

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 May 23, 2019 at 200 West Adams Street, 17th Floor commencing at 9:42 a.m., adjourning at 10:39 a.m., reconvening at 10:49 a.m. and adjourning at 10:50 a.m.

Mr. Keith Hill, the Chairman, called the meeting to order at 9:42 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. Jeremy Fine (appearing on behalf of Mr. Mike Bowen)
Mr. Kenneth Franklin
Mr. Andrew Fuller (appearing on behalf of Ms. April Morgan)
Mr. Paul Sidrys

John 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 CTA Trustees was James P. Daley of Jackson Lewis PC. 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. Also present was Kweku Obed of Marquette Associates.

Mr. Kallianis reported that a quorum was present.

Consideration of Minutes from prior Meetings

Mr. Burkard moved to accept the minutes of the April 30, 2019 Board of Trustees meeting. The motion was seconded by Mr. Eiland. Messrs. Fuller and Bowen abstained. The motion passed. On motion made by Ms. Bowers and seconded by Mr. Burke, the minutes of the executive session of April 30, 2019 were approved, with abstentions by Messrs. Bowen and Fuller.

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 May 22, 2019, was \$1,803,717,514.00. The cash balance as of May 22, 2019 was approximately \$31 million.

Old Business

In regard to Item 4 (the 2011 to 2017 Payroll Audit Update), Mr. Kallianis reported that Legacy has added to its database, all the payroll reports for the part time and full time Board members of Local 308 for the last 6.5. It is now entering to its database the 6.5 years of the Local 241 part time and full time officers. Legacy expects to be done with that work by June 20. Once that is completed, Legacy will go back and get the electronic payrolls from each of the locals and of the CTA and start its comparisons for that period of time.

Mr. Hill inquired as to the status of the RFP for investment consultant services. Mr. Kallianis stated that he has the evaluations back from the members of the Investment Committee of the Retirement Plan and for the Healthcare Trust. He hopes to have an interview process for the managers right after the General Administration Committee on June 17, 2019. The firms who scored 1 and 2 in the evaluation will be invited for interviews. Mr. Kallianis stated it would be a joint investment subcommittee meeting for both Retirement Plan and the Healthcare Trust.

Mr. Hill then inquired as to the status of the RFP for actuarial services. Mr. Kallianis reported that he had advised Buck that it was not going to get the contract renewal for the coming year. He anticipated issuing the RFP for actuarial services once the Trustees have completed the investment consultant RFP.

In regard to the summary of litigation. Mr. Kallianis directed the Trustee to a memorandum in each of their folders from Burke, Warren, MacKay & Serritella, P.C. summarizing the litigation. He added there would be time available in the executive session if there were any questions in regard to litigation.

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. Burke and unanimously approved by the Trustees.

Mr. Franklin then moved to approve Item 6(j) which was seconded by Mr. Burke and unanimously approved by the Trustees.

There was then discussion in regard to the pending request from Burke, Warren, MacKay & Serritella, P.C. for a rate increase for 2019. After making a brief statement, Mr. Richard Burke withdrew from the meeting. Mr. Franklin then made a motion to reject the requested increase which was seconded by Mr. Salemi. The motion passed. Mr. Richard Burke then returned to the meeting.

The Chairman stated there was a need to go into executive session. Mr. Kallianis stated that the executive session was necessary to discuss an appeal. Mr. Burkard made the motion to go into executive session. Mr. Burke seconded the motion which passed unanimously at 10:39 a.m.

The meeting reconvened at 10:49 a.m. Mr. Franklin made a motion to give Mr. Webster credit for the time requested provided he makes the pension contribution. The motion was seconded by Mr. McKone and passed.

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

The meeting adjourned at 10:50 a.m.