

**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**

February 6, 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; Lakeisha Marvel, Patrick McFadden; Jerry Pray, Samuel Richardson, Jr.

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

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

President Ochalla stated that there was a quorum of the Board present at the meeting and that certain trustees had asked to participate remotely. It was moved by Trustee Richardson and seconded by Trustee Pray pursuant to Section 7(a) of the Open Meetings Act that the Board allow trustees who were not able to be physically present at the meeting to participate remotely.

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

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 January 9, 2025, Board Meeting Minutes

It was moved by Trustee Richardson and seconded by Trustee Pray that the presented minutes from the Board meeting on January 9, 2025, be approved.

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 Richardson and seconded by Trustee Marvel having received confirmation from Fund staff that the indicated payments were consistent with the 2024 and 2025 administrative budgets, that the Board ratify the action taken by Fund staff in January, 2025, in paying the presented bills for expenses incurred in 2024 and 2025 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: 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 Pray and seconded by Trustee Richardson, 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: Dardick, Marvel, McFadden, Pray, Reed, Richardson,
Ochalla
NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

It was moved by Trustee Richardson and seconded by Trustee Dardick 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: Dardick, Marvel, McFadden, Pray, Reed, Richardson,
Ochalla
NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Matters

- a. Review and Consideration of Cook County Employee Trustee Applicants and Possible Appointment of Trustee to Fill Vacancy

Brent Lewandowski, executive director, stated that the Fund had distributed notices to the County's 55 departments stating that there was a vacancy on the Retirement Board for a County Employee Member. The notice was also posted on the Fund's website. The notice provided the qualifications needed to serve as a trustee under the Illinois Pension Code. It also stated that the selected candidate would serve for the unexpired term through November 30, 2025. The executive director stated that he received about 15 calls regarding the notice. Four candidates provided the requested submissions. Of these, one did not meet the minimum requirements provided by the Illinois Pension Code. The Board was given the submissions received from the candidates. While the trustees planned to have the applicants appear at the Board meeting on February 6th, the executive director said that one of the candidates was not able to appear at that time due to prior commitments. The trustee discussed how to proceed in filling the vacancy and it was suggested that a Special Board meeting be convened on February 27, 2025, immediately after the Investment Committee meeting to consider the applicants.

It was moved by Trustee Dardick and seconded by Trustee Marvel that the Board convene a Special Board Meeting on February 27, 2025, following the scheduled Investment Committee, to review and consider applicants from County employees to fill the trustee vacancy.

Vote Result: With one trustee having voting "Nay", the
MOTION WAS ADOPTED BY VOICE VOTE

4. Administrative Matters

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

The executive director stated that the Fund and fiduciary counsel had not yet completed the terms of the proposed agreement with Cavanaugh MacDonald regarding cyber security matters. He stated that the Fund's cyber security insurance policy would likely cover a breach, but that the vendor should also have cyber insurance coverage. He stated that the Fund and fiduciary counsel were developing a cyber security policy that would be incorporated by reference in contracts where confidential information was exchanged. The trustees discussed whether a policy was needed or whether the cyber security language should just be included in the contract. The trustees noted that the consideration of the proposed agreement with Cavanaugh MacDonald had been tabled at the meeting on January 9, 2025, and needed to be removed from the table before the Board could consider it at the present meeting.

It was moved by Trustee Richardson and seconded by Trustee Dardick that the consideration of approval of the renewal of the agreement for actuarial services with Cavanaugh MacDonald Consulting, LLC be removed from the table so that it could be considered by the Board at the present meeting.

Vote result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee Richardson and seconded by Trustee Dardick that that Board approve the proposed engagement of Cavanaugh MacDonald Consulting, LLC, to provide actuarial services from January 1, 2025, through December 31, 2027, with an option for two additional one-year extensions, upon the terms presented which shall include provisions for cyber security and that the executive director was authorized to sign and deliver the agreement, subject to review by fiduciary counsel, on behalf of the Fund.

Roll Call Vote:

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

NAYS: McFadden

Vote result: MOTION ADOPTED

b. Review and Consideration of Approval of Renewal Agreement with Novitas Business & Technology

The executive director stated that the amendment extending the agreement with Novitas through December 31, 2025, included cyber security provisions and had been signed by the vendor and approved as to form by fiduciary counsel. A letter agreement regarding the use of banked hours accumulated by the Fund for services to be provided by the Novitas had been signed by the vendor and approved as to form by fiduciary counsel. He requested authority to sign the documents on behalf of the Fund. The trustees noted that the consideration of the proposed agreement with Novitas and the related letter agreement had been tabled at the meeting on January 9, 2025, and needed to be removed from the table so that it could be considered by the Board could consider it at the present meeting.

It was moved by Trustee Marvel and seconded by Trustee Richardson that the consideration of approval of the renewal of the agreement for licensing and software maintenance by Novitas for the Fund's pension administration system and the related letter agreement regarding banked hours be removed from the table so that it could be considered by the Board at the present meeting.

