

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

55 West Monroe Street
Suite 1950
Chicago, IL 60603

December 22, 2016

Approved Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on December 22, 2016 at One North Franklin Street, 27th floor.

The following Trustees were present:

John Burkard (Chair)
Joan Coogan (Vice Chair)
Carlos Acevedo (*joined meeting in progress*)
Joseph J. Burke
Ronald Ester
Jeremy Fine
Kenneth Franklin (*joined meeting in progress*)
Valerie Matthews-Wilson (*joined meeting in progress*)
Tom McKone
Aundra Thompson as an alternate for Tommy Sams, Jr. (*joined meeting in progress*)
Paul Sidrys

John Kallianis was present as the Executive Director. Richard Burke and Rachel Yarch of BWM&S were 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, Bloch, Bennett, Cervone, Auerbach & Yokich. Appearing on behalf of the CTA-appointed Trustees James Daley, 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 motion by Mr. Acevedo, seconded by Mr. Burke, the minutes of the November 22, 2016 meeting were approved.

General Administration Committee Items

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

There was no business to consider under Item 4j.

Investment Committee Items

Mr. Obed of Marquette Associates reported the market value of the Fund from the previous day's close was \$1,728,251,194.42. Mr. Obed further reported that approximately 20% of our portfolio is in asset classes such as Real Estate and Private Equity that have a lag in reporting, but that the Plan had a year to date return of approximately 6.5% with those asset classes.

Mr. Obed reminded the Board that Plan assets would continue to be invested in stable value into 2017 and explained that it would be a drag on Plan performance until we were out of the asset class. Mr. Obed also confirmed that the Plan would issue an RFP for Private Equity in early 2017. He also reported that the income component of Real Estate was strong this year.

Mr. Kallianis then reviewed for the Board his recommendation related to the FCS request to assign their contract to STP. He explained that the securities pricing and general ledger functions performed by FCS were done by Northern Trust and in-house staff, respectively. He further explained that his recommendation was to confirm that the Plan was not consenting to the assignment. *(At this point, Aundra Thompson, Valerie Matthews-Wilson, Carlos Acevedo and Ken Franklin joined the meeting.)* On a motion by Mr. McKone, seconded by Mr. Sidrys, the Board approved the recommendation not assign the contract, effective immediately.

Old Business

Mr. Kallianis reported that the tentative date of the next Payroll Review Committee would be January 23, 2017. He also reported that Legacy was continuing to make progress on the review of settlement agreements. Mr. Acevedo reported that he and Brad Jansen from the CTA were working on scheduling a training session on the part-time union officer forms.

New Business

Mr. Kallianis presented the proposed budget for the Retirement Plan for 2017. He reviewed the categories in which the Plan shared expenses with the Retiree Health Care Trust and also some of the larger line items, including investment manager fees and legal expenses for litigation. The Trustees asked Mr. Kallianis questions about staffing, investment related transaction expenses, and custodial fees. After some additional discussion, on a motion by Ms. Coogan, seconded by Mr. Burke, the Board approved the proposed budget for 2017.

On a motion by Ms. Coogan, seconded by Mr. McKone, the Board unanimously went into Executive Session to discuss litigation and the retention of legal counsel for the Plan.

Upon returning from Executive Session, on a motion by Mr. Burke, seconded by Ms. Coogan, the Board adjourned their meeting.