arrangement for the IGA to continue.

TRUSTEE KOURUKLIS: Trustee Kouruklis seconds that.

MS. BURNS: Just to clarify, Trustee McFadden, because we won't have time to get back to the Board, is it sufficient if the paragraph that is added is just circulated to the Trustees and if we hear no objection then we are authorized to file this letter with the County?

TRUSTEE MCFADDEN: Would you, secretary, amend my motion to reflect what the outside counsel just remarked?

MS. FAHRENBACH: Yes, we will make that amendment.

TRUSTEE KOURUKLIS: And my second.

TRUSTEE MCFADDEN: Thank you.

PRESIDENT WILSON: Any other discussion? All in favor say "Aye".

(Chorus of ayes.)

PRESIDENT WILSON: Opposed?

(No nays.)

PRESIDENT WILSON: Thank you, very much.

The next item on our Agenda is the tax levy. Gina.

MS. TUCZAK: Thank you. So moving right

along, we are at Page 593 in the PDF.

This is a resolution for the 2021 tax levy. This document is provided to the Cook County Board, the Cook County President and the Commissioners, and it is a mathematical calculation that is provided for in the statutes. That requires that 1.54 multiplier be applied against the member contributions to calculate the amount due from the County for levy year 2021.

So we provide this typically to the County along with the IGA letter. I believe it is part of their budgeting process for taxes levied in 2021 and then the collections would occur in 2022. The calculations and methodology is consistent with the prior year.

TRUSTEE MCFADDEN: Can we do the Forest Preserve at the same time?

PRESIDENT WILSON: That is fine. I appreciate that.

Now I need a motion for the 2021 Cook County Fund tax levy and may we also have a motion for the 2021 Forest Preserve District tax levy resolution?

TRUSTEE MCFADDEN: Trustee McFadden. I

would like to move that the Board approve the presented resolution for the 2021 tax levy for the County Fund along with the presented resolution for the 2021 tax levy for the Forest Preserve District.

PRESIDENT WILSON: Thank you. Was there a second?

TRUSTEE BLAIR: Trustee Blair will second.

PRESIDENT WILSON: Any discussion on the motion?

Hearing none, all in favor say "Aye".

(Chorus of ayes.)

PRESIDENT WILSON: All opposed say "Nay".

(No nays.)

PRESIDENT WILSON: That motion passed to approve the tax levy resolution for Cook County and the Cook County Forest Preserve District. Thank you, very much.

Let's move on to review of consideration of the May 27, 2020 Investment Committee recommendations. Gina, you have the floor.

MS. TUCZAK: Thank you. If you are following along in the PDF, we're now on Page 595.

There is a very brief memo, a page and a half, that summarizes these three matters that we had from the Investment Committee meeting, which was last Wednesday. The items presented to the Board have all been recommended by the Committee.

The first matter is the consent to the merger of Piedmont Investment Advisors into FIS subject to any necessary revision of agreements as deemed necessary and any action necessary to effect the foregoing.

The second item is with respect to the LaSalle Income and Growth Fund VI term extension. You may recall from the discussion at the Committee that the Investment Committee recommends that the request be denied and the Committee had requested that a letter be drafted that would be sent to the management of LaSalle Investment Management outlining the denial and the reasons therefore. And that letter was prepared by external counsel and a draft of it is included in the materials beginning on Page 597. It is about a one and a half page letter. So that is presented for your review and approval as well.

The last item that was recommended by the Committee to the Board relates to the Russell Large

Cap Growth mandate. When we were working on the fee amendment, it was made known that an Investment Management Agreement that represents the structure of this mandate as a separate account be executed subject to legal review. That would replace the interim agreement that we had with Russell at this time given the duration of this mandate and the expectation that the separate account will continue in place. Recognizing we would like the fee reduction that was approved by Russell and presented.

So that is just a very quick summary of the three investment matters that were recommended by the Committee to the Board. The Committee is a Committee of the whole so I covered those just in summary fashion.

PRESIDENT WILSON: Thank you, Gina.

Consistent with that, if there are no objections, why don't we treat all three recommendations as a consent agenda item since the Investment Committee is is a committee of the whole. I believe we had all but one of our trustees present for the meeting.

