

Meeting of the Retirement Plan for CTA Employees Board of Trustees

55 West Monroe Street
Suite 1950
Chicago, IL 60603

Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on August 25, 2014 at One North Franklin Street, ^{27th} Floor. The Chair and the Executive Director were present.

The following Trustees were present:

Joan Coogan, Chair
Javier Perez, Jr.
Carl Haymore as an alternate for Marcellus Barnes
Troy Brown
John Burkard
Joseph J. Burke
Ronald DeNard
Robert Kelly
Paul Sidrys
Ronald Ester

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the ATU-appointed Trustees was Joseph Burns, of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the CTA-appointed Trustees was James Daley, of Jackson Lewis, LLP. Appearing on behalf of the Regional Transit Authority-appointed Trustee was Daniel Salemi of Franczek Radelet, PC.

Also present were Brian Wrubel, Miguel Zarate and Kweku Obed of Marquette Associates, and Larry Langer of Buck Consultants.

On motion by Mr. Burke, seconded by Mr. Sidrys, the Trustees voted to approve the proposed minutes for the regular session of the July 30 Board meeting. On motion by Mr. Burke, seconded by Mr. Sidrys, the Trustees voted to approve the proposed minutes for the executive session of the July 30, 2014 Board meeting.

General Administration Subcommittee Items

On motion by Mr. Burke, seconded by Mr. Ester, the Board voted to approve items 4(a) through 4(i) under the General Administration committee agenda.

Investment Subcommittee Items

Mr. Wrubel introduced the overall financial report, and commented on recent stock market developments. Mr. Obed reviewed the Plan's performance in July, answered Trustee questions, and reported that as of the previous Friday, Plan assets totaled \$1,905,026,114. Mr. Obed reviewed the status of various managers, and answered questions. He reported, as indicated in Marquette's memorandum to the Trustees, that Seizert Capital Partners, one of the Plan's mid-cap managers, is due to be acquired by Northern Lights Midco, which in turn would be merged with Treasury Group, and that the Plan's consent to the assignment has been requested. With respect to Marquette's recommendation that the Plan consent to the assignment, he noted that this change should provide Seizert with additional resources, and indicated that additional review would be conducted by Marquette to monitor any personnel changes. On motion by Mr. Sidrys, seconded by Mr. Burkard, the Trustees voted to approve the recommendation of Marquette to consent to an assignment of the Plan's contract to the new ownership group.

Regarding Marquette's memorandum to the Trustees recommending termination of Torshen, Mr. Zarate explained Marquette's concerns with the levels of assets under management, and its concern for the level of operating expenses paid to Torshen. Mr. O'Connell noted that if the Trustees had questions that related to potential litigation, executive session would be appropriate.

Old Business

With respect to the payroll audit subcommittee, Mr. Kallianis advised that he planned to schedule a meeting of the subcommittee after the anticipated meeting between the parties.

Mr. Langer of Buck Consulting reviewed the results of Buck's assumption study, and a summary of the valuation, along with anticipated 2015 contribution rates.

On motion by Mr. Burke, seconded by Mr. Kelly, the Trustees voted to ask Mr. O'Connell to present them with a By-Law change that would combine the Real Estate and the Investment subcommittees into one five-member committee.

Executive Session

On motion by Mr. Kelly, seconded by Mr. Burke, the Trustees voted unanimously to go to executive session, under the litigation exception to the Open Meetings Act.

Open Session

On motion by Mr. Burkard, seconded by Mr. Ester, the Trustees voted to enter into the Agreed Order on the BGA case discussed in executive session, Mr. Perez dissenting.

On motion by Mr. Burkard, seconded by Mr. DeNard, the Trustees voted to terminate Torshen and seek the return of the Plan's funds, subject to review by Mr. O'Connell to confirm that the action is legally permissible.

On motion by Mr. Kelly, seconded by Mr. Burke, the Board approved adjournment.