

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

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

Approved  
**Meeting Minutes**

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on February 22, 2018 at 200 West Adams Street, 17th Floor commencing at 9:43 a.m. and continuing through 11:13 a.m.

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

Thomas McKone, Chairman  
John Burkard  
David Biggs for Jeremy Fine  
Ron Ester  
Toi Bowers  
Woodrow Eiland  
Mark Weems for Kenneth Franklin  
Tanno Muhammad for Keith Hill  
Mike Bowen for Paul Sidrys  
Sherri Thornton-Pierce

John Kallianis was present as the Executor Director. Rachel E. Yarch of Burke, Warren, MacKay & Serritella, P.C. was present as General Counsel for Retirement Plan. Appearing on behalf of ATU Local 308 appointed Trustees was Joseph Burns of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the CTA Appointed Trustees was James P. Daley of Jackson Lewis LLP. Appearing on behalf of the RTA appointed Trustee was Daniel R. Salemi of Franczek Radelet, P.C. Appearing on behalf of the ATU Local 241 appointed Trustees was Justin J. Lannoye of Dowd, Bloch, Bennett & Cervone. Also present were Kweku Obed and Jesus Jimenez of Marquette Associates.

Mr. Kallianis stated that there was a quorum in the room.

The minutes of the Trustees' meeting of January 25, 2018 were approved on motion made by Mr. Weems and seconded by Mr. Ester. Mr. Burkard, Mr. Bowen, Mr. Biggs and Mr. Muhammad abstained from voting.

## **General Administration Items**

Mr. Weems gave the report of the General Administration Committee. Mr. Weems moved to approve the items 4a through 4i; his motion was seconded by Mr. Eiland and the motion was approved unanimously. In regard to item 4j, a motion was made by Mr. Burkard and seconded by Mr. Eiland approving the bill from Kopecky Schumacher related to the rebate litigation. The motion passed unanimously but for the abstentions by Mr. McKone, Mr. Biggs, Mr. Bowen, Mr. Ester and Ms. Thorton-Pierce.

## **Investment Subcommittee Items**

The Chairman called for the report by the Investment Subcommittee. Mr. Obed stated that the market value of the investments as of the close of business on February 21, 2018 was \$1,859,268,030.99. Mr. Obed offered comments in regard to the recent volatility of the market. Mr. Obed then offered comments in regard to returns in the investment areas in which the Plan is invested. Mr. Jimenez offered comments on the performance of the Harbinger hedge fund.

Mr. Obed reported in regard to Marquette's recommendation to allocate: (i) \$50 million from Chicago Equity Partners into passive fixed income with Rhumblin; (ii) \$50 million from Edgar Lomax and Paradigm into a large cap value index fund; (iii) \$15 million into a passive small cap fund; (iv) \$40 million into passive emerging market small cap; and (v) \$35 million into global infrastructure. Mr. Burkard moved to approve Marquette's recommendations; his motion was seconded by Mr. Ester. The motion passed unanimously but for the abstention by Ms. Bowers.

It was discussed that the next Investment Committee meeting will be in March and the Committee will discuss the ARGA investment and infrastructure.

## **Old Business**

The Chairman then turned to old business.

With regard to the interest on unpaid contributions, Mr. Kallianis reported that he had circulated a draft collection policy drafted by General Counsel. Mr. Kallianis reported that the matter was briefly discussed at the February General Administration meeting, but that it will be discussed in more detail at an upcoming General Administration Committee meeting during March.

The Chairman turned to item 6b the status of Legacy data requests for the 2011-2016 payroll audit. Mr. Kallianis reported on the status of obtaining the data from Locals 308 and 241 and from the CTA.

The Chairman then referred to items 6c which was the cyber breach insurance and audit. Mr. Kallianis reported that the insurance premium quote received was within the amount that the Board had approved and that he would circulate a summary of the final details.

Mr. Kallianis reported that he had begun researching a cyber security audit, but that he would report more at the March meeting.

Finally, Mr. Kallianis reported that Rachel Yarch and Stephen Rosenblat were working together to finalize a joint Anti-Harassment Policy for both the Retirement Plan and the Health Care Trust. Mr. Kallianis reported that the policy would be circulated in advance of the March meeting.

### **New Business**

Mr. Burkard made a request to move the March Board meeting to the 15<sup>th</sup>. The Chairman requested the Mr. Kallianis follow up with individual trustees to determine their availability on that date.

### **Executive Session**

A motion was made by Mr. Biggs to enter into Executive Session for the purpose of discussing ongoing litigation. The motion was seconded by Mr. Burkard and passed unanimously. During Executive Session the Board discussed the Williams case.

There being no further business to come before the meeting, on a motion by Mr. Weems and seconded by Mr. Eiland, the meeting adjourned at 11:13 a.m.