Assuming there are no objections to doing so, may I have a motion to adopt the recommendations of the Investment Committee from the May 27, 2020 meeting with respect to the FIS Piedmont rebranding, the LaSalle Income and Growth Fund VI extension and the Russell Large Cap Growth Fund?

TRUSTEE GOODE: Trustee Goode. I make the motion.

MS. BURNS: Trustee Goode made the motion.

PRESIDENT WILSON: I think I heard Trustee Goode come in but was that you, Trustee Goode?

TRUSTEE GOODE: Yes.

PRESIDENT WILSON: Okay.

TRUSTEE GOODE: That was me, Trustee Goode.

PRESIDENT WILSON: Okay. Is there a second? May I have a second?

TRUSTEE OCHALLA: Trust Ochalla. I will second.

PRESIDENT WILSON: Okay. Is there any discussion on the motion?

Hearing none, all in favor say "Aye".

(Chorus of ayes.)

PRESIDENT WILSON: Any opposed say "Nay".

(No nays.)

PRESIDENT WILSON: Thank you. Each of the Investment Committee recommendations from the May 27, 2020 meeting are adopted and approved.

Let us now move to the Legislative.

TRUSTEE MCFADDEN: Trustee McFadden. I'm sorry, Mr. President, can I interrupt you for a second? My phone was on mute when I talked to myself a second ago.

Russell Large Cap Growth was included in the motion I believe. I have a note here that we were looking for a roll call vote so maybe we could do a roll call vote for the entire motion.

MS. BURNS: We can certainly accommodate that and any Trustee always has the right to ask for a roll call. Peggy, will call the roll, if that is acceptable.

PRESIDENT WILSON: Certainly.

TRUSTEE KOURUKLIS: Point of order. Was that a roll call to all three recommendations or a roll call just to the Russell Large Cap?

MS. BURNS: We will just do it for the

Russell and the voice vote will stand for the other two matters that are accepted by the Committee.

TRUSTEE KOURUKLIS: Thank you.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Aye.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: Aye.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Aye.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Aye.

MS. FAHRENBACH: Trustee McFadden.

TRUSTEE MCFADDEN: Aye.

MS. FAHRENBACH: Trustee Nevius.

TRUSTEE NEVIUS: Aye.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Aye.

MS. FAHRENBACH: Trustee O'Rourke.

TRUSTEE O'ROURKE: Aye.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

MS. BURNS: The record will reflect that motion passed and you are on to the Legislative update.

PRESIDENT WILSON: Thank you, Trustee McFadden. And, thank you, counsel, both of you, for the clarification.

This item is informational. You have a report from Mr. McCabe in your materials.

Gina, is there anything you want to add?

MS. TUCZAK: No, I don't think so. I think the only thing I would just note is that there is a Bill that has passed both Houses that impacts the conduct of some matters with the Fund with respect to these board meetings and then the veto session schedule is outlined on Page 1 of Mr. McCabe's memo, that is probably the only thing to note.

PRESIDENT WILSON: Okay. Are there any questions, comments, on the legislative update?

Hearing none, next is the Executive Director's Report. Gina.

MS. TUCZAK: Thank you. So I have just a couple of matters to discuss with you. The first matter is the management of operations during the Covid-19 situation.

With respect to Fund operations as of right now, the procedures that we have are similar to what was already discussed at the April and May meetings.

However, I am recommending that we begin to make some changes, especially as the City of Chicago moves to Phase 3, and office staff are beginning to return to work in some situations.

What I plan to do, and I would just outline this quickly, but if there are questions I am more than happy to answer that. And, of course, all of these considerations are subject to final discussion with legal counsel and may be adjusted, if the circumstances warrant.

In essence, what I am planning to do is divide the staff into three groups. The primary colors; yellow, blue and red.

And what I am proposing to do is beginning the week of June 15th, which I believe is consistent with the office staff of the office of the President of Cook County.

I will have one group, we will call it the yellow group, that would show up onsite and work in the office.

These groups are going to be determined by the Executive Director based on social distancing within the office, proximity to each other, and they would also be determined based on departments and responsibilities. So that the groups are equal in terms of spacing and representation from each group in each of these segments.

