



**MEETING OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY
33 N Dearborn St, Suite 1000
Chicago, IL 60602**

Minutes for the September 5, 2013 Meeting of the Board

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County are herein collectively referred to as the "Fund."

Call to Order and Roll Call.

Trustees Present: John Fitzgerald, Diahann Goode, Alexis Herrera, Robert Janura, Brent Lewandowski, Patrick McFadden, Patrick Nester, Samuel Richardson, Jr. and Ivan Samstein

Staff Present: Nickol R. Hackett, Executive Director & CIO.; Michael Maratea, Director of Finance; Paul Rzeszutko, Director of Annuity Benefits; Brenda Deming, Director of Health Benefits; David Cholewa, Director of Systems and Project Management; Margaret Fahrenbach, Legal Adviser; Gary LeDonne, Senior Benefit Advisor; Rachel Farris, Manager of Communications; Beverly Romanini, Executive Administrative Assistant

Others Present: Mary Pat Burns, Burke Burns & Pinelli, LTD; Katie Sabo, Commissioner Gainer's Office; Thomas Iacovettiti, Member, Jason Parks, Loop Capital

Public Comment

Trustee Fitzgerald asked if anyone present would like to address the Board and, no one having requested to do so, the Board considered the next item of business on the Agenda.

1. Review and Consideration of:
 - a. August 1, 2013 Board Meeting Minutes.

It was moved by Trustee McFadden and seconded by Trustee Richardson that the minutes of the August 1, 2013, Board Meeting be adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

- b. Bills, Payroll Records, Annuities, Spouse and Child Annuities, Ordinary and Duty Disabilities, and Refunds.

The Fund's monthly bills and payroll records were presented for the Board's approval.

It was then moved by Trustee McFadden and seconded by Trustee Lewandowski that the action taken by the Fund's staff in remitting payments for the presented bills and payroll records be approved.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald
NAYS: None

Vote Result: MOTION ADOPTED

- c. Annuities, Spouse and Child Annuities and Refunds

The Fund's staff presented their recommendations to the Board regarding the applications for annuities, spouse and child annuities and refunds and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee McFadden and seconded by Trustee Janura, received confirmation from the staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald
NAYS: None

Vote Result: MOTION ADOPTED

- d. Ordinary and Duty Disabilities

The Fund's staff then presented their recommendations to the Board regarding the applications for ordinary and duty disability benefits and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee Goode and seconded by Trustee Samstein having received confirmation from the staff that they followed the Fund's procedures in reviewing and

processing the applications, that the recommendations for the presented ordinary and duty disability applications be approved.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

2. Administrative Report

a. DMS Approval

The Executive Director provided the Board with an update about administrative matters of the Fund. In regard to the document imaging project, Ms. Nickol Hackett reported that approximately 100 boxes of members' files had been prepared for scanning. The firm of Datamation Imaging Services Corporation has been considered to electronically scan the Fund's documents and three of the boxes had been sent to the intended vendor to test the accuracy of the imaging process. She further stated that the results from the tests were adequate so that the project could move forward. The ultimate goal of the document imaging process is to permit the Fund to secure its documents electronically and to reduce its need for storage space. However, because of the need to ensure that the document imaging process meets satisfactory quality control standards and because of the Fund's continuing obligation under the Local Records Act, it is expected that the current retention process will remain in place until 2015. After that time, the Fund may be able to reduce its need for storage space for the retention of paper files. Ms. Hackett also reported that the Fund had relied upon summer help to begin the process of preparing the files for imaging and needs to retain an employment agency to provide temporary help to continue and complete the file preparation.

The trustees then discussed the proposed vendors that the Fund staff had considered to perform the document imaging process and the employment agencies proposed to provide the temporary employees to complete the file preparation. Ms. Hackett provided information regarding the Fund's vendor review and selection process. Three factors the Fund considered were price, experience and the vendor's diversity hiring practices.

