

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

200 West Adams Street  
17<sup>th</sup> Floor  
Chicago, IL

## **Meeting Minutes**

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on January 25, 2018 at 200 West Adams Street, 17th Floor commencing at 9:43 a.m. and continuing through 10:40 a.m.

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

Thomas McKone, Chairman  
Christopher Kasmer (appearing for John Burkard)  
Jeremy Fine  
Ron Ester  
Toi Bowers  
Joseph Burke  
Woodrow Eiland  
Kenneth Franklin  
Keith Hill  
Paul Sidrys  
Sherri Thornton-Pierce

John Kallianis was present as the Executor Director. Richard W. Burke Sr. of Burke, Warren, MacKay & Serritella, P.C. was present as General Counsel for Retirement Plan. In addition Justin J. Lannoye of Dowd, Bloch, Bennett, Cervone, Auerbach and Yokich appeared on behalf of the ATU Union Trustees. 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. Anita Tanay appeared on behalf of the ATU Local 308 appointed Trustee. Also present were Miguel Zarate of Marquette Associates and Tim Bowen of Alliant Insurance Services.

The Meeting was called to order by Chairman McKone at 9:43 a.m. The Chairman called for consideration the minutes of prior meetings. Mr. Kasmer made a motion to approve the minutes of the meeting of December 21, 2017 which motion was seconded by Mr. Hill. The minutes were approved with the abstention of Mr. Ester, as well as Mr. Fine. Mr. Kallianis stated that the minutes of the September 2017 meeting still awaited approval. Those minutes have been the subject of discussion between counsel and Mr. Kallianis stated that the matter would be on the February agenda for consideration

## **General Administration Items**

Mr. McKone then called for consideration of the General Administration issues which was Item 4 on the agenda. Mr. Franklin made a motion to approve the items listed as Items 4A through 4I on the agenda. The motion was seconded by Mr. Kasmer and it passed on the call for the vote. Agenda item 4J which is the statement for legal services provided by the Kopecky Schumacher firm was then considered. Mr. Kasmer made a motion to approve which was seconded by Mr. Burke. On a roll call vote the motion passed.

## **Investment Subcommittee Items**

Mr. Zarate of Marquette & Associates gave a report. He then stated that as of the close of business on January 24, 2018 the market value of the investment portfolio was \$1,906,867,572.87. The cash position was fairly unchanged. It has grown from \$43,000,000 at the end of December to \$48,500,000 currently.

## **Old Business**

Mr. Kallianis stated that there would be a General Administrative Committee meeting in February which would consider the question of interest on unpaid contributions to the Plan. In regard to the status of the Legacy data request for the period 2011 to 2016 payroll data, Mr. Kallianis stated that the parties who had been contacted are in the process of responding to the inquiry.

## **New Business**

Mr. Kallianis asked for a presentation from Mr. Bowen of Alliant Insurance Services in regard to cyber breach insurance. Mr. Bowen stated that the insurance which he was about to recommend, as opposed to fiduciary coverage for liability, is basically a mechanism if there is a breach of the data to fund any expenses as a result of said breach. He stated that three different insurance companies had made presentations namely Ullico, Chubb and Beazley. He recommended that both the Health Care Trust and the Retirement Plan buy a single policy. Mr. Burke moved to adopt the proposal from Beazley for 12 month coverage. The premium for which will be split with the Health Care Trust. Mr. Kasmer seconded the motion which was adopted. Mr. McKone stated that the cyber security audit would be on the agenda for February.

In regard to the sexual harassment policy, Mr. Richard Burke stated that Rachel Yarch had been working with counsel for the Health Care Trust in regard to a proposed policy which would be considered by the General Administration Committee during the month of February. The recommendation would also be in regard to the educational aspect of the sexual harassment policy.

Mr. Burke reported on the case against the CTA in regard to prescription rebates which is proceeding to trial in August. The second case which was filed by the Kopecky firm against the former CTA Trustees is before the same judge. The defendants made a motion to dismiss. The Judge has yet to rule on the motion.

In the Hampton case, which is before the Illinois Appellate Court, the parties are following a briefing schedule which will conclude in early summer. Whereupon the parties will wait for a call from the Court on an oral argument or the court will issue an Opinion.

In the Williams case, the Retirement Plan is going to file its answer to the Second Amended Complaint as is the Health Care Trust. The matter will then be set for a status report by the Judge.

There being no further business, the regular meeting adjourned at 10:40 a.m. on the Motion of Mr. Kasmer which was seconded by Mr. Hill.