



**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 W. Madison, Suite 1925  
Chicago, IL 60602**

**Minutes for the November 1, 2018 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, Bill Kouruklis (entered during Item 4a), Patrick McFadden, Joseph Nevius, Dennis White (departed during Item 7a); Lawrence Wilson

**Staff Present:** Brent Lewandowski, Interim Executive Director; Margaret Fahrenbach, Legal Advisor, Gary LeDonne, Director, Benefits Administration; Michael Maratea, Director of Finance and Administration; Beverly Romanini, Director, Administrative Services; Jane Hawes, Director, Health Benefits; Saron Tegegne, Comptroller, Bravetta Hassell, Sr. Communications Specialist; Marina Sirot, Compliance Analyst

**Others Present:** Mary Pat Burns, Burke Burns & Pinelli; Regina Tuczak, Chicago Policeman's Annuity and Benefit Fund; Larry Langer, Cavanaugh Macdonald Consulting, LLC; Patrice Beckham, Cavanaugh Macdonald Consulting, LLC; Brad Wild, Cavanaugh Macdonald Consulting, LC; Lance Weiss, Gabriel, Roeder, Smith & Company; Alex Rivera, Gabriel, Roeder, Smith & Company; Kristen Brundirks, Gabriel, Roeder, Smith & Company; Dan Levin, Segal Consulting; Jake Libauskas, Segal Consulting; Mathew Strom, Segal Consulting; Frank Poppish Annuitant; Michael Poppish, Attending with Frank Poppish

**Public Comment**

Trustee Wilson, President of the Board, opened the meeting for public comment and no one requested to address the Board at that time. [Note: Mr. Frank Poppish entered the meeting after it had commenced.

After the first presentation during Item 7a, President Wilson asked if anyone present would like to address the Board. Mr. Poppish stated that he wanted to know if the Board had any questions about his disability application. A member of the staff met with Mr. Poppish to address his question.]

1. Review and Consideration of:

- a. May 31, 2018 Special Board Meeting Minutes
- b. July 24, 2018 Special Board Meeting Minutes
- c. September 11, 2018 Special Board Meeting Minutes
- d. October 1-2, 2018 Special Board Meeting Minutes

It was moved by Trustee Goode and seconded by Trustee Nevius that the presented minutes of the indicated Special Board Meetings be adopted

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

- e. October 4, 2018 Board Meeting Minutes

It was moved by Trustee Goode and seconded by Trustee Nevius that the minutes of the October 4, 2018, Board meeting be adopted.

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

- f. Executive Session Meeting Minutes
  - i. May 31, 2018 Special Board Meeting
  - ii. July 24, 2018 Special Board Meeting
  - iii. September 11, 2018 Special Board Meeting
  - iv. October 1-2, 2018 Special Board Meeting
  - v. October 4, 2018 Board Meeting

It was moved by Trustee Goode and seconded by Trustee Nevius that the presented minutes of the Executive Sessions convened during the indicated Special Board Meetings and Board Meeting be adopted and remain closed.

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

2. Review and Consideration of:

- a. September 25, 2017 Sub-Committee Meeting Minutes
- b. September 27, 2017 Sub-Committee Meeting Minutes
- c. November 13, 2018 Sub-Committee Meeting Minutes
- d. November 20, 2018 Sub-Committee Meeting Minutes

It was moved by Trustee Goode and seconded by Trustee Nevius that the presented minutes of the indicated Sub-Committee Meetings be received and filed.

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

- e. Sub-Committee Executive Session Meeting Minutes

- i. September 25, 2017 Sub-Committee
- ii. September 27, 2017 Sub-Committee
- iii. November 13, 2017 Sub-Committee

It was moved by Trustee Goode and seconded by Trustee Nevius that the presented minutes of the Executive Sessions convened during the indicated Sub-Committee Meetings be received and filed 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 Fitzgerald that the action taken by the Fund's staff in remitting payments for the presented bills and payroll records, the Board having received confirmation from Fund staff that such payments were consistent with the approved administrative budget, be ratified.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

b. Annuities, Spouse and Child Annuities and Refunds

The Fund's staff presented their recommendations to the Board regarding the applications for annuities, spouse and child annuities, and refunds and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee McFadden and seconded by Trustee DeGraff after due consideration of the applications presented to the Board and having received confirmation from the staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, McFadden, Nevius, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

c. Ordinary and Duty Disabilities

The Fund's staff presented their recommendations to the Board regarding the applications for ordinary and duty disability benefits and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was moved by Trustee DeGraff and seconded by Trustee Nevius after due consideration of the disability applications presented to the Board and having received confirmation from staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented disability applications be approved.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, McFadden, Nevius, White, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