So that first week we have one group onsite working in the office. The other two groups would be working remotely at home. After that first week that group returns back home. The second week the next group, let's call it the blue group, works onsite in the office. At the conclusion of that week, that group returns home. And the third week we have the final group, we will call it the red group, that works onsite in the office.

We will have some staff that would be continuous throughout this three weeks, myself would be included. I will be here everyday as I have been.

In order to start to move things into the next stage consistent with the City and the County, I think that this procedure would allow appropriate social distancing and management of responsibilities within the office.

I am proposing to begin this approximately the week of June 15th and this would takes us to the 4th of July.

I would permit those that are going to come onsite, based on their assigned group, to have flexible start times allowing up to about a hour and a half prior to 8:30 or a hour and a half after 8:30 to arrive based on transportation that staff may desire.

I think the flexibility is important but once they arrive an eight hour day is still required.

Contact with members would still be remote. In other words, we would still be working with members via the phone. Primarily via the phone, some emails.

So onsite visits by vendors and members would not be permitted during this phase, all that work would continue to be remote.

I have been making some purchases of PPE. Such as masks, sanitizer, gloves, and those purchases will continue. But what I would like to begin doing is purchasing plexiglass shields that would be installed in the office in areas where future member/staff interaction is most likely to occur. Such as the receptionist area, the counselor area, et cetera.

These plexiglass shields are not necessary during this first phase because again we wouldn't have members coming in yet. But I do want to begin to get the office ready so that when we are ready to bring members of the public in we do have appropriate protection for staff.

These plexiglass shields, I just got a general price range there, depending on the size and whether or not you have access slots in them, they vary between $125 to about $250. I am planning to purchase, roughly, 15 of them give or take, depending on different scenarios.

At the conclusion of this phase, I would reevaluate how that has gone and communicate to the Trustees any changes after that. That is my recommendation and plan at this time.

PRESIDENT WILSON: Sounds good, Gina, as we discussed.

Anyone have any questions or comments?

TRUSTEE KOURUKLIS: I guess I would make

one comment that the County will be implementing and the City will be implementing infrared temperature scanners at both entrances. They are going to have a separate employee entrance, separate public entrance. Everyone, including employees, would be tested every morning for their temperature before walking in.

I am not sure what is happening at that building where the Fund is but that is what the County is doing.

MS. TUCZAK: The building has indicated that they will not be doing temperature, infrared temperature, monitors for access to this building.

PRESIDENT WILSON: Thank you both.

Gina, anything else that you want to cover?

MS. TUCZAK: On that matter, no, but if it is okay I can move on to the next item, Item Number 2.

PRESIDENT WILSON: Please do.

MS. TUCZAK: I should note in case those are following along on the PDF I am on Page 605 and 606 on the PDF.

The next item is that a trustee election is scheduled for October 28, 2020 for one active County employee member.

I have had discussions with Tim Walsh and Gary Rycyzyn regarding this upcoming election. At this time, Tim Walsh's firm, which is Tim Walsh and Associates, is not supporting onsite projects, which includes in-person voting.

Now that is consistent with the Governor's order but certainly can change in the future.

We had talked about what will be the situation in October. And, in addition, Gary Rycyzyn, who has lots of experience with the County when he was an active employee on County elections, and he identified quite a few recommendations that would be necessary if indeed in-person voting was desired by the Fund, including he believes that we should get approval from the Cook County Board President and Sheriff Dart to use the 8th floor of the County Building. We would need shields between voters and check-in personnel, masks for employees, gloves, sanitizer, security limits on crowds, that is kind of a minimum of what would be needed.

In addition, there is uncertainty, I will say that, while things are appearing to progress in a positive manner with people returning to certain facilities, there certainly is an unknown on how that will go and how long that will last.

In October, with the colder weather coming in, there's a possibility that things could revert back.

So given these discussions that I have had with these vendors and all of the uncertainties and I think the importance of the members having some certainty in how the election will be conducted, much less of course the candidates for this Trustee position would need to be very well aware of how the election will be conducted.

I think it might be reasonable that for this year for this election that in-person voting be eliminated.

