

**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
70 West Madison, Suite 1925
Chicago, IL 60602**

January 9, 2025 - 9:30 A.M.

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: Kevin Ochalla, President; Tracy Reed, Vice-President; Hal Dardick, Secretary; Tanya Anthony, Lakeisha Marvel, Patrick McFadden, Jerry Pray, Samuel Richardson, Jr.

Staff Present: Brent Lewandowski, Executive Director; Saron Tegegne, Deputy Executive Director; Gary LeDonne, Director of Benefits Administration; Stephen Wolff, Director of Investments; Margaret Fahrenheit, Legal Advisor; Rosemary Ihejirika, Benefits Manager; Francis Gonzalez-Crussi, Senior IT Administrative Coordinator; Madeline Bouck, Administrative Coordinator

Others Present: Ashley Ramchandani, Cook County Deputy Chief Financial Officer; Mary Patricia Burns, Burke Burns & Pinelli, Ltd.

President Ochalla asked if anyone present wanted to address the Board, but no one requested to do so.

1. Review and Consideration of:
 - a. Approval of December 5, 2024, open and closed Board meeting minutes

It was moved by Trustee Reed and seconded by Trustee Dardick that the presented minutes from the open and closed sessions of the Board meeting on December 5, 2024, be approved and that the minutes from the closed session remain closed.

Vote Result: **MOTION ADOPTED BY VOICE VOTE**

2. Review and Consideration of Approval of the following items:

- a. Bills, Payroll Records

It was moved by Trustee Anthony and seconded by Trustee Richardson that, having received confirmation from Fund staff that the listed payments were consistent with the

2024 and 2025 administrative budgets, the Board ratify the action taken by Fund staff in December, 2024, in paying the presented bills for expenses incurred in 2024 and that the Board approve the recommendations from Fund staff to remit payments for the presented bills for expenses incurred in 2024 and 2025.

Roll Call Vote:

AYES: Anthony, Dardick, Marvel, McFadden, Pray, Reed, Richardson, Ochalla

NAYS: None

Vote Result: MOTION ADOPTED

b. Annuities, Spouse and Child Annuities and Refunds

It was moved by Trustee Richardson and seconded by Trustee Pray that, after due consideration of the applications presented to the Board and having confirmed that the Fund staff followed the Fund's procedures in reviewing and processing the applications, the recommendations from the Fund's staff for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: Anthony, Dardick, Marvel, McFadden, Pray, Reed, Richardson, Ochalla

NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

It was moved by Trustee Dardick and seconded by Trustee Marvel that, after due consideration of the applications presented to the Board and having confirmed that the Fund staff followed the Fund's procedures in reviewing and processing the applications, the recommendations from the Fund's staff for the presented disability applications be approved.

Roll Call Vote:

AYES: Anthony, Dardick, Marvel, McFadden, Pray, Reed, Richardson, Ochalla

NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Matters

- a. Review and Consideration of Possible Action as to the Process to fill Cook County employee trustee vacancy

Brent Lewandowski, executive director, stated Trustee Goode had withdrawn from her employment with Cook County and was no longer eligible to serve as a County employee member of the Board. The executive director stated that when a vacancy occurred on the Board in the past, the trustees appointed a successor to serve for the remainder of the unexpired term pursuant to Section 9-187 of the Illinois Pension Code. He reported that when County Employee Member positions became vacant, the Fund has posted notices of the vacancies at the employees' job sites. In the notices, the Board invited interested persons to provide letters expressing their interests in filling the positions and to submit their resumes. The prospective candidates were invited to appear before the Board before a selection to fill the vacancy was made.

-The executive director stated that the notice of the vacancy could be posted immediately and that the candidate would be able to appear at the regular Board meeting on February 6, 2025. The trustees discussed the process and concurred that the same procedure should be followed to fill the current vacancy.

It was moved by Trustee Dardick and seconded by Trustee Anthony that the Fund's executive director be directed to prepare a notice of the vacancy consistent with the trustees' discussion and that candidates should provide a letter expressing their interest in the position and also submit a resume. The candidates would be invited to appear at the Board meeting on February 6, 2025.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Review and Certification of 2024 Trustee Education Hours for purposes of Section 1-109.3 of the Illinois Pension Code

The executive director stated that the trustees are each required, pursuant to Section 1-113.18 of the Pension Code, to receive eight hours of ethics, fiduciary and investment training each year. Under the Pension Code, the hours of training received by the trustees are to be certified by the Board and submitted to the Public Pension Division of the Department of Insurance. He reported that the Fund maintained records of the training received in 2024 and that all the trustees had received the requisite hours of training. The trustees had also received training for sexual harassment and cyber security. A certification that the training had been completed was prepared for the Board's consideration.

