

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

The following Trustees were present:

Chris Kasmer as an alternate for John Burkard
Joan Coogan, Acting Chair
Carlos Acevedo
Tom McKone as an alternate for Omar Brown
Joseph J. Burke
Ronald DeNard
Ronald Ester
Kenneth Franklin
Valerie Matthews-Wilson
Tommy Sams, Jr.
Paul Sidrys

Executive Director, John Kallianis, 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 Joe 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 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. Miguel Zarate and Brian Wrubel of Marquette Associates as well as Miriam Martinez and George Holding of the City of Chicago's Treasurer's Office.

On motion by Mr. Burke, seconded by Mr. DeNard, the Trustees approved the minutes from the following meetings – April 23, 2015 Regular and Executive Sessions, May 13, 2015 Special Joint RP/RHCT Meeting and Joint Executive Session and the June 25, 2015 Regular meeting.

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 Mr. Kasmer, the Board approved items 4a through 4i.

On a motion by Mr. Kasmer, seconded by Mr. Burke the Board approved Item 4j, attendance by Ms. Coogan at an NCPERS conference in California on Pubic Retirement Plans.

Investment Committee Items

Mr. Obed, of Marquette Associates, started by reviewing status of the transition from the old asset allocation to the new asset allocation, which was adopted by the Board in October, 2014. He indicated that the recently selected managers were now all moving closer to being funded, after discussions with Plan Staff, Fund Counsel, and the managers.

Mr. Obed then reviewed the flash report for the Retirement Plan for the month of June, 2015. He reported that the market value of the fund from the previous day's close was \$1,825,627,271.07. He focused on the Executive Summary and macroeconomic conditions along with comments on managers' performance.

Mr. Obed then presented the Marquette memorandum regarding the recommendation to terminate Invesco in the Large Cap Domestic Equity space and move the proceeds to the S&P 500 Index Fund at Northern Trust. He indicated that this was consistent with the Marquette recommendation to move towards passive management for Large Cap Domestic Equity. On motion by Mr. Sidrys, seconded by Mr. Burke, the Board approved the termination of Invesco and the movement of the proceeds to the S&P 500 Index Fund at Northern Trust.

Finally, Mr. Obed summarized the status of the Core Real Estate RFP. He reported that the Plan had received 22 responses to the RFP and that he would be working with the Executive Director to schedule Investment Committee meetings to review the responses and interview prospective managers with the expectation that a selection would be made at the August Board meeting.

Old Business

Mr. Franklin reported that the GA Committee had met to discuss Mr. Kallianis' recommendation to begin a 457 Deferred Compensation Program for the staff at the Plan Office, to be administered by ICMARC (International City Managers Association Retirement Corp.). The GA Committee was recommending approval of the 457 Plan, which would be provided at no cost to the Retirement Plan. On a motion by Mr. Franklin, seconded by Mr. Ester, the Board approved the offering of a 457 Deferred Compensation Plan through ICMARC.

Items 6b and 6c regarding the Educational Conference Reimbursement Policy and the Amendments to the Bylaws were deferred.

Mr. Acevedo reported that he and Mr. DeNard had conversations regarding some of the items in the Payroll Audit and that that he thought the parties were close to agreement on a lot of the items. He asked that Mr. Kallianis request information related to the payroll audit from the CTA so that it could push along to the next meeting. Mr. Kallianis indicated that he would work with Legacy to request the information from the CTA.

New Business

Ms. Coogan asked the representatives from the City Treasurer's Office to come up to speak to the Board about the information sharing resolution that the Treasurer would like the Board to consider. After some discussion, on a motion by Mr. Franklin, seconded by Mr. Sams, the Board referred the issue to the GA Committee for discussion.

Executive Session

Mr. Virgil reported that there was a personnel matter for discussion at Executive Session. On a motion by Mr. Franklin, seconded by Mr. Burke, the Board unanimously approved entering into Executive Session to discuss a personnel matter.

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