TRUSTEE OCHALLA: Trustee Ochalla here. This brings me back to the initial issue I talked about two years ago. With the modernization of the world and now us understanding that in this pandemic in going forward that we have had to adapt to many ways in which we conduct business and navigate through the world.

I don't see how or I would like to know why some sort of electronic verification on voting can't be done?

We do every almost virtual aspect of our life securely to an extent online. I don't understand why this is such an issue.

It's my understanding that I believe at the last board meeting the IMRF Fund had a discussion on this. I don't know if there is a reach out that we can make to see how this can be done.

It seems like there is two different things. To increase participation of those that wish to vote and to do it securely and safely. Those that want to participate should they not want to do it by mail.

That is my two cents on this whole thing. I would kind of like to see what our election folks have to say about that and what their position is and why.

MS. BURNS: Perhaps, Trustee Ochalla, as fiduciary counsel I could jump in here, if that is all right with the Board President, to say that you are spot on. Over the last year or two various pension funds in the City and State have taken steps to broaden out their election procedures.

I would urge you to give us some time to work on a proposal and get back to you. The Cook County Fund has done it for a very long time the way it has done it so I don't think we can expect staff to be able to change it immediately, but I do think that there are safeguards that other funds have utilized from a fiduciary prospective that would make you comfort, or hopefully make the Trustees comfortable, that we can run an election in a little more efficient manner that still provides the security provided under Section 9.186 of the Pension Code, which is your Board of Election section.

TRUSTEE OCHALLA: Mary Pat, I have no problem with you looking into that and see what you can do on it.

I will just note that the time of this County operating under terms of carbon paper and the way that technology has been ignored through this County's operations, it is time to change. This whole COVID-19 issue showed all of us exactly how far behind we really are.

I am happy to hear your suggestions and proposals and look forward to any information that you can have for us in July.

MS. BURNS: Thank you. I know we can't get it implemented by the October election, but what we can do is start putting together a report for you. I will work with Brent on that, and Gina of course, to make sure that you have the best thinking of the other public pension funds within the State of Illinois and then from there you will have a table of opportunities that you can pick from based on your comfort level.

I will tell you that you are right that your statute, unlike some of the other statutes, that is why I mentioned your section, gives a lot of discretion to the Trustees to choose a form of election that meets their needs and their requirements and nothing is really dictated so you have what I would consider a lot of flexibility.

TRUSTEE OCHALLA: Thank you. I appreciate it.

MS. BURNS: Of course. Thank you.

PRESIDENT WILSON: Gina.

MS. TUCZAK: I think what we will do is

we are going to come back to you at the July meeting, if anybody else is opposed, with a plan for the election that would be very similar to what has been in the past, but with the in-person voting eliminated.

I need to talk to the vendors about what the options are for that and certainly fiduciary counsel as well and we can come back to you. But I just want to make sure before we do anything else that the Trustees don't have any other concerns with respect to eliminating for this election the in-person voting.

TRUSTEE OCHALLA: Okay. At this point I do have an objection to that at this time. I don't think we are in a position where we can necessarily rule that out yet, based upon where we rest under the Governor's reopening provisions.

Also, we could take a cue from how the Secretary of State is going to roll out the general election a month later. Well, three weeks later. So there may be some guidance there as well as far as procedures are concerned.

PRESIDENT WILSON: So noted and as we move forward make sure that we understand the associated cost with this process and give us enough information to have a good discussion.

TRUSTEE MCFADDEN: Trustee McFadden with a question, Mr. President.

PRESIDENT WILSON: Yes, sir.

TRUSTEE MCFADDEN: Are we operating on the basis that in-person voting will be eliminated or is that still up in the air?

If it is eliminated, I think we should make a motion to eliminate the in-person voting this year because I think for these consultants I believe that they are anxious, that it is closer than you might think, and it would be cleaner to have a clean decision of whether or not we are going to have in-person voting, that is my thought.

TRUSTEE GOODE: I think it is too early to make that decision right now.

PRESIDENT WILSON: Gina, what are you asking for at this time and counsel what do you think as well?

