

**COUNTY EMPLOYEES' AND OFFICERS' ANNUITY & BENEFIT FUND OF
COOK COUNTY ("County Fund")
And Ex-Officio for the
FOREST PRESERVE DISTRICT EMPLOYEES' ANNUITY & BENEFIT FUND
OF COOK COUNTY ("Forest Preserve District Fund")
MEETING OF THE RETIREMENT BOARD ("Board")
33 N. DEARBORN STREET – ROOM 1000**

Minutes for May 7, 2010 Meeting of the Board

The County Fund and the Forest Preserve District Fund are herein collectively referred to as the "Fund".

Call to Order and Roll Call.

Trustees Present: Robert Agnes, Clem Balanoff, Robert Benjamin, John E. Fitzgerald, Joseph Fratto, William Granberry, Mark Kilgallon, Patrick J. McFadden, Antoinette Williams

Staff Present: Daniel R. Degnan, Executive Director, Penny Finch, Chief Operating Officer, Nickol Hackett Chief Financial Officer, Paul Rzeszutko, Director of Benefits, Michael Maratea, Director of Finance, Colleen Lakis, Comptroller, Deborah Pemberton, Accountant

Others Present: Mary Pat Burns, Burke, Burns & Pinelli, Pat Krolak, Marquette Associates Inc., Christine M. Trzos, Annuitant, Theron K. Picketts. Cabrera Capital Markets, LLC, Sharon Piet, Podesta, Angela Myers, Loop Capital

1. Review and Approval of:

a. April 1, 2010 Board Meeting Minutes.

It was moved by Trustee Fitzgerald and seconded by Trustee Kilgallon that the minutes of the April 1, 2010 Board Meeting be approved and adopted.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

b. Bills, Payroll Records, Annuities, Spouse & Child Annuities, Ordinary & Duty Disabilities and Refunds

It was moved by Trustee Kilgallon and seconded by Trustee Balanoff that the presented payroll bills and recommendations for annuities, disabilities and refunds be approved.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Fratto, Granberry,
Kilgallon, McFadden, Williams

NAYS: None

Vote Result: MOTION ADOPTED.

2. Other Benefit Matters:

a. In the Matter of James Sherrod, Deceased

It was moved by Trustee Kilgallon and second by Trustee McFadden that following further investigation and discussion, the documents presented by the applicants to support an award of a Child's Annuity for the benefit of minors: Sheba Angel Norwood-Taylor are insufficient to establish paternity pursuant to Section 5/9-115 of the Pension Code, 40 ILCS 5/9-115 and that the application be denied; Jennifer M. Norwood-Sherrod are insufficient to establish paternity pursuant to Section 5/9-115 of the Pension Code, 40 ILCS 5/9-115 and that the application be denied; and for Paul James Sherrod-Taylor are sufficient to establish paternity pursuant to Section 5/9-115 of the Pension Code and that the application be approved. It was further moved and that the Executive Director and the Fund's staff are authorized to take all action reasonably necessary to effectuate this decision.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Fratto, Granberry,
Kilgallon, McFadden, Williams

NAYS: None

Vote Result: MOTION ADOPTED.

3. April 21, 2010 Investment Committee Recommendations

a. Real Estate Allocation Guidelines

It was moved by Trustee McFadden and seconded by Trustee Balanoff, that consistent with the recommendation of the Investment Committee with respect to the Fund's allocation to the TIAA-CREF and American Realty real estate allocation, the Fund should continue to dollar-cost average into their respective real estate allocations but applying more specific capital call guidelines as outlined in the Investment Consultant's memo dated April 21, 2010. It was further moved that the Fund Investment Staff and Executive Director be authorized to take all actions reasonably necessary to effect the foregoing.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Fratto, Granberry,
Kilgallon, McFadden, Williams

NAYS: None

Vote Result: MOTION ADOPTED.

b. ARCH Venture V – Term Extension

It was moved by Trustee Fitzgerald and seconded by Trustee Agnes, that consistent with the recommendation of the Investment Committee, the County Fund withhold its limited partner consent to the proposed term extension and that the Investment Consultant and Fund Investment Staff, in consultation with Fund Legal Counsel, be authorized to take all actions reasonably necessary to effect and communicate the same.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden, Williams

NAYS: None

Vote Result: MOTION ADOPTED.

c. International Small Cap

It was moved by Trustee Kilgallon and seconded by Trustee Balanoff, consistent with the recommendation of the Investment Committee, that Franklin-Templeton Institutional be approved for a \$120 million mandate funded from the Rhumblin S&P 500 portfolio subject to satisfactory completion of final due diligence and successful contract negotiations. It was further moved, on the advice of the investment consultant, in light of the present turmoil in the international markets, particularly Europe, that the mandate not be funded until such time as the Board determines. It was further moved that the Fund Investment Staff and Executive Director be authorized to take all actions reasonably necessary to effect the foregoing.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden, Williams

NAYS: None

Vote Result: MOTION ADOPTED.

It was moved by Trustee Kilgallon and seconded by Trustee Balanoff, consistent with the recommendation of the Investment Committee, that Mondrian be approved for a \$60 million mandate funded from the Rhumblin S&P 500 portfolio subject to satisfactory completion of final due diligence and successful contract negotiations. It is further moved, on the advice of the investment consultant, in light of the present turmoil in the international markets, particularly Europe, that the mandate not be funded until such time as the Board determines. It was further moved that the Fund Investment Staff and Executive Director be authorized to take all actions reasonably necessary to effect the foregoing

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden, Williams

NAYS: None

Vote Result: MOTION ADOPTED.

