



**SPECIAL MEETING OF THE SPECIAL 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
33 N Dearborn St, Suite 1000
Chicago, IL 60602**

Minutes for the May 25, 2017 Special Meeting of the Board

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: Robert DeGraff, Jack Fitzgerald, Diahann Goode (arrived during Item 1), Andrew Jatiko, Bill Kouruklis (arrived during Item #1), Patrick McFadden, Joseph Nevius, Lawrence Wilson

Staff Present: Nickol R. Hackett, Executive Director & CIO; Michael Maratea, Director of Finance and Administration; Margaret Fahrenbach, Legal Advisor; Brent Lewandowski, Senior Benefits Manager; Beverly Romanini, Office Manager; Colleen Lakis, Comptroller

Others Present: Mary Pat Burns, Burke Burns & Pinelli; Sarah Boeckman, Burke Burns & Pinelli

Trustee Fitzgerald, President of the Board, opened the meeting for public comment and no one having requested to address the Board, the next item of business on the Agenda was considered.

1. Discussion and Approval of Office Space and Vendors

Mary Pat Burns and Sarah Boeckman of Burke Burns & Pinelli addressed the Board to report on the further due diligence they performed regarding a possible termination of the lease at 70 W. Madison and whether there was available space at 69 W. Washington for the Fund's use. Ms. Burns stated that the lessor of 70 W. Madison was not willing to engage in any negotiations regarding a voluntary termination of the lease and was not willing to quantify any termination costs. Based upon the projected costs as presented in a memorandum prepared for the Board, Ms. Burns estimated the costs to terminate the lease would range up to \$4,500,000 or greater depending on whether a subtenant could be secured.

Ms. Burns then reported that the County had shown space at 69 W. Washington to Fund representatives earlier in the week. While it had been discussed with County representatives that the Fund would view space on the 31st floor, on the day of the appointment, the County stated that space

on the 31st was being considered by a potential lessee who would pay market rates and might not be available to the Fund. The County agreed to show space on the 9th floor of the building which was currently occupied by three tenants. The space that would be available to the Fund on the 9th floor would not be contiguous. The County also showed the Fund the space on the 31st floor.

The trustees discussed whether it would be cost effective to terminate the lease at 70 W. Madison. It was discussed that any space at 69 W. Washington would require renovation to accommodate the Fund's needs and all construction costs would be paid by the Fund. The costs of renovation and the occupancy date for space at 69 W. Washington were both uncertain. The Fund's current lease expires on November 30, 2017. The landlord at 33 N. Dearborn would consider a hold-over lease for a period of four months, but would not consider a month-to-month lease. The obligation of the Fund to pay real estate taxes at 70 W. Madison was also considered. The trustees discussed that they needed a comparison of the costs if the lease at 70 W. Madison were terminated to savings that might be derived if space at 69 W. Washington were acquired.

Trustee Goode commented that she had concerns about terminating the lease at 70 W. Madison. She was not certain that the County could make appropriate space available for the Fund and added that these issues should have been raised before the lease at 70 W. Madison was signed. She also stated that the Board should consider how their actions affect the Fund's staff and may be a contributing factor to personnel considering other opportunities for employment. In addition, Trustee McFadden noted that at the time the Board made its decision in November, 2016, to enter into a lease at the 70 West Madison building, the Board had been informed that while 69 West Washington was considered, suitable space in that building was not then available.

The Board asked Burke Burns & Pinelli to provide further due diligence on whether: 1) the Fund as a public body was obligated to pay real estate taxes at 70 W. Madison; 2) the Fund would be obligated to pay real estate taxes at 69 W. Washington as do commercial tenants who lease space from the County; 3) sprinklers had been installed on the 9th floor of 69 W. Washington and 4) it was possible to make the 9th floor space contiguous by, for example, reconstructing the remaining tenant's receptionist space and the estimated costs. Burke Burns & Pinelli was also asked to provide a comparison of the anticipated expenses after 15 years between 69 W. Washington and 70 W. Madison which would include costs associated with terminating the lease, costs for buildouts for both spaces, costs relating to a holdover lease at 33 N. Dearborn and any other relevant expenses. Burke Burns & Pinelli agreed to provide the information for consideration by the Board at their meeting on June 1, 2017.

2. Adjournment

There being no further business before the Board, it was moved by Trustee McFadden and seconded by Trustee DeGraff that the trustees adjourn the meeting.

The next Board meeting is scheduled for June 1, 2017, at 9:30 a.m.