

**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**

October 5, 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: Patrick McFadden, President; Jerry Pray, Secretary; Hal Dardick, Diahann Goode, Lakeisha Marvel, Kevin Ochalla, Samuel Richardson, Jr., Tracy Reed

Staff Present: Brent Lewandowski, Executive Director; Saron Tegegne, Deputy Executive Director; Margaret Fahrenbach, Legal Advisor; Gary LeDonne, Director, Benefits Administration; Francis Gonzalez-Crussi, Senior IT Manager; Mario Hollemans, Administrative Coordinator

Others Present: Mary Pat Burns, Burke Burns & Pinelli, Ltd.; Cathryn Marsico, Office of the Cook County CFO; Daniel Moreci; Member, Jerry Marconi, Attorney; Annette Moriarity, Metro Reporting Service, Ltd.

President McFadden opened the meeting at 9:50 am and asked if anyone present wanted to address the Board, but no one requested to do so.

1. Review and Consideration of September 7, 2023, Board Meeting Minutes

It was moved by Trustee Reed and seconded by Trustee Richardson that the presented minutes of the open session of the Board meeting on September 7, 2023, be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

2. Review and Consideration of:

a. Executive Session Minutes

i. August 3, 2023

It was moved by Trustee Richardson and seconded by Trustee Goode that the presented minutes of the Executive Session of the Board meeting on August 3, 2023, be adopted and remain closed.

Vote Result: MOTION ADOPTED BY VOICE VOTE

ii. September 7, 2023

It was moved by Trustee Reed and seconded by Trustee Richardson that the presented minutes of the Executive Session of the Board meeting on September 7, 2023, be adopted and remain closed.

Vote Result: MOTION ADOPTED BY VOICE VOTE

3. Review and Consideration of:

a. Bills, Payroll Records

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

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, Marvel, McFadden, Ochalla, Pray, Reed,
Richardson

NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

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 disability applications be approved.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

4. Investment Matters- October 5, 2023, Consideration and Approval of Investment Committee Meeting Recommendation Relating to:

a. International Equity Mandate

Brent Lewandowski, Executive Director, stated that the Investment Committee had met immediately prior to the Board meeting to discuss issues regarding an identified investment manager for the County Fund with a mandate to invest in international equities. The trustees discussed that there had been a leadership change at the identified investment manager and that the Fund’s Investment Consultant reported that it was uncertain how the investment strategy would be implemented going forward. The Investment Committee had recommended to the Board, as was consistent with the Investment Consultant’s recommendation, that the County Fund separate from the engagement with the identified investment manager.

It was moved by Trustee Reed and seconded by Trustee Richardson, that the Board adopt the recommendation made by the Investment Committee at their meeting on October 5, 2023, based upon the recommendations made by Callan and the Fund’s CIO, that the engagement of the indicated investment manager be terminated and that the portfolio be transitioned in accordance with the directions given to the Fund.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

5. Administrative Matters

a. Review of Intergovernmental Agreement with Cook County

The Executive Director stated that the County had provided a draft of a proposed Intergovernmental Agreement (“IGA”) to address health benefits at the Fund. Under the IGA, the County would annually provide \$53M to be used for retiree health benefits from 2024 through 2026. The IGA also addressed the participation of Fund employees

in the health benefit plan and deferred compensation plan offered to County employees. The Executive Director stated that the recent legislation regarding actuarial based funding did not specifically address retiree health benefits. He added that any IGA governing benefits for Fund employees should be separate from an IGA for retiree health benefits. It was discussed that the Board could not enter an IGA that would limit their authority given under the Illinois Pension Code regarding retiree health benefits. The Executive Director asked the Board for authority to discuss the proposed IGA with County representatives and to bring a draft IGA to the Board for their consideration.

It was moved by Trustee Richardson and seconded by Trustee Ochalla that the Board authorize the Executive Director, Fund staff and fiduciary counsel to consult with County representatives to determine the possible terms of a Healthcare IGA that can be presented to the Retirement Board for their review and consideration.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

b. Review and Consideration of Renewal of Actuarial Services

The Executive Director stated that the current contract for actuarial services with Cavanaugh MacDonald Consulting, LLC will expire on December 31, 2023. The Fund had conducted an RFP for actuarial services in 2022, but the process was not completed. He stated that the Fund would like authority to extend the contract with Cavanaugh MacDonald through December 31, 2024. The Fund would conduct an RFP for actuarial services after June, 2024, when the valuations for 2023 had been completed.