Vote result: MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee Richardson and seconded by Trustee Reed that the Board approve as presented the proposed Sixth Amendment to the Agreement with Novitas

Business & Technology, extending the engagement from January 1, 2025, through December 31, 2025, at an annual fee not to exceed \$55,000, and the Letter Agreement dated January 1, 2025, regarding banked hours, both documents having been signed by the vendor and approved as to form by fiduciary counsel. It was further moved that the executive director was authorized to sign and deliver the presented Amendment and Letter Agreement, on behalf of the Fund.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

c. Review and Consideration of Approval for the Concentra Contract Extension

The executive director stated that under the Illinois Pension Code, a physician appointed by the Board must provide proof that a member is disabled before benefits can be approved. The Fund has retained Concentra to provide the necessary physician's certification about a member's disability. The agreement with Concentra was set to expire on February 28, 2025, and needed to be extended. The new agreement incorporated cyber security provisions and increased the fee for each evaluation to \$60.00. The Fund staff requested authority to enter an extension of the Concentra agreement which would include these terms, subject to review by fiduciary counsel.

It was moved by Trustee Dardick and seconded by Trustee Reed that Board authorize the Fund to amend the agreement with Occupational Health Centers of Illinois, P.C. d/b/a Concentra Medical Centers, to extend the engagement through February 28, 2026, upon the terms presented which shall include provisions for cyber security and that the executive director was authorized to sign and deliver the amendment, subject to review by fiduciary counsel, on behalf of the Fund

Roll Call Vote:

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

NAYS: McFadden

Vote Result: MOTION ADOPTED

d. Review and Consideration of Approval for the Fund to Participate in the Reciprocal System's Agreement with Managed Business Solutions, LLC (MBS) to Develop and Maintain a Data Sharing Platform

The executive director stated that since 2011, the Fund has exchanged data with the other reciprocal systems for purposes of calculating benefits under the Reciprocal Act and of determining whether a member had a Tier 1 or Tier 2 status. The State

University Retirement System (SURS) hosted this platform, but was not able to continue this service for the reciprocal systems. SURS, in conjunction with other reciprocal systems, conducted an RFP to search for a vendor who would develop and host a platform for the exchange of data. Managed Business Solutions, LLC (MBS) emerged as the sole vendor who could provide the services needed. The costs to develop and maintain the platform would be shared on a pro rata basis among all the reciprocal systems based upon their membership. He said that SURS will negotiate the agreement with MBS and all the reciprocal systems will be third party beneficiaries to that agreement. It was planned that SURS and the reciprocal systems will each enter a cost sharing agreement to pay their pro rata share of the development and maintenance costs with MBS. The Fund would be liable for \$47,451,87 for the initial build of the platform and would be annually liable for \$7,194.08 in maintenance costs through December 31, 2028. SURS asked the reciprocal systems to sign and deliver a Letter of Intent that they were interested in this arrangement. The trustees discussed that cyber security issues needed to be included in the agreement. It was discussed that the Fund relied upon the current data exchange process and found that it was especially needed to determine a member's Tier status. If the Fund did not participate, it would be a cumbersome and unreliable process to obtain the data from the reciprocal funds on an individual basis.

It was moved by Trustee Marvel and seconded by Trustee Dardick that the Board authorize the executive director to execute and deliver the Letter of Intent on behalf of the Fund subject to review by fiduciary counsel and successful negotiation of the agreement between SURS and MBS, and to execute and deliver the cost-sharing agreement between the Fund and SURS, subject to successful negotiation and review by fiduciary counsel.

Roll Call Vote:

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

NAYS: McFadden

Vote Result: MOTION ADOPTED

e. Executive Director Report

The executive director reported that as of February 1, 2025, 33 annuity benefits were withheld because the members had not returned the required benefit eligibility verifications (BEF). Of these withheld payments, 17 were from the Board meeting in July, 2023 and the remaining 16 were from the CY 2022 BEF project.

All 1099-R forms for 2024 were mailed by January 22, 2025. Any 1095 forms due to annuitants receiving health benefits would be mailed in February.

The IRS sent a notice to the Fund stating that certain tax forms may have been subject to unauthorized inspection and possible disclosure by an IRS contractor. The

contractor was criminally charged and plead guilty to the unauthorized inspections and disclosure. The Fund contacted the IRS to determine whether the contractor reviewed the Fund's information returns or whether the contractor had access to the members' personal information. The IRS stated that they are reviewing the Fund's request.

The Wall Street Journal reported that the Department of Justice (DOJ) expanded litigation against RealPage which provided a software platform that landlords allegedly used to engage in illegal price-fixing thereby causing rents to increase. The DOJ litigation included Blackstone's LivCor. Blackstone currently manages \$61.5 million in County real estate assets. Fund staff discussed this matter with Blackstone and they stated that they had discontinued using the RealPage software six months ago. Fiduciary counsel stated that there was not likely any liability to the Board, but Blackstone might be asked to attend a meeting to explain the status. She added that the Fund might reach out to Callan about the litigation and its possible effects on the Fund's investments.

The executive director reported that an Investment Committee meeting was scheduled for February 13, 2025. The finalists for the Private Credit Manager Search will make presentations at the meeting. An Investment Committee meeting was scheduled for February 27, 2025. At that meeting, Callan would present the 4Q 2024 performance reviews and proposed changes to the Investment Policy Statements would be discussed.

5. Legal Matters

a. Legal Report

Fiduciary counsel provided a written status report on litigation matters to the Board. She noted that the competing claims for eligibility to receive a spouse annuity that had been filed by two different persons had been resolved. Also, a case regarding disability benefits had been resolved in favor of the Board and the Court dismissed Count I of the complaint. The remaining Counts II and III regarding fiduciary liability were still pending.

6. Old Business/New Business

There was no old business or new business discussed.

7. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

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