MS. TUCZAK: I guess I was asking for the direction of the Trustees to eliminate the in-person voting because we are going to need to send out communication as we typically do to the membership about the upcoming election and we typically have some documentation on how the election proceeds. And the challenge with the in-person voting, and certainly if that is the pleasure of the trustees to keep it in place, I will do that and with the vendors to how that might look.

The risk is that if we continue on that path and then a week or two before the in-person voting we can't do it because of a new outbreak, then those members that may have been waiting to vote in-person might be limited in their ability to cast their vote, if they hadn't turned in the mail vote.

But certainly I am at the pleasure of the Trustees on how you would like to proceed and if the consensus is to continue as we have always done, I will go back to the vendors, let them know about the board's pleasure and come back in July with how that might look and a potential additional cost of running the election and other things to consider.

PRESIDENT WILSON: Inasmuch as you have had conversations with the consultant and you're going to have to implement this, let us get a clear understanding of what you recommend. Do you believe that you have time to pursue other options or would you like the Board to consider your recommendation at this point? Let us know what you would like to have.

We would like to hear from you. We have had some comments from Trustees, but let us understand what management recommends.

MS. TUCZAK: I guess for this election my recommendation at this time, with all the uncertainties out there, would be that the in-person voting be eliminated. Because I am concerned that if we continue with that in place and there is something that occurs near the end of the timeframe, I just don't want members that were planning to vote in-person to be unable to cast that vote. That would be my recommendation, but I certainly am willing to have further discussions with the vendors and proceed accordingly, if there is a significant desire to not proceed that way.

Trustees Ochalla and Trustee Goode have made a very valid point, that there will be in-person voting most likely for the national election a week later, but I have to suggest that the resources to put that on are very different than the resources of the Fund.

PRESIDENT WILSON: Exactly.

MS. BURNS: Just to put this in context, every vote is important, but Brent indicated that last year at the last election approximately 400 out of 2500 people cast in-person votes.

TRUSTEE MCFADDEN: Trustee McFadden. I just wanted to make a couple of remarks. One is that if you are familiar with where we have been voting on the eighth floor of the County Building, I would be very surprised to think that space could accommodate us with all the precautions.

It may also very well be that the President and the Sheriff won't want us to use the space.

I think there is too many things up in the air to not decide now. That mailings will go out in August and it would be much simpler. I don't think that eliminating the in-person would hurt anyone or disenfranchise anyone.

TRUSTEE O'ROURKE: This is Trustee O'Rourke. Gina, let me ask you what would you need if you received permission to eliminate in-person voting? You would have the option to continue also with the way we are doing it now, if it turns out to be not a problem. You would have the authority you need now but some flexibility if things change or it appears easier or harder.

I don't know why this very day in history commit ourselves to getting rid of in-person voting. This strikes me of sort of an important decision that we haven't had one memo or any input from the vendor. I haven't had an opportunity to look at anything about it. I would feel better if we have due diligence before we made our minds up for this.

PRESIDENT WILSON: Well said. One of the things that we haven't heard or maybe I didn't hear it definitively is what is the deadline by which you have to have a decision in order to have a well organized and successful election with either methodology? Do we have time to defer this for additional discovery and at what point must we make a decision so that we all understand the time frame.

MS. TUCZAK: If I may answer that, so

typically mid-July we begin to supply the vendor, which is Tim Walsh, with the Department mailings and the packets for posting in the County Department offices. And we do mail a Notice of Election to all the County elected officials and department heads at the end of July.

So we do have an opportunity to provide further discussion at the July meeting, but the timetable after that to act would be very short. But typically the Notice of Election and the materials that start to get distributed indicate how the election is going to be administered.

TRUSTEE MCFADDEN: Trustee McFadden. In your report, Gina, you had that Tim Walsh is not supporting onsite voting, if I read that. And Gary Rycyzyn -- I am not sure who he works for. Does he work for Walsh because he is not making a definitive comment other than there would have to be expensive shields and so forth. Which incidentally may I say I don't think this is workable on the eighth floor for certain. Has Gary said definitively what his opinion is?

MS. TUCZAK: Yes.

TRUSTEE MCFADDEN: Or what his

recommendation is?

MS. TUCZAK: Thank you, yes. One thing, if I can just say first and then I will answer your question, the Notice of Election that is typically posted at the end of July does say you can vote in-person or by mail.