4. Administrative Matters

a. Renewal of Dedicated Internet Access Provider

Mary Pat Burns, fiduciary counsel, stated that she had reviewed a proposal from Cogent, the current vendor, to provide internet access for three years at a lower rate than under the pending agreement with the vendor. If the Fund did not accept the proposal, the current agreement would continue for an additional year. The trustees discussed that the Fund should not enter any agreement that provided an automatic renewal without the Board's prior approval. They also requested a list of all pending contracts with their expiration dates, so that the Board would have prior notice of the termination dates for all contracts and can consider whether the engagements should be continued. The Board discussed that the Fund should allow the current Cogent agreement to continue for an additional year and that it should determine if internet access could be provided from another vendor.

b. License Renewals

The Board then considered the renewal of licenses and service agreements related to the firewall and other security for the Fund's IT systems. The trustees discussed the processes for securing alternate bidding for services that exceeded \$10,000 and whether contract renewals for less than that amount should require Board approval. They also discussed whether it would be cost efficient for the Fund to purchase office supplies through contracts the County has with its vendors.

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board approve the renewal of a license for Cisco SMARTnet extended service agreement as offered through CDW-G upon the terms presented for one year at a fee not to exceed \$10,801.69, and it was further moved that the Fund be authorized to enter any related written agreement necessary to effectuate the foregoing, subject to review by Fund counsel, including the authorization for the execution and delivery of such written agreement on behalf of the Fund by the President of the Board.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, White, Wilson

NAYS: None

Vote Result:        MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board approve the renewal of a license for Fortinet Coterm as offered through CDW-G upon the terms presented for one year at a fee not to exceed \$1,300, and it was further moved that the Fund be authorized to enter any related written agreement necessary to effectuate the foregoing, subject to review by Fund counsel, including the authorization for the execution and delivery of any such written agreement on behalf of the Fund by the President of the Board.

Roll Call Vote:

AYES:                DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, White, Wilson  
NAYS:                None

Vote Result:        MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board approve the renewal of a license for VMware Support and Subscription Basic as offered through CDW-G upon the terms presented at an annual fee not to exceed \$1,164, and it was further moved that the Fund be authorized to enter any related written agreement necessary to effectuate the foregoing, subject to review by Fund counsel, including the authorization for the execution and delivery of such written agreement on behalf of the Fund by the President of the Board.

Roll Call Vote:

AYES:                DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, White, Wilson  
NAYS:                None

Vote Result:        MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Goode that the Board approve the renewal of a Subscription, Maintenance and Support Agreement with Backstop Solutions Group, LLC for one year at a fee not to exceed \$16,950, and it was further moved that the Fund be authorized to enter any related written agreement necessary to effectuate the foregoing, subject to review by Fund counsel, including the authorization for the execution and delivery of such written agreement on behalf of the Fund by the President of the Board.

Roll Call Vote:

AYES:                DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, White, Wilson  
NAYS:                None

Vote Result:        MOTION ADOPTED

5. Review and Consideration of October 25, 2018 Investment Committee Recommendations

Michael Maratea, Director of Finance and Administration, stated that the Fund staff had reached out to its custodian to review the current Securities Lending Authorization Agreement to allow for more

favorable terms regarding the Fund’s share of the securities lending revenue. The custodian, BNY/Mellon agreed to amend the current agreement to provide for an 85%/15% split between the Fund and BNY/Mellon on all such revenue.

It was moved by Trustee McFadden and seconded by Trustee DeGraff that the Board adopt the recommendation made by the Investment Committee at their meeting on October 25, 2018, that the Securities Lending Authorization Agreement between the Fund and BNY/Mellon be amended effective November 1, 2018, to provide that the Fund receive 85% and that BNY/Mellon receive 15% of the securities lending revenue effective November 1, 2018, and it was further moved that Fund be authorized to enter any related written amendment necessary to effectuate the foregoing , subject to review by Fund counsel, including the execution and delivery of such written agreement on behalf of the Fund by the President of the Board.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, White, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

[Note: The trustees then determined that the remaining matters proposed by the Investment Committee would be deferred until later in the meeting. The following matters were considered after Item 7a concluded.]

The Board considered the recommendations from the Investment Committee regarding the Core/Core Plus search for the County Fund’s real estate portfolio. Callan Associates recommended that the County Fund engage Artemis Real Estate Partners and Clarion Partners Lion Industrial Trust for the Core Plus mandate. Callan also recommended that the Board approve a follow-on investment with Blackstone Real Estate Partners IX for the County Fund. Mary Pat Burns, fiduciary counsel, stated that the disclosures required by Sections 1-113.14 and 1-113.21 of the Illinois Pension Code should be presented before the proposed investment manager contracts are entered. Fund staff stated that such disclosures were made, but would obtain clarifications from the proposed manager about their respective disclosures.

