

PROCEEDINGS
OF THE
Board of Trustees
OF THE
**Public School Teachers' Pension and
Retirement Fund of Chicago**

Special Meeting – Official Report
Thursday, August 18, 2016

A special meeting of the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago was held Thursday, August 18, 2016.

The President, Mr. Jay C. Rehak, called the meeting to order at 9:06 a.m.

ROLL CALL

Members present: Mr. Robert F. Bures, Mr. Mark F. Furlong, Ms. Tina Padilla, Dr. Walter Pilditch, Mr. Jay C. Rehak, Mr. Raymond Wohl – 6

Members absent: Ms. Lois W. Ashford, Mr. Jeffery Blackwell, Ms. Bernice Eshoo, Ms. Mary Sharon Reilly, Mr. Jerry Travlos, Ms. Gail D. Ward – 6

Also in attendance were Mr. Charles A. Burbridge (*Executive Director*), Ms. Tiffany Reeves (*Deputy Executive Director and Chief Legal Officer*), Mr. Robert Jurinek, (*Internal Auditor*), Mr. Joseph Burns of Jacobs, Burns, Orlove and Hernandez (*Legal Counsel*), Ms. Brianne Weymouth and Ms. Gwelda Swilley-Burke of Callan Associates (*Investment Consultant*) and various observers and staff members.

Mr. Jeffery Blackwell, Ms. Lois W. Ashford, and Ms. Mary Sharon Reilly arrived during Grant Thornton's presentation.

PUBLIC PARTICIPATION

Presentation by Patricia Kubistal

Ms. Patricia Kubistal, a retired member, thanked the Trustees for the health insurance open enrollment focus group conducted at CTPF. Ms. Kubistal expressed her opinion that the new open enrollment handbook will be easier to read and helpful to the retirees. She stated that she hopes the focus group will be an annual event.

Presentation by Arlene Crandall

Ms. Arlene Crandall, a retired member, thanked the Trustees for the health insurance open enrollment focus group conducted at CTPF. Ms. Crandall also thanked CTPF for conducting pre-retirement seminars which is an invaluable service to CTPF members.

Report of the Committee of Internal Controls

Mr. Mark Furlong, Internal Controls Committee Chair, reviewed Grant Thornton's statement of work. Mr. Furlong stated that several meetings and discussions took place to reach the final agreement for Grant Thornton's statement of work. Mr. Furlong noted the internal audit of all critical areas will be completed by June 30, 2017.

Mr. Scott D. Steffens and Carl Mowery of Grant Thornton reviewed their statement of work for Accounting, Internal Audit Services, Information Technology, Human Capital Services, and Tax Consulting Services. They addressed questions raised by the Trustees.

Motion to go into Executive Session, Approved

Mr. Wohl made a motion, seconded by Ms. Reilly, to go into executive session for the purpose of discussing personnel matters and internal controls. The motion passed unanimously.

The executive session lasted from 9:50 a.m. to 10:30 p.m.

Mr. Furlong left the meeting during executive session.

Motion to go into Open Session, Approved

Ms. Padilla made a motion, seconded by Mr. Blackwell, to go into open session. The motion passed unanimously.

Motion to Approve Grant Thornton's Statement of Work, Approved

Mr. Wohl made a motion, seconded by Ms. Ashford, to accept Grant Thornton's engagement letter dated August 18, 2016. The motion passed unanimously.

2017 Retiree Health Insurance Program

Mr. Auntone Kelly and Mr. Christopher Hepphner of Segal Consulting reported that the total aggregate rate renewal percentage increase for 2017 is contained to 3.3% or less. They reviewed the renewal results by vendor. They reported that Blue Cross Blue Shield has indicated that effective January 2017, CVS pharmacies will no longer be considered in-network for the PPO plan. They indicated that they have requested a disruption analysis and inquired into possible renewal rate concessions due to the change, and are awaiting a response. They reviewed the Blue Cross Blue Shield's Medicare Advantage benefit enhancements. Mr. Kelly and Mr. Hepphner addressed questions raised by the Trustees.

