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DATE: October 11, 2019

TO: Cook County Pension Fund Board

Cc: Honorable Bridget Gainer – Chair Pension Committee Cook County Board of Commissioners
Lanetta Haynes Turner, Chief of Staff to President Toni Preckwinkle
Regina Tuczak, Executive Director Cook County Pension Fund

FROM: Ammar M. Rizki, Chief Financial Officer

SUBJECT: Cook County Pension Fund's Legislation Proposal

Dear Honorable Cook County Pension Fund Trustees:

On behalf of the Cook County Board President Toni Preckwinkle, I am writing to confirm receipt of your October 3, 2019 letter expressing your willingness to continue working with Cook County on comprehensive pension legislation. I believe we share a number of common goals and sincerely hope we can work with the Cook County Pension Fund (CCPF) Board in crafting mutually agreeable legislation to ensure the long-term viability and stability of the Pension Fund. Furthermore, I believe further conversations would be beneficial to both parties.

As you are aware, and noted in your letter, I briefed the CCPF Board regarding the County's objectives in putting forth a comprehensive bill that would address the numerous critical issues facing the pension fund. We subsequently provided draft language to the CCPF Board. Similar briefings were held with our labor partners and other relevant stakeholders.

The County's draft legislation was meant to initiate the conversation with all relevant stakeholders, including CCPF Board, in the hopes of eventually reaching a fair-minded and financially responsible common ground that could in turn be taken up by the Illinois General Assembly. I firmly believe a coordinated effort, that includes the input of all stakeholders, would have a greater chance of succeeding than making piecemeal changes and taking incremental half-measures.

Moving CCPF to actuarially-based funding is of critical importance to the County. However, it is also imperative that we address other needed changes if we are to assure future stability in a responsible manner. Your recent letter and overview of positions is helpful and appreciated and I am hopeful that we can move forward mutually beneficial and meaningful reform. A coordinated effort is more likely to succeed rather than the CCPF introducing its own version of pension language for the Illinois General Assembly to consider without the County's support.

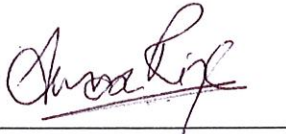
The CCPF proposed draft legislation provided to the County on September 5, 2019 requires that between 2022 and 2025 the County contributes cumulatively \$266.68 million more than the methodology it is currently following under the intergovernmental agreement (IGA). Per your actuaries, under the IGA methodology, CCPF is set to achieve fully funded status by 2053 versus the ramp methodology your legislation proposes, which achieves fully funded status by 2050. Hence, the ramp provided in the proposed legislation puts an undue burden on the County's fiscal position in the coming years for little gain to the CCPF in the long run.

Together we can address critical issues facing the CCPF. We have successfully worked together on a supplemental pension payment system that has steadily increased the long-term funding status and contributed \$1.3 billion to the fund.

I would ask that the CCPF Board continue to work with Cook County to move forward collaboratively in finally addressing our pension challenges in a comprehensive manner. I hope that we can continue the dialogue and look forward to your partnership to ensure fair and financially responsible pension legislation. I will coordinate with Executive Director Regina Tuczak, a convenient time in the coming weeks to move the discussion forward.

Please do not hesitate to reach out to me with any questions.

Sincerely,



Ammar M. Rizki