It was moved by Trustee Goode and seconded by Trustee DeGraff that the Board adopt the recommendation made by the Investment Committee at their meeting on October 25, 2018, as a result of the Core/Core Plus Real Estate Search for the County Fund that the Artemis Real Estate Partners be selected for a mandate not to exceed \$50 million and that Clarion Partners Lion Industrial Trust be selected for a mandate not to exceed \$80 million, subject to receipt of disclosures required by Sections 1-113.14 and 1-113.21 of the Illinois Pension Code and satisfactory completion of contract negotiations It was further moved that Fund Investment Staff be authorized to take all actions reasonably necessary to effectuate the foregoing, including the negotiation of any related written agreements, subject to review by Fund counsel, and that the Executive Director be authorized to execute and deliver such agreements on behalf of the Fund.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Wilson  
NAYS: None

Vote Result:        MOTION ADOPTED

It is moved by Trustee Goode and seconded by Trustee DeGraff that the Board adopt the recommendation made by the Investment Committee at their meeting on October 25, 2018, as a result of the Core/Core Plus Real Estate Search for the County Fund that Blackstone Real Estate Partners IX, LP (BREP IX) be selected for a follow-on investment not to exceed \$30M subject to receipt of disclosures required by Sections 1-113.14 and 1-113.21 of the Illinois Pension Code and satisfactory completion of contract negotiations. It is further moved that Fund Investment Staff be authorized to take all action reasonably necessary to effectuate the foregoing, including the negotiation of any related written agreement, subject to review by Fund counsel, and that the Executive Director be authorized to execute and deliver such agreement on behalf of the Fund.

Roll Call Vote:

AYES:                DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Wilson  
NAYS:                None

Vote Result:        MOTION ADOPTED

After the Board completed its consideration of the Investment Committee recommendations, it adjourned for a short recess. The meeting reconvened with consideration of Item 8.

6. Election Report

- a. Election Update and Proclamation of Election and Declaration of the Winner of the Cook County Annuitant and Forest Preserve District Employee Election Held on October 31, 2018

Brent Lewandowski, Interim Executive Director, reported that the election for the County Employee Member of the Board was held on October 31, 2018 and that Ms. Diahann Goode was the prevailing candidate. He also stated that Mr. Patrick J. McFadden was the sole candidate for the County Annuitant Member and that Mr. Dennis White was the sole candidate for the Forest Preserve Employee Member. He presented the report from the Independent Election Administrator and Proclamation for the Board declaring that Mr. McFadden and Mr. White prevailed in their respective elections.

It was moved by Trustee McFadden and seconded by Trustee DeGraff that the Report of the Independent Election Administrator of the Sole Candidacy for Cook County Annuitant Member Trustee Position dated September 21, 2018, be accepted as a true and accurate report and that, consistent therewith, that Mr. Patrick J. McFadden was elected as the Cook County Annuitant Member.

Vote Result:        MOTION ADOPTED BY VOICE VOTE

It was moved by Trustee McFadden and seconded by Trustee DeGraff that the Proclamation of Election and Declaration of the Winner of the Cook County Annuitant Member Election held on October 31, 2018, be accepted and, consistent therewith, that Mr. Patrick J. McFadden be declared the winner of that election and that he be administered and execute the Oath of Office. It is further moved that the Fund staff take all action necessary to file a copy of the Oath of Office with the Cook County Clerk as required by Section 9-186 of the



Illinois Pension Code.

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

It was moved by Trustee McFadden and seconded by Trustee DeGraff that the Report of the Independent Election Administrator of the Sole Candidacy for the Forest Preserve District Employee Member Trustee Position dated September 21, 2018, be accepted as a true and accurate report and that, consistent therewith, that Mr. Dennis White, was elected as the Forest Preserve District Employee Member.

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

## 7. Professional Services Procurement Update

### a. Actuarial Services Finalists Presentations

[NOTE: The presentations of the finalists for the actuarial services RFP was made after Item 7c, but is included here.]

Saron Tegegne, Comptroller, stated that presentations for actuarial services would be made by representatives from Cavanaugh MacDonald Consulting (“CavMac”); Gabriel Roeder Smith & Company (“GRS”); and Segal Consulting (“Segal”). She added that two responders were not asked to make presentations to the Board because their proposals were less competitive than the other responders.

