

**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**

July 6, 2023 - 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: Lawrence Wilson, President; Patrick McFadden, Vice-President; Jerry Pray, Secretary; Hal Dardick, Diahann Goode, Tracy Reed, Samuel Richardson, Jr.

Staff Present: Brent Lewandowski, Executive Director; Margaret Fahrenbach, Legal Advisor; Michael Maratea, Director, Finance and Administration; Gary LeDonne, Director, Benefits Administration; Uwe Schillhorn, Chief Investment Officer; Saron Tegegne, Comptroller; Francis Gonzalez-Crussi, Senior IT Manager; Mario Hollemans, Administrative Coordinator

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Kathleen Blyth, Commissioner Gainer's Office

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

1. Review and Consideration of June 1, 2023, open and closed Board Meeting Minutes

It was moved by Trustee McFadden and seconded by Trustee Richardson that the presented minutes of the open and closed sessions of the Board meeting on June 1, 2023, be adopted. It was further moved that the minutes from the closed session remain closed.

Vote Result: MOTION ADOPTED BY VOICE VOTE

2. Review and Consideration of:

a. Bills, Payroll Records

It was moved by Trustee Reed and seconded by Trustee Pray having received confirmation from Fund staff that the indicated payments were consistent with the

2023 administrative budget, that the Board ratify the action taken by Fund staff in paying the presented bills for expenses incurred in 2023 and that the Board approve the recommendations from Fund staff to remit payments for the presented bills for expenses incurred in 2023.

Roll Call Vote:

AYES: Dardick, Goode, McFadden, Pray, Reed, Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Annuities, Spouse and Child Annuities and Refunds

It was moved by Trustee Richardson and seconded by Trustee Goode, 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, Goode, McFadden, Pray, Reed, Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

It was moved by Trustee McFadden 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 disability applications be approved.

Roll Call Vote:

AYES: Dardick, Goode, McFadden, Pray, Reed, Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Trustee Matters

a. Review of Submissions for Forest Preserve Trustee Vacancy

Brent Lewandowski, Executive Director, stated that the Board needed to fill the vacancy on the Board for the Forest Preserve Employee Trustee. He said that a notice of the vacancy was first posted in May, 2023, but no responses were received. The notice was posted again and the Fund received responses from three candidates, each of whom had met the requirements for filling the position. The Executive Director stated that when the Board last needed to fill a vacancy, the applicants had been invited to make presentations to the Board. The trustees discussed the processes that had been previously followed in selecting applicants to fill vacant positions and how they should proceed for the current vacancy.

It was moved by Trustee Dardick and seconded by Trustee Goode that the Executive Director contact those persons who expressed interested in filling the vacancy as the Forest Preserve Employee Member on the Board and invite each of them to make a presentation at the next regular Board meeting on August 3, 2023.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. Review and Possible Approval of 2023 Election Rules

President Wilson stated that the Fund staff had prepared the presented Cook County Employee Election Rules for 2023. The rules had been updated to provide the relevant dates for the election in 2023, but were otherwise substantially the same as had been approved by the Board for the election in 2022.

It was moved by Trustee Richardson and seconded by Trustee McFadden that the Board adopt the presented Cook County Employee Member Trustee Election Rules for 2023.

Vote Result: MOTION ADOPTED BY VOICE VOTE

4. Finance Matters

a. Approval of Referral of Matters Pursuant to 40 ILCS 5/1-135

The Executive Director reported that there had been emails sent to three investment managers on or about June 6, 2023, that appeared fraudulent. Later in June, eleven investment managers received emails that also appeared fraudulent. In two of the emails, the sender attempted to withdraw Fund assets from the investment managers. The requests were not honored and the Fund did not incur any losses. Additionally, the Fund received a fraudulent request to change the account where an annuitant's benefits were deposited. The Fund did not follow the request to change the account. While the Fund did not incur any losses in these attempts at fraud, the occurrences should be reported to the Cook County State's Attorney as provided in the Illinois Pension Code.