It was then moved by Trustee McFadden and seconded by Trustee Janura that the Fund retain Chicago Office Technology, a Xerox Company, and its subcontractor, Datamation Imaging Services Corporation, as the vendors for performing scanning services for electronically imaging member files at a project cost not to exceed \$130,000 and that the Fund's staff shall take all action reasonably necessary to effectuate the foregoing including subject to legal review and sign off the execution and delivery of related written agreements on the Fund's behalf by the Executive Director.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

Following the approval by the Board of the vendor to be retained for scanning services, it was moved by Trustee McFadden and seconded by Trustee Richardson that the Fund retain Office Team, a division of Robert Half International as the vendor to provide temporary employees for performing file preparation and verification for the electronic imaging of member files at a cost not to exceed \$16.00 per hour per temporary employee and the that Fund's staff shall take all action reasonably necessary to effectuate the foregoing including subject to legal review and sign off the execution and delivery of related written agreements on the Fund's behalf by the Executive Director.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

Ms. Nickol Hackett also reported that SB Bill 1921 had been passed by the Illinois General Assembly and had been signed into law by Governor Quinn on August 27, 2013. The new legislation amends Article 9 of the Illinois Pension Code to provide that the determination of salary shall be based upon the sum paid by the employer and reported to the Fund. The amendment also defines the term 'earned annuity' and the term 'salary' for disability purposes. Additionally, the amendment will permit the Board to maintain electronic digital images of its records as the 'originals' for all purposes and will permit the Fund to shred paper documents in the future. Once the document imaging project has been completed, this amendment will enable the Fund to more promptly shred paper documents and reduce the need for storage space.

3. Litigation Report

Margaret M. Fahrenbach addressed the Board and stated that she would make a presentation relating to litigation matters. It was then moved by Trustee Herrera and seconded by Trustee Goode that the Board convene an Executive Session pursuant to Section 2(c)(11) of the Open Meetings Act to discuss litigation matters.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

The Board then convened an Executive Session in accordance with the Open Meetings Act until such time that it was moved to return to Open Session.

a. James Collins

Following the return to Open Session, it was moved by Trustee Lewandowski and seconded by Trustee Goode that the Board adopt the recommendation of Hearing Officer Michael C. Close and find that Mr. James Collins is not eligible for the benefits requested on the basis that he had not filed his application for duty disability benefits while the disability existed because he was not aware of the need to do so and that there was no reasonable cause for his delay within the meaning of Section 9-156 of the Illinois Pension Code.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

b. Lawrence Jackson

It was then moved by Trustee Lewandowski and seconded by Trustee Nester that that the Board adopt the recommendation of Hearing Officer Michael C. Close and that the Board reaffirm its earlier decision that Mr. Lawrence Jackson was not eligible for the benefits requested because during his period of disability, he was employed by a public body supported in whole or in part by taxation within the meaning of Section 9-159 of the Illinois Pension Code.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

4. Administrative Rule Change

Gary Ledonne, Senior Benefit Advisor, then presented for the Board how the Fund's procedures might be modified in accordance with the Board's adoption of the Hearing Officer's Recommendation in the administrative hearing requested by Mr. James Collins. He presented procedures for how the staff would identify those applications for disability benefits that would be recommended for denial when the member filed the disability application when he or she was no longer disabled because the member was not aware of the need to file when the disability existed. He also described how the applications would be treated for purposes of requests for administrative hearings.

The Board discussed the application process for potential claimants and requested more information and recommendations from the staff regarding outreach to members on this issue. It was then moved by Trustee Goode and seconded by Trustee Janura that the Board

adopt the procedures as proposed by the Fund staff for denying an application for disability benefits that was filed more than six months after the disability ended because the member was not aware of the need to file the application while the disability existed.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

5. Consideration of August 22, 2013 Health Benefits Committee Recommendations

Brenda Deming, Director of Health Benefits, presented for the Board the recommendations made the Health Benefits Committee regarding the administrative rates to be paid to the Third Party Administrator and benefits to be provided in 2014 for the Fund's three health plans.