Ms. Mary Cavallaro, Chief Benefits Officer, discussed the following recommendations of the Health Insurance Sub-Committee: a 50% subsidy of retiree health insurance costs for calendar year 2017; approval of 2017 rate renewals for the retiree health insurance program at an aggregate rate increase of 3.3% or less; and issuance of an RFP for retiree medical plans, to be led by Segal, for services beginning calendar year 2018.

Motion to Accept the Health Insurance Sub-Committee Recommendations, Approved

Ms. Reilly made a motion, seconded by Dr. Pilditch, to accept the committee recommendation for a 50% subsidy of retiree health insurance costs for calendar year 2017; approval of 2017 rate renewals for the retiree health insurance program at an aggregate rate increase of 3.3% or less; and issuance of an RFP for retiree medical plans, to be led by Segal, for services beginning calendar year 2018. The motion passed unanimously.

Approval of Disability Pensions

Ms. Cavallaro reviewed the disability pension applications and stated that the applicants have met the statutory conditions for approval of benefits.

Motion to Approve Disability Report, Approved

Mr. Blackwell made a motion, seconded by Dr. Pilditch, to approve the disability pension applicants as presented at the August 18, 2016, Board meeting. The motion passed unanimously.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Charles A. Burbridge, Executive Director, presented his executive summary for August 2016. Mr. Burbridge noted that he met with Ron DeNard, CFO of the Chicago Public Schools in July 2016 to discuss the FY 2017 CPS payment. He reported that Member Services has achieved substantial improvement in service levels as measured by wait times and dropped calls. Mr. Burbridge reviewed key departmental efforts during the past month. He noted that the Senate Hearings went well. Mr. Burbridge addressed questions raised by the Trustees.

Motion to go into Executive Session, Approved

Ms. Ashford made a motion, seconded by Ms. Padilla, to go into executive session for the purpose of discussing personnel matters. The motion passed unanimously.

The executive session lasted from 11:20 a.m. to 11:59 a.m.

Motion to go into Open Session, Approved

Mr. Blackwell made a motion, seconded by Ms. Reilly, to go into open session. The motion passed unanimously.

Motion to Approve Executive Director's Increase, Approved

Ms. Reilly made a motion, seconded by Mr. Blackwell, to increase the Executive Director's salary by 3.5%, effective July 1, 2016. The motion passed by the following vote:

Ayes: Mr. Ashford, Mr. Blackwell, Mr. Bures, Dr. Pilditch, Mr. Rehak, Ms. Reilly, Mr. Wohl – 7

Abstentions: Ms. Padilla – 1

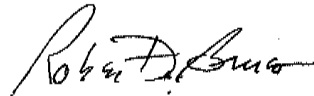
Trustee Education Workshop

Ms. Rena Henderson Mason of BoldAngela conducted Board education regarding governance and succession planning.

ADJOURNMENT

The meeting adjourned at 3:22 p.m.

Respectfully submitted,



Robert F. Bures
Recording Secretary

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Members absent: Ms. Bernice Eshoo, Mr. Jerry Travlos, Ms. Gail D. Ward – 3

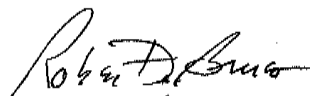
Mr. Furlong left during executive session.

Also in attendance were Mr. Charles A. Burbidge (*Executive Director*), Ms. Tiffany Reeves (*Deputy Executive Director and Chief Legal Officer*), Mr. Robert Jurinek (*Internal Auditor*), and Mr. Joseph Burns of Jacobs, Burns, Orlove and Hernandez (*Legal Counsel*).

Discussion ensued regarding internal controls and personnel matters. No action was taken.

There being no further business, the executive session adjourned at 10:30 a.m.

Respectfully submitted,



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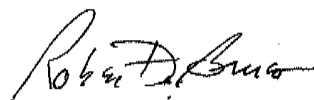
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Respectfully submitted,



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