

**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**

September 5, 2024 - 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: Patrick McFadden, President; Diahann Goode, Vice-President Hal Dardick, Secretary; Tanya Anthony, Lakeisha Marvel, Kevin Ochalla, Jerry Pray, Tracy Reed, Samuel Richardson, Jr.

Staff Present: Brent Lewandowski, Executive Director; Saron Tegegne, Deputy Executive Director; Margaret Fahrenbach, Legal Advisor; Gary LeDonne, Director, Benefits Administration; Stephen Wolff, Director of Investments; Francis Gonzalez-Crussi, Senior IT Manager

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd.

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

1. Review and Consideration of Approval of the August 1, 2024, Board Meeting Minutes

It was moved by Trustee Dardick and seconded by Trustee Ochalla that the presented minutes of the Board meeting on August 1, 2024, be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

2. Review and Approval of:

- a. Bills, Payroll Records

It was moved by Trustee Richardson and seconded by Trustee Pray, having received confirmation from Fund staff that the indicated payments were consistent with the 2024 administrative budget, that the Board ratify the action taken by Fund staff in August 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.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Annuities, Spouse and Child Annuities and Refunds

It was moved by Trustee Ochalla and seconded by Trustee Reed, 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, that the recommendations from the Fund's staff for the presented annuities and refunds be approved.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

It was moved by Trustee Richardson and seconded by Trustee Ochalla, 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, that the recommendations from the Fund's staff for the presented disability applications be approved.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

3. Health Benefit Matters-August 29, 2024, Review and Consideration of Approval of Health Benefit Committee Meeting Recommendations Relating To:

a. Health Plan Rates for 2025

Segal Consulting presented an analysis of the health benefit costs for 2025 based upon the claims experience and the Inflation Reduction Act at the Health Benefits Committee (HBC) meeting on August 29, 2024. The analysis included both a schedule of baseline rates and a schedule of alternative rates for the HBC's consideration. The HBC recommended that the Board approve the baseline rates to be effective as of January 1, 2025. The HBC also recommended that the Board approve a monthly credit of \$25 for those participants who were required to purchase Medicare Part A coverage.

It was moved by Trustee Goode and seconded by Trustee Pray that the Board adopt the recommendations made by the HBC at their meeting on August 29, 2024, to approve the baseline rates as proposed and prepared by Segal Consulting for 2025 and to provide a \$25 monthly credit to those members who were not eligible for free Medicare.

Roll Call Vote:

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

NAYS: Richardson

Vote Result: MOTION ADOPTED

4. Investment Matters – August 29, 2024, and Consideration of Approval of Investment Committee Meeting Recommendations Relating to:
 - a. Termination of International Equity Manager

The trustees had discussed at the Investment Committee meeting on August 29, 2024, underperformance issues and the decline in assets held by a particular international equity investment manager. It was noted that if the manager were terminated, the Fund could use the assets to rebalance the portfolio. The Investment Committee, based upon the recommendations from Callan and the Director of Investments, recommended that the Board terminate the Mondrian International Small Cap Equity mandate and transition the assets to the existing SSgA MSCI ACWI ex US Index account (State Street). It was further recommended that Citi be authorized to serve as the transition manager because it was best able to provide the services needed for the transition.

It was moved by Trustee Reed and seconded by Trustee Goode that the Board adopt the recommendation made by the Investment Committee at their meeting on August 29, 2024, as proposed by Callan and the Director of Investments, to terminate the Mondrian International Small Cap Equity mandate and to transition the assets to the existing State Street account utilizing the Fund's transition manager Citi.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Extension of Transition Manager Agreements

The Fund has three transition managers under contract, BlackRock, Citi and Russell. The contracts with BlackRock and Citi were to expire on December 31, 2024, and the contract with Russell was evergreen. The Investment Committee discussed that all the agreements should be amended to terminate on December 31, 2025. The Fund would conduct an RFP for transition managers in 2025. The trustees discussed that the contracts for the transition managers selected following the RFP should have staggered termination dates.

It was moved by Trustee Anthony and seconded by Trustee Ochalla that the Board adopt the recommendation made by the Investment Committee at the meeting on August 29, 2024, as proposed by Callan and the Director of Investments, to extend the agreements with the Fund's transition managers, BlackRock, Citi and Russell to terminate on December 31, 2025 and that the Executive Director be authorized, subject to legal review, to execute and deliver any related written agreements to effectuate the foregoing on behalf of the Fund.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

c. Termination of Domestic Equity Manager

The Investment Committee discussed the fee arrangement with Russell Investments, which managed approximately \$585M in assets for the County Fund in a Russell 1000 Growth Equity mandate. Russell would not agree to restructure its fee arrangement so that it would be more comparable to its peers. Callan and the Director of Investments reached out to Rhumblin, an existing passive equity manager for the Fund, who agreed to implement a lower fee structure to manage the same Russell 1000 Growth Mandate. The Investment Committee recommended that the Board terminate the Russell 1000 Growth Equity mandate and transition the assets directly to Rhumblin.

It was moved by Trustee Ochalla and seconded by Trustee Reed that the Board adopt the recommendation made by the Investment Committee at the meeting on August 29, 2024, as proposed by Callan and the Director of Investments, to terminate the Russell

1000 Growth Equity mandate and to transition the assets directly to existing manager Rhumblin.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

d. Private Equity Allocation

Callan reported at the Investment Committee meeting on August 29, 2024, that the County Fund's allocation to private equity continued to perform well and was one of the Fund's strongest asset classes over the long term. It was recommended that the County Fund commit \$120M to private equity in 2025. It was also discussed at the Investment Committee that private equity was a new asset class for the Forest Preserve District Fund and that it should commit \$10M to this allocation in 2024/2025.