Now with respect to Trustee McFadden's comments, Gary Rycyzyn works for Tim Walsh and he made that clear to me when he talked to me on the phone, that Tim Walsh is who he works for. But Gary's recommendation was not to do the in-person voting with all of the risks that were involved, but he did caveat that and said he works for Tim Walsh.

So I talked to Tim Walsh. Tim Walsh basically said that at this time they are not supporting in-person voting consistent with the Governor's order. But things can change in October so Tim wasn't willing to say he won't do it but right now, if the election was right now, then we would not have in-person voting.

TRUSTEE MCFADDEN: Trustee McFadden. So then, therefore, Walsh has not given you a cutoff time, which is what basically I think is where we are at this moment.

As of today he suggests no in-person voting is his recommendation so we don't know when the final decision has to be made. This is all pending that you get the President of the Board, her decision, on whether or not we can use the space. So that would be the first threshold to my way of thinking whether or not we have the space.

The second question, the phone call I would make, is ask Walsh when is the drop dead date to make this decision.

TRUSTEE OCHALLA: Trustee Ochalla. The third is there an alternative that we can implement within the next month?

TRUSTEE MCFADDEN: The voting isn't solely in-person. You can request a ballot by mail and vote.

MS. BURNS: In fact, again, that is 2100 of the 2500 people that vote choose to vote by mail.

MS. TUCZAK: Well, I think you have all given me some great comments. I appreciate all of this feedback. I have some work to do with these vendors and also with fiduciary counsel because we would have to take a close look at the election rules and I can come back to you in July with what the final cutoff is from Mr. Walsh, what alternatives are available and what that might look like from a contract cost prospective.

I will also maybe work with President Wilson, if I can just borrow him, to determine the appropriate contact at the County that I would need to contact to see if they are willing to secure up this space at this point in time.

MS. BURNS: We will come back with options. As I was telling Gina, one option might be this building's lobby might be able to be used for in-person voting. We can think about it. We will come back with options by July for you to consider.

TRUSTEE NEVIUS: This is Trustee Nevius. I think that based on our problems with the virus and so on I think that we should do mail-in voting. And, if things change dramatically in October or September, we can possibly open it up to in-person voting at that time also, but I think we should be planning for mail in voting. That is all.

PRESIDENT WILSON: Unless there is a

motion, we have an agreement that further discussion, conscious of the time, let us move forward. Thank you.

Gina, do you want to finish with your report?

MS. TUCZAK: Thank you. The next item on here is the intergovernmental agreement with Cook County.

I do want to report that the Fund received the 25 million dollar payment from Cook County for May as scheduled. The IGA agreement between Cook County Government and the Cook County Fund requires that certain information be presented to the Cook County Board President and Commissioners by June 15th.

What I would like to do after this meeting is give Mr. Rizki a call and at least let him know the number in the IGA letter. He said the sooner he can have that number for budgeting purposes the better.

But then the documents that I intend to send, I have a draft letter that I included as an exhibit to my Executive Director Report. But what I intend to do is that on June 15th via email, I would send to the President of the Cook County Board with copies to each Commissioner a cover letter that is enclosed as Exhibit A, along with the actuarial valuation, the combined actuarial valuations for both Cook County and the Forest Preserve, the resolution tax levy letters that you viewed today for 2021 and then the IGA calculation letter that Larry discussed subject to the one paragraph addition that Trustee Kouruklis recommended.

Those would be included in the electronic transmission and I would indicate in there that the audited financials will be available shortly thereafter and I would send those electronically to the Commissioners and the Cook County Board President when they are available.

In addition, I received a call from the Office of Commissioner Gainer inquiring about the 2019 results and the next Pension Committee of the Cook County Board of Commissioners.

The person that I spoke to was suggesting a date around June 17th or 18th. What I am going to recommend is that I contact the office and let her know that consistent with last year that presentation occurred in July. As we are working to wrap everything up, I think that a July presentation to the Commissioners would be more appropriate than the middle of June.

That is my plan, and this draft letter, draft cover letter, to the Commissioners and the Board President, is in the BoardEffect materials.

