

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 May 28, 2015 at One North Franklin Street, 27th floor.

The following Trustees were present:

John Burkard, Chair
Joan Coogan, Vice Chair
Erin Kleist-Gaynor as an Alternate for Omar Brown
Carlos Acevedo
Joseph J. Burke
Tom McKone as an Alternate for Ronald DeNard
Lisa Walik as an Alternate for Ronald Ester
Kenneth Franklin
Valerie Matthews-Wilson
Tommy Sams, Jr.
Paul Sidrys

The Executive Director was present. 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 Joseph Burns, 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 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 Kweku Obed and Olu Rosanwo of Marquette Associates and Tim Bowen of Mesirow Insurance Services.

On motion by Mr. Franklin, seconded by Mr. Burke, the Trustees deferred consideration of the April, 2015 minutes.

General Administration Committee Items

Mr. Franklin presented the General Administration items 4a through 4i. for approval, including benefit applications and bills and remittances, for approval. On a motion by Mr. Acevedo, seconded by Ms. Coogan, the Board approved items 4a through 4i.

Investment Committee Items

Mr. Obed, of Marquette Associates, started by reviewing the flash report for the Retirement Plan for the month of April, 2015. He focused on the Executive Summary and macroeconomic conditions along with comments on managers' performance.

Mr. Obed then reminded the Trustees about the transition from the previous asset allocation to the newly-adopted asset allocation. He indicated that some of the new managers had not been brought on as soon as anticipated due to potential contractual issues. He further indicated that Marquette may recommend a Plan B if there was a failure to reach agreement with the Plan.

Mr. Obed then discussed the 4th Quarter report for the Retirement Plan and asked Mr. Rosanwo from Marquette to elaborate on the real estate portfolio, as the previous summary did not include performance of the alternative managers, including real estate.

Mr. Rosanwo spoke to the Board about the open-end and closed-end funds and reminded them that there was an RFP out for the Plan for open-end real estate.

Mr. Sidrys asked Mr. Obed for an update on the cash position and Mr. Obed indicated that the Plan was over allocated to cash, given the time it was taking for managers to come on board.

Old Business

Mr. Acevedo provided an update on the Payroll Audit Committee meeting that was held at Legacy on May 27th. He indicated that it was helpful for attendees to be brought up to speed on the issues related to the payroll audit. He further indicated that he would like to have another meeting of the committee.

Mr. Burkard asked Mr. Virgil to provide an update on the amendments to the bylaws. Mr. Virgil indicated that he had received comments from counsels to Trustees. After some discussion, Mr. Franklin suggested that this item be considered at the General Administration Committee meeting. Mr. Kallianis clarified that the proposed changes would be presented to the Committee and then the full Board would have to adopt the bylaws.

New Business

Mr. Bowen from Mesirow Insurance Services then walked the Board through the Fiduciary Liability Renewal Proposal. He indicated that the terms proposed by Ullico were the same as the previous policy, including the right to choose counsel, and with no changes to the exclusions. He also indicated that it would not be possible to obtain multi-year quotes due to the status of many public plans in Illinois. The policy premium for the \$10M policy would increase from \$72,701 to \$73,146. On a motion by Mr. Burke, seconded by Mr. Acevedo, the Board approved the one-year renewal of the policy with Ullico.

Mr. Kallianis reported that he would be bringing the 401a/457 item to the General Administration Committee for discussion prior to bringing it back to the full Board for consideration.

Mr. Kallianis then indicated that staff would be putting together a tracking and reminder system for Trustees so that they could keep track of their progress towards their educational hours required by statute.

Mr. Sams read a statement into the record. The statement he read dealt with the elections of Officers to the Board and various issues that he was concerned about with regard to the administration of the Plan.

Mr. Sidrys made a motion to adjourn the meeting that was seconded by Mr. Burke. The motion to adjourn was approved.