

Meeting of the Retirement Plan for CTA Employees Board of Trustees

55 West Monroe Street
Suite 1950
Chicago, IL 60603

Approved Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on April 23, 2015 at One North Franklin Street, 27th floor.

The following Trustees were present:

John Burkard, Chair
Joan Coogan, Vice Chair
Omar Brown
Joseph J. Burke
Carlos Acevedo
Sharon Weiler as an Alternate for Ronald DeNard
David Biggs as an Alternate for Ronald Ester
Kenneth Franklin
Tommy Sams
Paul Sidrys
Valerie Matthews-Wilson

John Kallianis was present as the Executive Director for the Plan. Mike Virgil of BWM&S was present as General Counsel for the Retirement Plan. Appearing on behalf of the ATU Local 308 appointed Trustee was Anita Tanay, of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the ATU Local 241 appointed Trustees was Justin Lannoye of Dowd, Block, Bennett & Cervone. Appearing on behalf of the CTA-appointed Trustees was David Novak, of Jackson Lewis, LLP. Appearing on behalf of the Regional Transit Authority-appointed Trustee was Daniel Salemi of Franczek Radelet, PC.

Also present were Kweku Obed and Miguel Zarate of Marquette Associates.

On a motion by Mr. Burkard, seconded by Ms. Coogan, the Trustees appointed Mr. Franklin as Chair of the General Administration Subcommittee. Mr. Franklin fills the vacancy left by the resignation of Mr. Burkard as Chair of the General Administration Subcommittee.

On motion by Ms. Coogan, seconded by Mr. Acevedo, the Trustees approved the March 26, 2015 Regular Board minutes. Mr. Burke, Ms. Weiler and Mr. Biggs abstained from the vote as they were not present at the March 26, 2015 meeting.

On motion by Mr. Sidrys, seconded by Mr. Acevedo, the Trustees approved the March 26, 2015 Executive Session minutes. Mr. Burke, Ms. Weiler and Mr. Biggs abstained from the vote as they were not present at the March 26, 2015 meeting.

General Administration Subcommittee Items

Mr. Franklin asked that Mr. Burkard present the General Administration items for approval.

Mr. Burkard presented items 5a through 5i on the agenda, including benefit applications and bills and remittances, for approval. On a motion by Mr. Burke, seconded by Mr. Sidrys, the Board approved items 5a through 5i.

Investment Subcommittee Items

Mr. Obed, of Marquette Associates, started by reviewing the flash report for the Retirement Plan for the month of March, 2015. He focused on the Executive Summary and macroeconomic conditions.

Mr. Obed then reviewed a summary of the status of the transition from the previous asset allocation to the recently-adopted asset allocation to give the Trustees an up to date picture of where the Plan was with the transition. Mr. Obed also reminded the Trustees that the new asset allocation included an increase to the Real Estate category.

Mr. Obed then reviewed the recommendation by Marquette that the Board issue a Request for Proposals (RFP) for non-core, open-end real estate managers. On a motion by Mr. Sidrys, seconded by Mr. Burke, the Board approved Marquette's recommendation issue an RFP for core, open-end real estate.

Old Business

Mr. Kallianis explained that there were two vacancies on the Payroll Audit Committee due to the departures of Mr. Kelly and Mr. Haymore. On a motion by Ms. Coogan, seconded by Mr. Acevedo, the Board appointed Mr. Weems and Mr. Acevedo to the Payroll Audit Committee. The four-person Committee will now include Mr. Acevedo, Mr. Brown, Mr. DeNard and Mr. Weems. Mr. Burkard asked Mr. Kallianis to provide information to the newer members of the Committee and to work with them to schedule a meeting with Legacy.

Mr. Burkard asked Mr. Virgil to walk the Board through the proposed amendments to the Bylaws for Board of Trustees. Mr. Virgil described the amendments to the Bylaws that he had circulated to the Board and there was discussion by the Board on several of the proposed amendments. Mr. Burkard indicated that he did not expect the Board to act on the proposed amendments at today's meeting, and that he'd like Trustees to provide comments to Mr. Virgil and Mr. Kallianis within a couple weeks so that the Board would be in a position to act on the proposed amendments to the Bylaws at the May meeting.

Mr. Burkard also explained that he expected the Board to consider amendments to the Code of Conduct after the Board had acted on the amendments to the Bylaws. He requested that Mr. Virgil take up where Mr. O'Connell had left off prior to his departure.

New Business

Mr. Sams expressed concerns about the election of the Chair of the Board and questioned whether the election process complied with the Board's bylaws. Mr. Burkard asked that Mr. Virgil address Mr. Sams' concerns.

Mr. Virgil explained that the position of Chair was vacant due to the departure of Javier Perez, and that under the Bylaws the Chair is to be elected. Under the Bylaws, the positions of the Chair and the Vice Chair rotate between the labor-appointed Trustees and the management-appointed Trustee, and that therefore, any labor-appointed Trustee could be elected to the position of Chair. Mr. Burkard is a Labor Representative and was elected pursuant to the Bylaws.

Mr. Franklin then asked Mr. Virgil to clarify whether the block-voting process had been voided by Public Act 95-0708. Mr. Virgil confirmed that the block-voting process had been eliminated by the legislation and replaced with one-person, one-vote.

At Mr. Burkard's request, Mr. Kallianis summarized where the Board was in the search firm selection process. There was some discussion on the issue and then Mr. Franklin made a motion to move to Executive Session to discuss personnel matters. The Board unanimously approved the motion to go into Executive Session to discuss personnel matters.

Upon returning from Executive Session, Mr. Brown made a motion to adjourn the meeting that was seconded by Mr. Sidrys. The motion to adjourn was approved.