

Meeting of the Retirement Plan for CTA Employees Board of Trustees

200 West Adams Street
17th Floor
Chicago, IL

Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on August 17, 2017 at 200 West Adams Street, 17th Floor commencing at 9:41 a.m.

A roll call was taken indicating that the following Trustees were present:

Thomas McKone, Chairman
Michael Bowen for Jeremy Fine
John Burkard
Joseph Burke
Woodrow Eiland
Kenneth Franklin
Marquel Williams for Keith Hill
Erin Kleist-Gaynor for Ron Ester
Paul Sidrys
Sherri Thornton-Pierce (via telephone)

John Kallianis was present as the Executor Director. Richard W. Burke and Rachel Yarch of Burke, Warren, MacKay & Serritella, P.C. were present as General Counsel for Retirement Plan. Appearing on behalf of ATU Local 308 appointed Trustees was Anita Tanay of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the CTA Appointed Trustees was David M. Novak of Jackson Lewis LLP. Appearing on behalf of the RTA appointed Trustee was Daniel R. Salemi of Franczek Radelet, P.C. Appearing on behalf of the ATU Local 241 appointed Trustees was Justin J. Lannoye of Dowd, Bloch, Bennett & Cervone. Also present were Kweku Obed and Jesus Jimenez of Marquette Associates.

In response to a question from Chairman McKone, Mr. Kallianis stated that there was a quorum in the room.

In response to an inquiry from the Chairman, Mr. Joseph Burke made a motion to approve the minutes of the May 25, 2017 regular session meeting. Paul Sidrys seconded the motion and the minutes of the May 25, 2017 regular session meeting were approved.

The Chairman then called for consideration the minutes of the July 27, 2017 regular session meeting. Mr. Sidrys moved to approve which motion was seconded by Mr. Joseph Burke.

The minutes were then approved with the abstention of Mr. Ester, Mr. Fine, and Mr. Eiland. The minutes of the July 27, 2017 executive session on July 27, 2017 were called for consideration. On motion by Joseph Burke and seconded by Paul Sidrys, the minutes of the executive session of the July 27, 2017 meeting were approved. From that vote, Mr. Ester and Mr. Fine abstained.

General Administration Items

Mr. Franklin moved for the approval of administration items 3(a) through 3(i) on the agenda. Mr. Joseph Burke seconded the motion and the motion was approved unanimously.

Investment Subcommittee Items

Mr. Obed gave the report from Marquette. He stated that the value of the portfolio at the end of trading on August 16, 2017 was \$1,796,187,274.79. He then gave an overview of the market performance during the past month. He stated that fiscal year to date, the performance of the fund is 8.1% contrasted with the target rate of 8.25%, but he pointed out that there has not yet been a return reported in regard to various of the alternative investments which report on a lagged basis.

Mr. McKone inquired as to the status of the RFP for the MWDBE emerging markets manager. Mr. Obed replied that on September 6, 2017 there would be a subcommittee discussion at which time ARGA, FIS, and One Stone will be presenting and a decision will be made following those presentations. In response to a further question from Chairman McKone in regard to the index search selection and a deadline for RFP submissions being Monday August 21, 2017, the Chairman stated that following the submissions the Committee would look to put the information together and during the September 6, 2017 meeting have a discussion with the subcommittee. The goal would be to make a recommendation at that subcommittee meeting for the hiring of an MWDBE index manager.

Old Business

Mr. Kallianis then gave a report on the agreed upon part time union officer payroll form. Mr. Kallianis stated that the suggestions made by Joseph Burns were under consideration by the Authority and that there would be a report forthcoming. The Chairman then inquired as to the status of the interest on unpaid contributions to the Retirement Plan as a matter for consideration in regard to the collections policy. That will be discussed at a to be arranged committee meeting. Chairman McKone stated that a draft forthcoming from the General Counsel's office in regard to the subject matter would be distributed prior to the meeting. It would be part of the draft of a collections policy.

Mr. Kallianis reported that in regard to Legacy data requests for the 2011-2016 payroll audit. There are ongoing discussions between Legacy and the CTA; Legacy and 241; Legacy and Mr. Kallianis' office; and Legacy and 308. In response to a question from Chairman McKone, Mr. Kallianis stated that he anticipated having these reports submitted to the Committee by its next Board meeting.

New Business

Mr. Kallianis reported that there was a need for an executive session on the Williams' case. Whereupon Mr. Franklin moved to adjourn to executive session which was seconded by Mr. Sidrys. Whereupon at 10:05 a.m. the room was vacated and then at 10:39 the regular session resumed.

At the conclusion of Executive Session, the meeting resumed at 10:38 a.m. A Report was made. Chairman McKone stated that during the executive session there was discussion of three matters in litigation, namely, the Hampton case, the Merkel case and the Williams' case. He further stated that the certain items raised in the Williams case will be set for discussion at the September meeting in order that the Trustees be given time to respond.

Mr. Burke stated that there was also a discussion of the recommendation to deny the request of the four defendant trustees to be indemnified in the Merkel case.

There being no further business to come before the meeting, on a motion by Mr. Sidrys, seconded by Mr. Burkard, the meeting was adjourned at 10:39 a.m.