

**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 Chicago Transit Authority Employees was held on November 20, 2018 at 200 West Adams Street, 17th Floor commencing at 9:39 a.m. and adjourning at 10:35 a.m. and then recommenced at 11:21 a.m. and adjourned at 11:23 a.m.

Mr. Tom McKone called the meeting to order at 9:39 a.m.

At the direction of Mr. McKone, the Chairman, a roll call was taken indicating that the following Trustees were present:

Mr. David Biggs (appearing for Mr. Ron Ester)
Mr. Mike Bowen (appearing for Sherri Thornton-Pierce)
Ms. Toi Bowers (Tanno Muhammad appeared later for Ms. Bowers)
Mr. John Burkard
Mr. Joseph Burke
Mr. Woodrow Eiland
Mr. Kenneth Franklin
Ms. Erin Kleist-Gaynor (appearing for Mr. Jeremy Fine)
Mr. Keith Hill
Mr. Tom McKone
Mr. Paul Sidrys

Mr. Kallianis reported that a quorum was present.

John Kallianis was present as the Executive Director. Richard W. Burke of Burke, Warren, MacKay & Serritella, P.C. appeared as General Counsel. Appearing on behalf of the Local 241 Trustee was Justin J. Lannoye of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich. Appearing on behalf of the CTA Trustees was James P. Daley and David M. Novak of Jackson Lewis PC. Appearing on behalf of the Local ATU 308 was Anita Tanay, Esq. Appearing on behalf of the RTA Trustees was Daniel R. Salemi of Morgan, Lewis & Bockius, LLP.

Also present were Mr. Jesus Jimenez and Mr. Kweku Obed of Marquette Associates and Mr. James L. Kopecky of Kopecky Schumacher Rosenburg, P.C.

Investment Subcommittee

The Chairman then called for the Investment Subcommittee Report which was given by Mr. Obed. He stated that as of the close of business on November 19, 2018 the market value of the Retirement Plan assets was \$1,763,972,587.74. Mr. Obed recommended that \$25,000,000 be allocated for investment in Aberdeen's Fund VIII. Aberdeen Fund VIII is to focus on lower to middle market buyout opportunities. The Aberdeen fee proposal is 45 basis points which is a 40% discount from the stated fee. Aberdeen is a fund of funds. To raise the funds for the investment there would be a review of the present portfolio. The portfolio would then be realigned to include Aberdeen Fund VIII. If the commitment is made the funds would be called over a period of time, quite likely three to four years. Mr. Franklin made a motion to concur with Marquette's recommendation. His motion was seconded by Mr. Burke. The motion passed. Mr. Obed said that after the end of the first quarter of the coming year there would be a review of asset allocation

Old Business

Mr. Kallianis said that for the period 2011 to 2017 of the payroll audit, significant progress has been made. The Unions and the CTA provided a great amount of data which Legacy is to begin to audit. Mr. Kallianis stated that he anticipated having a contract in place by the end of the year in regard to the cybersecurity.

Mr. Richard Burke then directed the Trustees' attention to the Litigation Report which was in the packet of information distributed to the Trustees and asked that there be a discussion of litigation matters in Executive Session.

Consideration of Minutes from prior Meetings

The Trustees turned their attention to the minutes of the October 25th meeting. Mr. Franklin moved to approve the minutes as presented with the correction made in regard to Ms. Tanay's position. The motion was seconded and approved with Mr. McKone, Mr. Biggs and Ms. Kleist-Gaynor abstaining.

General Administration

Mr. Franklin moved to approve Item 6.a. through 6.i. in the packet information. There was not a second to Mr. Franklin's motions. Mr. McKone offered an amendment to Mr. Franklin's motion. The amendment would be to exclude from a vote the bill for legal services from the Kopecky firm in regard to prescription drug rebate case in the sum of \$22,843.98. Mr. McKone's amendment was seconded by Mr. Bowen. Mr. Burke seconded the motion which was the initial motion made by Mr. Franklin. Mr. McKone's motion was also seconded by Mr. Hill. The amendment was approved unanimously. Mr. Burkard made a motion to approve the Kopecky bill, which was seconded by Mr. Franklin. A roll call was taken. There were six yeses and five abstentions. The motion passed.

There was a motion made by Mr. Franklin at 10:35 a.m. to go into Executive Session for the purpose of discussing litigation. The motion was seconded by Mr. Hill. The motion passed.

The meeting resumed at 11:21 a.m. In response to a question from the Chairman, Mr. Richard Burke stated that in the Executive Session there was a discussion of the Hampton case and a report given by Mr. Kopecky in regard to the prescription drug litigation. Mr. Franklin made a motion to concur with the recommendation of Mr. Kopecky to appeal the decision in the prescription drug litigation, and it was seconded by Mr. Hill. A roll call was then taken. The motion was approved with six yeses and five abstentions.

Mr. Burkard moved to adjourn, which was seconded by Mr. Hill. The motion was approved and the meeting adjourned at 11:23 a.m.