It was moved by Trustee Richardson and seconded by Trustee Reed pursuant to Section 1-113.18 of the Illinois Pension Code that, based upon the Fund's report establishing the hours of training that the trustees received during 2024, the Board approve the proposed 2024 Annual Certification of Trustee Training, including the sexual harassment awareness training and cyber security training required under the State Officers' and Employees' Ethics Act. It was further moved that the President of the Board be authorized to execute the same on behalf of the Board and that the Fund's staff should submit the certification as required by the Illinois Pension Code

Vote Result: MOTION ADOPTED BY VOICE VOTE

4. Administrative Matters

- a. Request Authorization to Report to the Office of the State's Attorney Apparently Fraudulent Presented for Payment

The executive director reported that the Fund had been notified of fraudulent checks that had been presented for payment to BNY/Mellon. The checks were not honored because of internal controls in place, and there were no losses to the Fund. The Fund staff believed that the fraudulent checks constitute fraudulent statements that should be reported to the Office of the Cook County State's Attorney as required by the Illinois Pension Code.

It was moved by Trustee Anthony and seconded by Trustee Pray that the Board find that there were reasonable suspicions that the listed check presented for payment appeared to constitute false statements or falsified records within the meaning of Section 1-135 of the Illinois Pension Code, 40 ILCS 5/1-135. In accordance with 40 ILCS 5/1-135, the Fund was authorized to report the incidents on behalf of the Board to the Cook County State's Attorney.

Vote Result: MOTION ADOPTED BY VOICE VOTE

- b. Review and Consideration of Approval or Renewal of Actuarial Services with Cavanaugh MacDonald Consulting, LLC

The executive director presented the Actuarial Services Agreement to retain Cavanaugh Macdonald Consulting, LLC to provide actuarial services through December 31, 2026. The trustees discussed how data was transferred to the actuary and who would be responsible for notifying members if there were a breach. The trustees asked that the contract be modified to specify that the actuary was responsible for the costs of notifying members in the event of a breach and to provide the appropriate remedies.

It was moved by Trustee Marvel and seconded by Trustee Dardick that consideration of the presented Actuarial Services Agreement be deferred and that Fund staff and fiduciary counsel propose a modification to the Agreement in accordance with the trustees' discussion regarding liability for a cyber security breach.

Vote Result: MOTION ADOPTED BY VOICE VOTE

- c. Review and Consideration of Approval of Recommendation of Renewal Agreement with Novitas Business & Technology

The executive director stated that the Fund had utilized the services of Novitas Business & Technology for the development and maintenance of PBMS, its pension

administration system, since the early 2000s. The fees had been approved in annual amounts and paid monthly. Because of the pandemic, the Fund had acquired ‘banked hours’ with Novitas when the fees for the services actually rendered were less than the monthly fees paid by the Fund. An amendment to the current agreement with Novitas was prepared to reflect the fees to be paid for services in 2025 and the use of the banked hours. He stated that because of the new pension administration system that is to be developed, the Fund would not plan on implementing any upgrades to PBMS unless there was legislation that would require changes to be made. The trustees discussed the proposed amendment to the fee agreement and the need for additional language to clarify the vendor’s liability in the event of a breach of the Fund’s data accessed by Novitas.

It was moved by Trustee Reed and seconded by Trustee Marvel that Fund staff and fiduciary counsel propose a modification to the Sixth Amendment to the Renewal and Licensing and Software Maintenance Agreement with Novitas and that Fund staff and fiduciary counsel propose a modification to the Sixth Amendment in accordance with the trustees’ discussion regarding liability for a cyber security breach.

Vote Result: MOTION ADOPTED BY VOICE VOTE

d. Contract Renewals Update and 2025 Expirations

The executive director presented a table summarizing the status of contracts and the renewal dates. He stated that recommendations to conduct RFPs for some of the expiring contracts might be made by the Health Benefits Committee and the Legislative and Rules Committee. It was noted that the Fund will not utilize the services of BNY Mellon to pay annuity benefits as previously planned. The Fund staff will confirm that the agreement with BNY Mellon for treasury services will remain in effect.

5. Old Business/New Business

Mary Pat Burns, fiduciary counsel, reported that the Board received a favorable decision from the Illinois Appellate Court regarding an appeal taken by the member identified by Office Number 170434. The Board determined that the member was not eligible for annuity benefits under Section 9-235 of the Illinois Pension Code. The Board’s decision was affirmed by the Circuit Court because the member failed to timely file a request for review. The Appellate Court concurred that the member failed to timely file a notice of appeal, and the case was dismissed.

The trustees asked if United Health Care (UHC) had individually notified the members of a possible breach of their personal identifying information. UHC had posted notice of the breach on its website, but did not send individual notices to the members. The trustees discussed that the contract with UHC should include the requirement that members should receive notice of any breach and provide an appropriate remedy.

6. Adjournment

It was moved by Trustee Marvel and seconded by Trustee McFadden that the meeting be adjourned.

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting was scheduled for February 6, 2025, at 9:30 am.