

**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 December 20, 2018 at 200 West Adams Street, 17th Floor commencing at 9:53 a.m. and adjourning at 11:14 a.m. and then reconvening at 11:25 a.m. and adjourning at 11:27 a.m.

Mr. Tom McKone called the meeting to order at 9:53 a.m.

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

Ms. Toi Bowers
Mr. John Burkard
Mr. Joseph Burke
Mr. Woodrow Eiland
Mr. Ronald Ester
Mr. Jeremy Fine
Mr. Andrew Fuller (appearing for Ms. April Morgan)
Mr. Keith Hill
Ms. Pennie McCoach (appearing for Mr. Mr. Kenneth Franklin)
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 Ronald M. Willis of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich. Appearing on behalf of the CTA Trustees was James P. Daley of Jackson Lewis PC. Appearing on behalf of the Local ATU 308 was Anita Tanay, Esq. Appearing on behalf of the RTA Trustee was Daniel R. Salemi of Morgan, Lewis & Bockius, LLP.

Also present were Mr. Jesus Jimenez and Mr. Kweku Obed of Marquette Associates.

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 December 19, 2018 the market value of the

Retirement Plan assets was \$1,715,508,522.29. Mr. Obed then gave an extensive review of current market conditions and of the portfolio.

At this point in time, April Morgan joined the meeting and Andrew Fuller withdrew from the meeting.

Old Business

Mr. Kallianis reported in regard to the 2011-2017 payroll audit, that the auditors had gone to the offices of Local 308 on December 10, 2018 and started the fieldwork. He stated that the biggest component of the Local 241 and Local 308 piece of the audit is the part-time union officer review which is going to take some time to complete. The auditors will be reporting back to Mr. Kallianis' office in January as to the date they are going to be able to get to Local 241 for the audit.

Legacy will make a report at the January board meeting.

Mr. Richard Burke then directed the Trustees' attention to the Litigation Report which was in the packet of information distributed to the Trustees in regard to the Williams' case, the Hampton case and the work by Mr. Kopecky in the prescription rebate litigation.

New Business

Mr. Kallianis distributed the proposed budget for 2019, as well as, the 2018 actual expenditures and the budget for that period of time. The 2018 budget was through the month of November. Further discussion of the budget was postponed for Executive Session.

At this point in time, Mr. Tiant Gatewood joined the meeting in lieu of Mr. Eiland who stepped out of the meeting.

Mr. Kallianis stated that in the packet of information distributed to the Trustees was a proposal from the Buck organization to do an experience study for the Plan. The Plan is required to do the study every five years. The last time the Plan did a study was in 2014. In 2014, the services were performed by Buck at a cost of \$29,000. The proposal for services now from Buck is \$35,000. Mr. Kallianis stated that actuarial standards of practice require a 5 year long term review of the assumptions. The assumptions would be used for the January 1, 2019 valuation that would affect the Plan and the participant contributions for the year beginning January 1, 2020. A motion was made by Mr. Burke to approve the Buck proposal with the amendment that as part of the proposal, Buck is to look at meeting the objectives and mandates of the legislation. Mr. Burkard seconded the motion whereby it was approved.

Consideration of Minutes from prior Meetings

The Trustees turned their attention to the minutes of the November 20, 2018 meeting. Mr. McKone moved to approve the minutes as presented with the correction made in regard to Aberdeen being a fund of funds not a fund to fund. The motion was seconded by Mr. Hill. The motion passed with 6 yeas and 5 abstentions.

General Administration

Mr. Burkard gave the report of the General Administration Subcommittee. Mr. McKone then made a motion to approve the applications of remittances including Item 6.a. through 6.i. on the agenda. Mr. Hill seconded the motion. The motion passed.

Item 6j, is the payment of the legal fees of the Kopecky firm for work on the prescription rebate litigation, Mr. Burkard moved to approve the invoice, which was seconded by Ms. McCoach. On the vote there were 6 yeas and 5 abstentions and the motion carried.

Item 6k of the agenda related to the attendance of Mr. Kallianis at the IFEBF Advance Trustees and Administrators Institute meeting of February 17-20, 2019. The motion was made by Mr. Eiland and seconded by Ms. McCoach. The motion passed.

There was a motion made by Mr. Woodrow Eiland to go into Executive Session for the purpose of discussing personnel issues. The motion was seconded by Ms. Bowers. The motion passed at 11:14 a.m.

A motion to terminate Executive Session was made by Mr. Burkard and Mr. Hill.

The regular session resumed at 11:25 a.m. Mr. McKone stated that Item 4c of the agenda, which is the update on the 2018 budget year to date and the proposed 2019 budget will be deferred to the January board meeting and that there will be a General Administration meeting scheduled prior to the January board meeting.

Mr. McKone moved to adjourn the meeting, which was seconded by Mr. Burkard. The motion was approved and the meeting adjourned at 11:27 a.m.