

**Meeting of the Retirement Plan for CTA Employees
Board of Trustees**

55 West Monroe Street
Suite 1950
Chicago, IL 60603

December 17, 2015

Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on December 17, 2015 at One North Franklin Street, 27th floor.

The following Trustees were present:

John Burkard, Chair
Joan Coogan, Vice-Chair
Carlos Acevedo
David Biggs
Ronald Ester
Kenneth Franklin
Valerie Matthews-Wilson
Tommy Sams, Jr.
Paul Sidrys
Tom McKone (joined the meeting in progress)

Finance Officer, Elsa Trejo, was present, in place of the Executive Director. 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, Bloch, Bennett, Cervone, Auerbach & Yokich. Appearing on behalf of the CTA-appointed Trustees was James P. 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 Miguel Zarate of Marquette Associates and Thomas J. Paravola of BWM&S.

Mr. Virgil announced his retirement effective December 31, 2015, and introduced Tom Paravola as his replacement for the Retirement Plan. Mr. Paravola then talked a little bit about his work history.

Mr. Burkard then thanked Mr. Virgil for his years of service to the Retirement Plan and wished him a long, happy and healthy retirement.

On motion by Ms. Coogan, seconded by Mr. Acevedo, the Board approved the minutes for the November 19, 2015 Regular meeting as amended.

General Administration Committee Items

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

On a motion by Mr. Franklin, seconded by Ms. Coogan, the Board approved item 4j, regarding Trustees attendance at the IFEBP Trustees and Administrators Institute Conference in February, 2016.

Investment Committee Items

Mr. Obed, of Marquette Associates, reported that the market value of the fund from the previous day's close was \$1,742,669,133.45. He provided information on the market environment report for the Retirement Plan for the month of November, 2015. Mr. Obed then reviewed the flash report for the Retirement Plan for the month of November 2015.

Mr. Obed reminded the Board about the outstanding RFP for the emerging market small-cap search. Mr. Obed indicated that Marquette is currently further reviewing six firms out of fourteen firms that responded to the RFP search.

Mr. Obed indicated that Marquette held education sessions with the Trustees on Mezzanine, Bank Loans and Infrastructure. On a motion by Mr. Sidrys, seconded by Mr. Franklin, the Board approved issuance of RFPs for Mezzanine, Bank Loans and Infrastructure.

Mr. Obed then informed the Trustees that one of the Plan's private equity managers was looking for a capital infusion in one of their portfolio companies. He added that the cash infusion is for the purpose of keeping the company going and also to renegotiate better terms with the bank.

Mr. Obed briefly commented on the change of fee structure of Franklin Templeton. He mentioned that they are looking to lower the overall fee structure and slightly offset that with an increase in the administrative fee.

Old Business

Mr. McKone passed out a report from the Payroll Review Committee. Mr. McKone reported that CTA provided all the items requested to Legacy for their additional analysis.

Mr. Acevedo indicated that as part of Legacy's findings, the Plan should return \$31,070.24 to Local Union 241 and \$16,309.63 to Local Union 308. No vote was taken on this item but it was agreed that the Trustees would receive detailed information for approval at the January board meeting.

Mr. Virgil added that the Plan's policy is that if contributions are made by mistake, there can be a refund. Mr. Virgil suggested that the best approach would be to credit back to the Local Unions. Local Unions then should make the refunds to the individuals.

New Business

Mr. Virgil reported that the Plan's current tax determination letter will expire January 31, 2016; He mentioned that a determination letter is a "blessing" from the Internal Revenue Service (IRS) that they have reviewed your plan and that the Plan, as written, that it complies with the Internal Revenue Code. He added that the IRS, after 2017, is not going to issue determination letters except when a Plan is first installed or when it terminates. Mr. Virgil believes that it is in the best interest of the Plan to get a new determination letter and that a restatement be done which only incorporates prior, already-approved amendments and whatever changes are necessary to comply with the IRS. Mr. Virgil suggested a meeting in January with all parties involved to finalize a Plan document that will be included in the application for a new tax determination letter.

Ms. Tanay reported that the new collective bargaining agreement between CTA and ATU is going to have an impact on employees' eligibility for retiree healthcare, and because of that impact, it was previously agreed that the employees would receive 90 days' notice prior to the execution of the new contract so that the employees could make some significant decisions about their retirement. Ms. Tanay expects that the notice would be presented to the Board for approval at the January board meeting.

On a motion by Mr. Sidrys, seconded by Mr. Acevedo, the Board voted to adjourn the meeting.