If you have any comments or edits to it, I will be happy to take those and make any adjustments. We do have time. This is due June 15th. I want to make sure we are ready and we have as many materials as possible to submit.

PRESIDENT WILSON: Thank you, Gina. Is there anything else?

MS. TUCZAK: I will move on to Item Number 4.

PRESIDENT WILSON: Yes, please.

MS. TUCZAK: Statement of Economic Interest. Many of you trustees have already completed your Statement of Economic Interest that I believe are filed with the Cook County Clerk.

You may recall at the April meeting I indicated that that deadline was extended. This new legislation SB2135, which passed both Houses, if it is signed by the Governor, it does provide that anyone that is required to complete this economic disclosure has until August 1, 2020 to do so.

For those of you that have not completed that Statement of Economic Interest, which is completed online, please plan to do so by August 1st of 2020.

The last item that I wanted to bring to your attention, Item Number 5, this was brought to me by Trustees Hughes and I appreciate his bringing this to my attention.

At the May 19, 2020 board meeting for the Forest Preserve Board of Commissioners, a Pension Committee was created which mirrors the Cook County Board of Commissioner's Pension Committee. So the Forest Preserve is going to have their own Pension Committee and Commissioner Gainer is the Chair of that, with the same committee members for the County.

And that concludes my Executive Director Report.

MS. BURNS: Our call was lost. We seemed to have lost our connection.

(A short recess in the meeting.)

TRUSTEE MCFADDEN: Trustee McFadden moving that, pursuant to Section 2, Paragraph C, Item 11 of the Open Meetings Act 5 Illinois Compiled Statutes Chapter 120 Paragraph 2C-11, that the Board convene an Executive Session to discuss matters of litigation, that is the motion.

PRESIDENT WILSON: Is there a second?

TRUSTEE HUGHES: Trustee Hughes seconds the motion.

PRESIDENT WILSON: Roll call, please.

MS. FAHRENBACH: Trustee Blair.

TRUSTEE BLAIR: Here.

MS. FAHRENBACH: Trustee Goode.

TRUSTEE GOODE: Present.

MS. FAHRENBACH: Trustee Hughes.

TRUSTEE HUGHES: Present.

MS. FAHRENBACH: Trustee Kouruklis.

TRUSTEE KOURUKLIS: Present.

MS. FAHRENBACH: Trustee McFadden.

TRUSTEE MCFADDEN: Here.

MS. FAHRENBACH: Trustee Ochalla.

TRUSTEE OCHALLA: Here.

MS. FAHRENBACH: Trustee Wilson.

PRESIDENT WILSON: Aye.

So we were saying present as opposed to aye. Do we need to redo this?

MS. BOECKMAN: No, that is fine.

MS. FAHRENBACH: Thank you.

PRESIDENT WILSON: We are now in Executive session.

(The Board went into Executive Session.)

PRESIDENT WILSON: We are now back in open session.

For the record, no formal action was taken while we were in closed session.

Is there any new business?

Is there any old business?

Is there a motion to adjourn today's meeting?

TRUSTEE OCHALLA: Motion.

TRUSTEE GOODE: Second.

PRESIDENT WILSON: Any discussion?

All in favor say "Aye".

(Chorus of ayes.)

PRESIDENT WILSON: Opposed?

(No nays.)

PRESIDENT WILSON: Thank you everyone for your participation today.

The June 4, 2020 Board of Trustees meeting is adjourned.

The Board's next scheduled meeting is July 9, 2020.

Thank you and stay safe.

MS. FAHRENBACH: That concludes the meeting for June 4, 2020.

(WHICH WERE ALL THE PROCEEDINGS
IN THE ABOVE-ENTITLED MEETING
AT THIS DATE AND TIME.)

STATE OF ILLINOIS )
) SS.
COUNTY OF DU PAGE )

DEBORAH TYRRELL, being a Certified Shorthand Reporter, on oath says that she is a court reporter doing business in the County of DuPage and State of Illinois, that she reported in shorthand the proceedings given at the taking of said cause and that the foregoing is a true and correct transcript of her shorthand notes so taken as aforesaid; and contains all the proceedings given at said cause.

Debbie Tyrrell
DEBBIE TYRRELL, CSR
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