

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

One North Franklin Street  
Suite 2700  
Chicago, IL 60606

## **Meeting Minutes**

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on March 23, 2017 at One North Franklin Street, 24th Floor. The Chairman and the Executive Director were present.

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

Tom McKone, Chair  
John Burkard, Vice Chair  
Sherri Thornton-Pierce  
Jeremy Fine  
Ronald Ester  
Paul Sidrys  
Aundra Thompson, as alternate for Tommy Sams  
Carlos Acevedo, as alternate for Marqueal Williams  
Valerie Matthews-Wilson  
Kenneth Franklin  
Joseph J. Burke

John Kallianis was present as the Executor Director. Rachel Yarch and Aaron Stanton 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 ATU Local 241 appointed Trustees was Justin Lannoye of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich. Appearing on behalf of the CTA Appointed Trustees was David Novak, of Jackson Lewis LLP. Appearing on behalf of the Regional Transportation Authority appointed Trustee was Daniel K. Salemi of Franczek Radelet, PC. Also present was Miguel Zarate of Marquette Associates.

On a motion by Chairman McKone, seconded by Mr. Burkard, Ms. Thornton-Pierce was appointed to the Payroll Review Committee.

On a motion by Chairman McKone, seconded by Mr. Burkard, Chairman McKone was replaced by Ms. Thornton-Pierce as the Vice Chair of the General Administration Committee.

On a motion by Mr. Franklin, seconded by Mr. Burkard, the Board approved the draft minutes of February 23, 2017 with amendments.

## **General Administration Items**

Mr. Franklin presented the general administrative items 5A-I including benefit applications and bills and remittances for approval. On a motion by Mr. Franklin, seconded by Chairman McKone, the Board approved items 5A-I.

On a motion by Mr. Franklin, seconded by Mr. Burke, the Board approved Chris Kasmer's attendance at the IFEBP Annual Conference.

## **Investment Committee Items**

Mr. Zarate of Marquette Associates reported that the market value of the fund from the previous days close was \$1,738,069,652.66. Mr. Zarate indicated that, for February 2017 the return was 1.6%, slightly behind the index at 1.8 %. Mr. Zarate also indicated that for the fiscal year to date, the fund is at 3.1% versus the index at 3.5%.

Mr. Zarate called to the attention of the Committee the Marquette report of March 23, 2017, which he had distributed. Mr. Zarate reported on the overall market environment, the close to 30% increase in U.S. equities, the growth in non-U.S. equities, and the market's reaction to politics and the proposed budget.

Mr. Zarate also reported that there is a deadline of April 7, 2017 for the RFP for private equity funds. Mr. Zarate also confirmed there was to be a special investment committee meeting on April 10, 2017 at Marquette offices located at 180 N. LaSalle, 35<sup>th</sup> Floor, Chicago.

## **Old Business**

Mr. Kallianis reported that the Payroll Review Committee met on March 21, 2017. Mr. Kallianis stated that counsel for the Trustees agreed to provide their written legal opinions with regard to the unpaid contributions from 2008 through 2011 by April 7, 2017. Mr. Kallianis will circulate those opinions to the Committee, which is scheduled to meet again on April 11, 2017. Mr. Kallianis expects the Committee to make a recommendation to the full Board at the April meeting.

Mr. Kallianis presented the updated engagement letter from Legacy for the audit for the period of 2012 – 2016. The Board requested additional revisions to the engagement letter, which will be presented again at the April meeting.

## **New Business**

Mr. Kallianis reported that there was no new business, other than a change in location for Board meetings going forward. The new location is 200 West Adams.

### **Executive Session**

On a motion by Mr. Burkard, seconded by Mr. Franklin, the Board moved to executive session, whereby a discussion was held regarding the rebate litigation and the Matthews/Williams litigation.

On a motion by Mr. Burkard, seconded by Chairman McKone, the board passed a motion to continue to refer to the Matthews/Williams litigation as the Matthews litigation until further notice.

### **Open Session**

There being no further business to come before the meeting, on a motion by Chairman McKone, seconded by Mr. Franklin, the meeting was adjourned at 10:40 a.m.