It was then moved by Trustee Lewandowski and seconded by Trustee Goode that the Board approve the recommendation of the Health Benefits Committee to renew the BCBS PPO plan at the renewal rates presented effective January 1, 2014, and it was further moved that the Fund's staff should take all action reasonably necessary to effectuate the foregoing including subject to legal review and sign off the execution and delivery of related written agreements on the Fund's behalf by the Executive Director.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

It was then moved by Trustee Lewandowski and seconded by Trustee Goode that the Board approve the recommendation of the Health Benefits Committee to change the funding method from the fully-insured Classic Blue HMO and Blue Advantage HMO to a self-funded BlueCross BlueShield CostPlus HMO, as presented, effective January 1, 2014, and it was further moved that the Fund's staff should take all action reasonably necessary to effectuate the foregoing including subject to legal review and sign off the execution and delivery of related written agreements on the Fund's behalf by the Executive Director.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson, Samstein, Fitzgerald

NAYS: None

Vote Result: MOTION ADOPTED

It was next moved by Trustee Lewandowski and seconded by Trustee Goode that the Board approve the recommendation of the Health Benefits Committee to make the presented changes in the PPO Plan regarding deductibles, coinsurance and skilled nursing facility coverage effective January 1, 2014.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson,
Samstein, Fitzgerald
NAYS: None

Vote Result: MOTION ADOPTED

It was then moved by Trustee Lewandowski and seconded by Trustee Goode that the Board approve the recommendation of the Health Benefits Committee to subsidize the health benefit contributions due for annuitants currently receiving health benefits at the rates presented.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson,
Samstein, Fitzgerald
NAYS: None

Vote Result: MOTION ADOPTED

The Board then discussed the recommendation from the Health Benefits Committee of a tiered subsidy schedule in accordance with a member's years of service with the County, rather than a fixed subsidy rate that is available for current annuitants. The Board discussed that such a change would impact those members who are considering retirement from County service and wanted to allow sufficient time to notify the active employees of any such changes. The Board asked the staff what plans had been made to communicate with active members that the subsidy schedule for health benefits would be tied to a member's years of service. Rachel Farris, Manager of Communications, stated that the staff had begun to prepare such communications for the active members, but that no plans had been finalized. The Board reviewed the cost savings from a tiered subsidy schedule and discussed that all members should be made aware that all subsidy rates will be renewed each year and are subject to change.

It was moved by Trustee McFadden and seconded by Trustee Lewandowski that the Board adopt the recommendation of the Health Benefits Committee to subsidize the health benefits contributions due for future retirees based upon their years of service to Cook County, the Forest Preserve District or the Pension Fund at the rates as presented for any such member whose annuity is effective after April 1, 2014.

Roll Call Vote:

AYES: Goode, Herrera, Janura, Lewandowski, McFadden, Nester, Richardson,
Samstein, Fitzgerald
NAYS: None

Vote Result: MOTION ADOPTED

6. Resolution for Robert Benjamin

The Board then considered a proposed resolution for Mr. Robert Benjamin in regard to his more than six years of service as an appointed member. It was moved by Trustee McFadden and seconded by Trustee Richardson that the proposed resolution be adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

7. Recommendation for Board Assignments

The Board next discussed that new appointments for officers and committee assignments should be made because of the changes in the Board's membership. It was then moved by Trustee McFadden and seconded by Trustee Goode that the following members of the Board shall serve, respectively, as Officers, until a successor is elected: John E. Fitzgerald, President; Alexis Herrera, Vice-President and Brent Lewandowski, Secretary.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

It was also moved by Trustee McFadden and seconded by Trustee Goode, that the following members shall serve on the Emerging/Minority Investment Committee: Robert Janura, Chairman; and Alexis Herrera, Diahann Goode, Patrick Nester, Samuel Richardson, Jr. as members. It was further moved that those so named shall serve, respectively, until a successor is duly elected or appointed.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

It was next moved by Trustee McFadden and seconded by Trustee Goode that the following members shall serve on the Health Benefits Committee: John E. Fitzgerald, Chairman, and Alexis Herrera, Brent Lewandowski, Patrick McFadden and Ivan Samstein as members. It was further moved that those so named shall serve, respectively, until a successor is duly elected or appointed.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

8. Old Business/New Business

There was no old business or new business discussed.

There being no further business before the Board, the meeting was adjourned.

The next Board meeting is scheduled for October 3, 2013, at 9:30 a.m.