4. April 28, 2010 EMIC Recommendations

Increased Allocation to Channing Small Cap

It was moved by Trustee Kilgallon and seconded by Trustee Granberry, consistent with the recommendation of the Emerging Minority Investment Committee, that the Board accept the recommendation by Fund Investment Staff and Investment Consultant consistent with the Fund's Emerging Manager of Manager Program objectives and guidelines to increase the Channing Small Cap Value portfolio allocation by \$15 million to be transferred from the Rhumblin S&P 500 portfolio and engage a transition manager for pre-bid analysis and implementation. It was further moved that the Fund Investment Staff and Executive Director be authorized to take all actions reasonably necessary to effect the foregoing.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden, Williams

NAYS: None

Vote Result: MOTION ADOPTED.

5. Administrative Matters:

a. General Liability Insurance

It was moved by Trustee McFadden and seconded by Trustee Kilgallon that the Funds renew the General Liability Insurance Policy with Hartford Casualty Insurance Company at an annual premium of \$6,981 such policy to commence on May 18, 2010, and to expire on May 18, 2011. It was further moved that the Fund Investment Staff and Executive Director be authorized to take all actions reasonably necessary to effect the foregoing.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden, Williams

NAYS: None

Vote Result: MOTION ADOPTED.

b. Workers Compensation Insurance Renewal

It was moved by Trustee McFadden and seconded by Trustee Balanoff that the Funds renew the Worker's Compensation Insurance Policy with Hartford Insurance Company at an annual premium of \$7,194, such policy to commence on May 18, 2010, and to expire on May 18, 2011. It was further moved that the Fund Investment Staff and Executive Director be authorized to take all actions reasonably necessary to effect the foregoing.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden, Williams

NAYS: None

Vote Result: MOTION ADOPTED.

c. Independent Election Administrator

It was moved by Trustee Kilgallon and seconded by Trustee McFadden that the Funds retain Simon & Griseta as the Independent Election Administrator for the 2010 and 2011 Trustee elections at a rate of \$185 per hour, a rate discounted from their standard rate. It was further moved that the Fund Investment Staff and Executive Director be authorized to take all actions reasonably necessary to effect the foregoing.

Roll Call Vote:

AYES: Agnes, Benjamin, Fratto, Kilgallon, McFadden, Williams

NAYS: None

PRESENT: Balanoff, Fitzgerald, Granberry

Vote Result: MOTION ADOPTED.

b. Pre-Approval of Attendance at NCPERS Conference – Deferred

This conference was previously approved, and as such no action was necessary.

6. Finance

a. Final 2009 Unaudited Financial Statements

Mr. Degnan reviewed the 2009 Unaudited Financial Statements with the Trustees and informed them that the independent auditors would be present the final audit at the June meeting.

b. Final 2009 Budget

Mr. Degnan presented and reviewed the final 2009 budget and expenditures with the Trustees.

c. Cash Flow Projections

It was moved by Trustee Granberry and seconded by Trustee Kilgallon that the cash funding recommendation of the Fund Staff be approved and adopted for the County Employees' Annuity & Benefit Fund immediately for the second quarter of 2010 and that the County Fund maintain its cash balances for the second quarter of 2010 based on the pro rata cash withdrawal methodology approved by the Board on July 1, 2009. It was further moved that the Fund's Investment Staff be authorized to take all action reasonably necessary to effectuate the foregoing

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden, Williams

NAYS: None

Vote Result: MOTION ADOPTED.

7. Legislative Matters

Mr. Degnan provided the lobbyist report to the Trustees. The Trustees engaged in full discussion of all relevant legislative matters and further discussed the Funds' funding levels and the fixed multiple used to calculate the employer contribution to the Funds. It was discussed that the current multiple had not been changed on the County Fund since 1984 and on the Forest Preserve Fund since 1973.

It was moved by Trustee Fitzgerald and seconded by Trustee Agnes that legislation be drafted and the Funds' lobbyist be instructed to introduce legislation to change the basis of the employers' contributions to the actuarially required contribution in lieu of the current fixed multiple.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

8. Litigation Matters

It was moved by Trustee Benjamin and seconded by Trustee Balanoff that the Investment Committee convene an Executive Session pursuant to Sections 2(c)(7) of the Open Meetings Act, 5 ILCS 120, to address investment matters.

Roll Call Vote:

AYES: Agnes, Balanoff, Benjamin, Fitzgerald, Fratto, Granberry, Kilgallon, McFadden, Williams

NAYS: None

Vote Result: MOTION ADOPTED.

Upon returning to open session it was moved by Trustee Fitzgerald and seconded by Trustee Agnes that, on the recommendation of Fund counsel, that in the Matter of Gene R. Michno, the Pension Fund be allowed to file Statements of Exception to the Recommended Opinion from the Hearing Officer, and that Applicant Michno be given time to file a response thereto, all in accordance with the Fund's Procedural Rules Governing Hearings. It is further moved, that upon receipt of all filings, this matter shall be placed on the Board's agenda for further consideration.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

9. New Items

10. Adjournment

After consideration of all other items of business, it was moved and seconded that the meeting be adjourned.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE.

The Board's next regular meeting is scheduled for June 2, 2010