It was moved by Trustee Ochalla and seconded by Trustee Dardick that the Board adopt the recommendation made by the Investment Committee at their meeting on August 29, 2024, as proposed by Callan and the Director of Investments, that the County Fund commit \$120M to the Mesirov Private Equity Fund of Funds in 2025.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Richardson and seconded by Trustee Marvel that the Board adopt the recommendation made by the Investment Committee at their meeting on August 29, 2024, as proposed by Callan and the Director of Investments, that the Forest Preserve Fund commit \$10M to the Mesirov Private Equity Fund IX in 2024/2025.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

5. Administrative Matters

The Executive Director stated that the Fund had posted a Request for Information (RFI) to search for an insurance broker to review the current policies maintained by the Fund. Only the Fund's current brokers, Alliant Insurance Service (AIS) and Aon, responded. AIS has procured the Fund's policies for fiduciary liability and cyber insurance. Aon has procured coverage for general liability and workers' compensation policies. It was expected that the Fund would continue its relationship with these brokers.

a. Review and Consideration and Approval of Renewal of Cyber Insurance

President McFadden stated that the Fund's policy for cyber insurance was to expire on September 30, 2024. The Fund had requested AIS to procure proposals for a renewal upon the same terms and conditions as the expiring policy. AIS was only able to obtain a renewal proposal from Beazley Insurance for coverage in the amount of \$2M at an annual premium not to exceed \$28,425. AIS stated that this coverage was consistent with policies obtained by other funds of similar size.

It was moved by Trustee Goode and seconded by Trustee Marvel that the Board approve a renewal of the cyber security insurance policy for a term from September 30, 2024, to September 30, 2025, as presented, at a premium not to exceed the amount of \$28,425, as proposed by Beazley Insurance. It was further moved that Fund staff be authorized to take all action reasonably necessary to effectuate the foregoing including the execution and delivery of any related written agreement on behalf of the Fund by the Executive Director.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Review and Consideration of Approval of Renewal of Fiduciary Liability Insurance

The Fund's policy for fiduciary liability coverage was set to expire on September 30, 2024. AIS was requested to search for a carrier to provide a renewal policy. Only the Fund's current carriers responded to the request. Markel American Insurance Co. (ULLICO) proposed to provide a primary policy of \$10M and Hudson Insurance Co. (Encore) proposed to provide an excess policy in the amount of \$5M. The primary policy included \$1M coverage for employment practices. The total annual premium would be \$131,204. AIS recommended that the Fund renew the policies on these terms.

It was moved by Trustee Reed and seconded by Trustee Anthony that the Board approve a renewal of the fiduciary liability policy for a term from September 30, 2024, to September 30, 2025, as presented, at a premium not to exceed the total amount of

\$131,204 for both the \$10M primary policy offered by Markel/ULLICO and the \$5M excess policy offered by Hudson/Encore. It was further moved the Fund staff be authorized to take all action reasonably necessary to effectuate the foregoing including the execution and delivery of any related written agreements on behalf of the Fund by the Executive Director.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

- c. Request Authorization to Forward to the Office of the State's Attorney Matters Regarding Fraudulent Checks

President McFadden stated that the Fund had received annuity checks and a direct deposit authorization that had been signed after the member had died. These actions appeared fraudulent and should be reported to the Cook County State's Attorney.

It was moved by Trustee Goode and seconded by Trustee Anthony that the Board find that there are reasonable suspicions that the indicated checks and direct deposit authorization form were fraudulently signed and appear 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 Section 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

- d. Review and Consideration of Approval to Replace Postage Meter and Folder Inserter Machines

President McFadden stated that the Fund had requested authority to replace the current postage meter and folder inserted. He stated that the USPS was changing the standards of use for postage meters and that a replacement was necessary.

It was moved by Trustee Goode and seconded by Trustee Richardson that the Board authorize the Fund to purchase the postage meter and folder inserter from Quadient as presented at a cost not to exceed \$37,500. It was further moved that the Executive Director be authorized to execute and deliver any related written agreement to effectuate the foregoing on behalf of the Fund.

Vote Result:

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

NAYS: None

Vote result: MOTION ADOPTED

- e. Review and Consideration of Approval of Renewal for CDW-G Server Workstation Endpoint Management Change Order

The Fund engaged CDW Government, LLC (CDW-G) to perform network monitoring services and endpoint management. The services are governed by a Professional Services Agreement between CDW-G and Cook County. The current SOW expires on September 8, 2024. The Fund received a signed change order from CDW-G which would extend the period of engagement to September 7, 2025, at an annual cost of \$48,600.

It was moved by Trustee Goode and seconded by Trustee Reed that the Board authorize the Executive Director, on behalf of the Fund, to execute the presented Change Order with CDW-G to provide network monitoring services and workstation endpoint management effective from September 8, 2024, through September 7, 2025, at an annual cost not to exceed \$48,600.

Vote Result:

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

NAYS: None

Vote Result: MOTION ADOPTED

- 6. Old Business/New Business

The trustees asked about whether there was a professional website that could be used to post an RFI for insurance brokerage services. The Executive Director stated that he was not aware that such a website existed. He advised the Fund's current brokers that the RFI had been posted on the Fund's website. He also reached out to entities that provided insurance brokerage services to other public pension funds to notify them about the RFI.

The trustees discussed the Fund's use of PBI and the Illinois Department of Public Health data to obtain information about a member's death that had not been reported to the Fund.

- 7. Adjournment

It was moved by Trustee Anthony and seconded by Trustee Richardson that the meeting be adjourned.

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting was scheduled for October 3, 2024, at 9:30 am.