It was moved by Trustee Goode and seconded by Trustee Richardson that the Board approve a renewal of the engagement for actuarial services with Cavanaugh MacDonald Consulting, LLC as presented for a term from January 1, 2024, to December 31, 2024 at an annual cost not to exceed \$71,343.17. It was further moved that Fund staff and fiduciary counsel should take all action reasonably necessary to effectuate the foregoing including the negotiation of any related written agreement to be presented to the Board before it is executed on behalf of the Fund by the Executive Director

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

c. Executive Director Report

The Executive Director stated that the Fund had received an extension to September 29, 2023, to file the utilization report with the Governor and General Assembly pursuant to PA 96-0753 and had submitted the report as required.

The trustees were reminded that they needed to complete at least eight hours of ethics training each year and that the Board had approved certain educational opportunities that would satisfy this requirement. In addition, the trustees would be provided with materials that would satisfy the specific requirements for sexual harassment and cyber security training. The Fund will notify each trustee of the hours they have completed for ethics training in 2023.

It was reported that 88 annuity benefit payments were held as of October 1, 2023, because the annuitant had not responded to the Fund's request to determine the member's eligibility for benefits. Of these 88 held payments, 53 were held due to action taken by the Board at their meeting on July 7, 2023, and the remaining were carryovers from earlier requests.

The Executive Director reported that the Fund had received petitions from one candidate, Kevin Ochalla, in accordance with the 2023 Election Rules to elect a County Employee Member to the Board. The Ad Hoc Election Committee approved the sufficiency of the petitions and instructed the retained attorney to draft a sole candidacy declaration for presentation at the Board meeting in November, 2023.

It was reported that the Fund and Fiduciary Counsel were in the process of reviewing the military service policy due to the recent legislative changes. It was anticipated that the revised policy would be brought to the Board at the November meeting.

The Executive Director stated that the Illinois Department of Insurance had incorrectly emailed the Fund about an unpaid fee. The Fund was able to confirm with the DOI that the email was sent in error and that no fees were due.

6. Legal Matters

a. Administrative Hearing O# 141197

Mary Pat Burns, Fiduciary Counsel, stated that the matter before the Board was a remand hearing from the Circuit Court of Cook County in the matter of *Daniel Moreci v. Retirement Board*. The Court had remanded the matter to the Board for the limited purpose of hearing evidence about whether the Member had demonstrated extraordinary circumstances and/or exercised due diligence in transmitting the funds needed to purchase permissive service credit, or unused sick time, as required by Section 9-219(f) of the Illinois Pension Code.

The Member provided testimony under direct examination by his attorney, Jerry Marconi, and described the action he took to submit the funds required to purchase unused sick time for the purpose of receiving additional service credit. He was cross-examined by Fiduciary Counsel regarding details of the forms he submitted and other matters. Fiduciary Counsel called a witness from the Fund for testimony regarding, among other things, the facts of how and when the funds needed for the Member to purchase the additional service credit were transmitted to the Fund. At the conclusion of the testimony and upon request from Fiduciary Counsel, the Board admitted Remand Exhibits 1 and 2 into evidence.

It was moved by Trustee Dardick and seconded by Trustee Reed pursuant to Section 2(c)(1) and 2(c)(11) of the Open Meetings Act, 5 ILCS 120/2(c)(1) and (2(c)(11), that the Board convene an Executive Session to discuss personnel and litigation matters.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Ochalla and seconded by Trustee Goode that the Executive Session be adjourned and that the Board return to an open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

Following the return to an open session, it was moved by Trustee Richardson and seconded by Trustee Goode, upon remand from the Circuit Court of Cook County and after due consideration of the evidence and arguments based in equity advanced by the Member, that the Board affirm its earlier decision that the Member identified by Office Number 141197 was not eligible to purchase service credit pursuant to Section 9-219(f) of the Illinois Pension Code.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

7. Trustee Matters

- a. Distribution of 2023 Cyber Training Materials for Trustees
- b. Distribution of 2023 Sexual Harassment Training Materials for Trustees

President McFadden stated that fiduciary counsel had prepared materials for the trustees regarding the required training for cyber security and sexual harassment. The trustees should confirm that they have completed the training materials by signing and returning the form to the Fund that was included with the materials.

8. Old Business/New Business

There was no old business or new business discussed.

9. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting was scheduled for November 2, 2023, at 9:30 am.