

Meeting of the Retirement Plan for CTA Employees Board of Trustees

200 West Adams Street
17th Floor
Chicago, IL

Regular Session Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees was held on June 27, 2019 at 200 West Adams Street, 17th Floor commencing at 11:00 a.m., adjourning at 11:39 a.m.

Mr. Keith Hill, the Chairman, called the meeting to order at 11:00 a.m.

At the direction of Mr. Hill, a roll call was taken and established that the following Trustees were present:

Mr. Keith Hill, the Chairman
Mr. Tom McKone, the Vice Chairman
Ms. Toi Bowers
Mr. John Burkard
Mr. Joseph Burke
Mr. Woodrow Eiland
Mr. Ronald Ester
Mr. Michael Bowen (appearing on behalf of Mr. Jeremy Fine)
Mr. Kenneth Franklin
Ms. April Morgan
Mr. Paul Sidrys

John V. Kallianis was present as the Executive Director. Richard Burke of Burke, Warren, MacKay & Serritella, P.C. appeared as General Counsel. Appearing on behalf of the ATU 241 Trustees was Justin Lannoye of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich. Appearing on behalf of the RTA Trustee was Daniel R. Salemi of Morgan, Lewis & Bockius, LLP. Appearing on behalf of ATU 308 Trustee was Anita Tanay. Appearing on behalf of the CTA Trustees was James P. Daley of Jackson Lewis PC. Also present was Kweku Obed of Marquette Associates.

Mr. Keith Hill reported that a quorum was present.

Consideration of Minutes from prior Meetings

Mr. McKone moved to approve the minutes of the May 23, 2019 Board of Trustees meeting. The motion was seconded by Mr. Burkard and was unanimously approved.

On motion made by Mr. McKone and seconded by Mr. Franklin, the minutes of the executive session of May 23, 2019 were unanimously approved.

Investment Subcommittee

Mr. Obed gave the Investment Committee Report. Mr. Obed stated that the market value of the investments for the Retirement Plan, as of June 26, 2019, was \$1,793,566,305.34.

Old Business

Mr. Hill then called for an update in regard to Item 4 the Payroll Audit. Mr. Kallianis responded that on June 20, 2019 Legacy had completed the recording of the timesheets for Local 241. It had previously recorded the Local 308 timesheets and within the next two to three weeks it is going to be entering all of the contributions for the same timeframe, namely a 6.5 year time period. Legacy will then be reaching out to the CTA in August for the daily timesheets for each of the Locals.

Mr. Hill asked for an update on the selection of the Investment Consultant in the RFP process. Mr. Kallianis stated that Illinois law requires that the Plan publicly bid out its investment consulting contract every five years. The current contract is ending June 30, 2019. In response to the RFP, the Retirement Plan received 6 responses and the Healthcare Trust received 5 responses. Marquette and NEPC were interviewed at a joint meeting with the Healthcare Trust Investment Committee on June 17, 2019. The Investment Committee concluded that it would recommend retaining Marquette for the Plan for a five year period, beginning July 1, 2019. Mr. Sidrys made a motion to retain Marquette as the Investment Consultant for the five year period, which motion was seconded by Mr. Burkhard and passed unanimously.

Mr. Hill then inquired as to an update on the RFP for actuarial services. Mr. Kallianis stated that the RFP will be issued on July 8, 2019 and posted on the website on July 8, 2019 with responses due on August 8, 2019. The current contract with Buck Consulting ends at the end of 2019.

The representatives from Marquette then left the meeting. Mr. Kallianis, in response to a question from Ms. Bowers, stated that Marquette had reduced its fee quote so that the cost to the Retirement Plan would be \$330,000 a year and the fee charged for the Healthcare Trust would be \$170,000 a year.

Mr. Hill then called for a summary of litigation. Mr. Richard Burke stated that there had been an executive session prior to the regular session of this date and that at the conclusion of the executive session it was suggested that attorneys would return at a subsequent meeting for

further discussion with the Committee in regard to the Hampton case and that counsel would provide to the Committee a memorandum in regard to the statute of limitations and the form of a proposed settlement agreement.

General Administration

Mr. Franklin gave the report. Mr. Franklin moved that Items 6(a) through 6(i) be approved as presented, which motion was seconded by Mr. Eiland and unanimously approved by the Trustees.

Mr. Franklin then moved to approve Item 6(j) regarding the rebate case bills which was seconded by Mr. Burke and after a roll call approved by the Trustees.

New Business

Mr. Kallianis stated that in light of conflicts of Trustees with the forthcoming meeting schedule consideration should be given to a change of dates. Ms. Bowers made a motion to change the dates of the following meetings, namely, July – to July 18, August – to August 29, and September – to September 19. The motion was seconded by Mr. Eiland. The motion passed.

There was no motion to adjourn and go into executive session.

Mr. Franklin made a motion to adjourn which was seconded by Mr. Eiland and passed.

The meeting adjourned at 11:39 a.m.