Mr. Larry Langer, Ms. Patrice Beckham and Mr. Brad Wild of CavMac, stated that their firm only provides actuarial services to public pension funds and described the modeling tools which would accompany the valuations. Mr. Langer was providing actuarial services to the Fund with another firm at the time the Intergovernmental Agreement dated December 8, 2015, was implemented and which has allowed the County to make additional contributions to the County Fund. Mr. Lance Weiss, Mr. Alex Rivera and Ms. Kristen Brundirks of GRS stated that the firm has long provided actuarial valuations to Illinois public pension funds and understands the concerns of funding in this State. Because of their local experience, they will be able to provide the Board with the information needed to make funding decisions. Mr. Dan Levin, Mr. Matt Strom and Mr. Jake Libauskas of Segal, stated that they can provide deep support for actuarial services and have a strong local presence. The firm has strength in both pension and OPEB valuations.

The Board posed questions after each presentation inquiring about the firms’ experience with the needs of public pension funds in Illinois, the qualifications of the team members who would be assigned to the Fund’s account and the diversity of their staffs, among other things. At the conclusion of the presentations, the trustees discussed the relative merits of each of the firms. They considered key personnel, litigation issues and the process for transitioning to a new vendor in a timely manner.

It was moved by Trustee Goode and seconded by Trustee McFadden that the Board accept the proposal submitted by Cavanaugh Macdonald Consulting, LLC in response to the Fund’s Request for a Proposal for Actuarial Services upon the terms presented, including the best



and final offer, and subject to successful contract negotiations. It is further moved that Fund staff be authorized to take all action reasonably necessary to effectuate the foregoing, including the negotiation of any related written agreement, subject to review by Fund counsel, and that the President of the Board or the Executive Director be authorized to execute and deliver such agreement on behalf of the Fund by the Executive Director.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, McFadden, Nevius, Wilson  
NAYS: Kouruklis

Vote Result: MOTION ADOPTED

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald the Fund staff send a 60 day notice to Buck Consulting stating that the Fund would not be renewing their contract.

Vote Result: MOTION ADOPTED BY VOICE VOTE

b. PAS RFP Status Update

Gary LeDonne, Director Benefits Administration, stated that the Fund had received the best and final offers from the two finalists in the Pension Administration System (“PAS”) RFP. He stated that the Fund needed direction about whether the finalists should be notified about the status of the RFP. If the implementation of the PAS project were delayed because of the management transition at the Fund, the teams presented by the finalists might not be available when the Fund was ready to proceed with the project. The Board directed that the Fund notify the finalists that the process would be delayed because of the transition matters. Fund fiduciary counsel was asked to prepare a contract for the PAS vendor and to engage specialized counsel if necessary.

c. Legislative Liaison RFP Status

Trustee Diahann Goode, Chairman of the Legislative Committee, reported that the committee had convened a meeting immediately preceding the Board’s meeting. John McCabe and Robert Molaro, representing John McCabe and Associates appeared, before the committee and presented their qualifications to serve as the Fund’s legislative liaison. She stated that the Legislative Committee had recommended that the Board extend the current agreement with John McCabe and Associates for two years upon the current terms.

It was moved by Trustee McFadden and seconded by Trustee Kouruklis that the Board adopt the recommendation from the Legislative Committee that the Fund be authorized to engage John McCabe and Associates as a legislative liaison for two years at an annual rate of \$28,000.00. It was further moved that Fund staff be authorized to take all action reasonably necessary to effectuate the foregoing, including the negotiation of any related written agreement, subject to review by Fund counsel, and that the President of the Board or the Executive Director be authorized to execute and deliver such agreement on behalf of the Fund.

Roll Call Vote:

AYES: DeGraff, Fitzgerald, Goode, Kouruklis, McFadden, Nevius, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

[Note: The Board then considered the remaining matters that had been recommended by the Investment Committee as presented above at Item 5]

8. Presentation of 2019 DRAFT Budget

The Comptroller presented the draft of the FY2019 administrative budget. She stated that the budget was presented in draft form so that the trustees could review it and allow the Fund staff to address their concerns before it was presented for approval. The trustees had suggestions about how the budget should be prepared, which Comptroller agreed could be implemented.

9. Update on Personnel Matters

a. Executive Director Search

Mary Pat Burns, fiduciary counsel, reported that the engagement letter approved by the Board for the retention of a new Executive Director had been signed by Ms. Regina Tuczak and returned to the Board. Ms. Burns confirmed that the Honorable Toni Preckwinkle, President of the Cook County Board of Commissioners, and the other County commissioners had received written confirmation advising them about the Board's decision. She added that a press release regarding Ms. Tuczak's retention had also been disseminated.

10. Old Business/New Business

There was no old business or new business discussed.

11. 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.

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next Board meeting is scheduled for December 6, 2018, at 9:30 a.m.