It was moved by Trustee Reed and seconded by Trustee Goode that the Board find that there were reasonable suspicions that the identified communications from third parties to certain investment managers and the request to change the direct deposit directions

for an annuitant 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

5. Administrative Matters

a. Review and Possible Approval Regarding Managed Backup Disaster Recovery Services

The Executive Director stated that the Fund had retained CDW-G for managed backup and disaster recovery services through the Master Agreement between CDW-G and Cook County. The services to the Fund by CDW-G were stated in an Statement of Work ("SOW"). CDW-G retained All Information Services, Inc ("AIS") as a subcontractor to provide these services to the Fund. The SOW for these services was scheduled to expire on August 5, 2023, and CDW-G wanted to increase the costs by 45% to extend the SOW. Fund staff reached out to other vendors to determine the costs for comparable services. It was determined that the costs for the services from these other vendors were on par with the services received from AIS. The Fund staff were satisfied with the services AIS provided. AIS agreed to continue the services to the Fund as a direct contractor at the fees paid under the SOW that was to expire. A proposal for the services from AIS was presented to the Board which would extend the service period for an additional 12 months at the current cost. The trustees commented that they would prefer that the Fund develop its own standard terms for vendors rather than review and modify terms proposed by possible vendors.

The trustees expressed concerns about whether the Fund's data could be exposed if the vendor's system was breached. The Fund's Senior IT manager stated that the data transferred to the vendor was all encrypted so the Fund's data would not be exposed. Fiduciary counsel stated that the Fund would still be liable if its data was subject to a breach of a vendor's systems and that vendors should agree to indemnify the Fund in the event of a breach. They also discussed the cyber security training that Fund employees received.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board authorize the Fund to engage AIS to provide managed backup and disaster recovery services from August 5, 2023 through August 4, 2024 at a cost not to exceed \$3,095 per month. It was further moved that the Executive Director be authorized, on behalf of the Fund, subject to review by fiduciary counsel, to take all action reasonably necessary to effectuate the foregoing including the execution and delivery of the presented services agreement.

Roll Call Vote:

AYES: Dardick, Goode, McFadden, Pray, Reed, Richardson, Wilson

NAYS: None

b. Executive Director Report

The Executive Director reported that a Fund employee, Linda Thorson, had recently passed away. She was fully dedicated to providing exceptional service to the Fund's members for the past 10 years. He added that her smiling presence would be missed by the Fund staff and the members. The trustees asked that a Resolution honoring Ms. Thorson's service be prepared so that it could be presented to her family.

The Executive Director reported that three new employees recently began their employment at the Fund. Uwe Schillhorn began as the Chief Investment Officer on June 5, 2023; Mario Hollemans started as an Administrative Coordinator as of June 12, 2023 and Alexis Vargas began as an Administrative Assistant on July 5, 2023.

With the pending retirement of the current Director of Finance, a re-structure of the Finance Department had begun. Fund staff had identified the department's critical functions and was documenting its procedures. RSM LLP US would perform an assessment of the controls in the department and would report to the Board. Saron Tegegne was promoted to the position of Deputy Executive Director and would oversee the Finance Department going forward.

Fiduciary counsel reported that the O'Connell litigation had been settled in accordance with the direction given by the Board at the last meeting. In addition, she reported that the Fund had recently received a favorable decision from the Illinois Appellate Court in the Hannigan appeal that considered the processes followed by the Fund in conducting administrative hearings.

The Executive Director stated that HB 2352, which provided for actuarial based funding for the County Fund, had been sent to the Governor for his signature on June 22, 2023.

The Fund's Pension Verification Program resulted in the Board's suspension of payments to 118 annuitants' because they failed to return the Benefit Eligibility Forms as requested by the Fund. Some of the affected members confirmed that they were still eligible for benefits and the annuity payments to them had been resumed. The Fund had received death notifications for nine members. The annuity payments for 42 members continued to be held.

The Executive Director stated that the Fund had received the Government Finance Officer's Associations' Certificate of Achievement for Excellence in Financial Reporting for both the County Fund and the Forest Preserve Fund regarding the financial statements for December 31, 2021. He thanked Michael Maratea and Saron Tegegne for their efforts in securing these awards.

6. Old Business/New Business

There was no old business or new business discussed.

7. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting was scheduled for August 3, 2023, at 9:30 am.