

**Meeting of the Retirement Plan for CTA Employees**  
**Board of Trustees**  
**May 28, 2020**  
***VIA Videoconference***

**Regular Session**  
**Meeting Minutes**

The Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees, by way of Videoconference and telephone conference calls, in compliance with the Illinois COVID-19 Stay-at-Home Executive Order 2020-18 convened on May 28, 2020 at the hour of 10:08 a.m. and adjourned at 12:00 p.m.

At the direction of the Chairman, a roll call was taken and established that the following Trustees were participating:

Mr. Keith Hill, the Chairman  
Mr. Tom McKone, the Vice Chairman  
Ms. Toi Bowers  
Mr. John Burkard  
Mr. Joseph Burke  
Mr. Woodrow Eiland  
Mr. Ron Ester  
Mr. Andrew Fuller (for Mr. Jeremy Fine)  
Mr. Kenneth Franklin  
Mr. Mike Bowen (temporary alternate for Ms. Morgan)  
Ms. April Morgan  
Mr. Paul Sidrys

John Kallianis participated as the Executive Director. Richard W. Burke of Burke, Warren, MacKay & Serritella, P.C. participated as General Counsel. Participating on behalf of the CTA Trustees was James P. Daley of Jackson Lewis, PC. Participating on behalf of the ATU 241 Trustees was Ron Willis of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich. Participating on behalf of ATU Local 308 was Anita Tanay. Participating on behalf of the RTA Trustee was Dan Salemi of Morgan Lewis & Bockius. Also participating were Kweku Obed of Marquette Associates and Craig Goesel and Burno Amici of Alliant.

Mr. Kallianis reported that a quorum was participating.

### **Consideration of Minutes from prior Meetings**

The Motion of Mr. Burkard, seconded by Mr. Sidrys to approve the minutes of the April 23, 2020 Trustees' meeting, passed on a roll call vote.

The court reporter joined the meeting.

### **Investment Committee**

Mr. Hill called for the report of the Investment Committee. Mr. Obed gave the report. As of close of business on May 27, 2020 the market value of the investment portfolio was \$1,684,150,214.95. A motion made by Mr. Sidrys, and seconded by Mr. Burke, to adopt the Marquette recommendation that \$90 million be invested with Fidelity in Global Low Volatility was approved on roll call vote. Mr. Burkard made a motion, seconded by Mr. Burke, that pursuant to a Marquette recommendation, there be invested \$35 million in Prudential Capital Partners Fund VI. On a roll call vote, the motion was approved.

Mr. Obed made a rebalancing recommendation. Pursuant to the recommendation Mr. Burkard made a motion, which was seconded by Mr. Burke to accept the recommendation of Marquette to the effect that all of the Funds with Rhumblin, approximately \$21 million be moved to the S&P 500 Index Fund at Northern Trust Company. Also \$5 million would be moved from Edward Lomax to the S&P 500 Index Fund at Northern Trust, \$5 million would be moved from Paradigm to the S&P Index Fund at Northern Trust, and \$10 million would be moved from Denali to the Piedmont S&P 400 Index Fund. A roll call vote was taken. The motion carried. At this point Ms. Morgan withdrew from the meeting and she was replaced by Mr. Bowen.

### **Old Business**

Mr. Kallianis then reported on the status of the 2011-2017 Payroll Audit status. He stated that the auditors have almost finished with the part-time union officers audit. The auditors had finished their work on the three individuals whose review was asked to be expedited. Names of additional individuals were added for additional review. The auditors need a bit more information so that they can move to accomplish their accelerated review. Mr. Kallianis stated that the auditors advised him that they hope to complete within the next 60 days with their draft report. There is to be a draft report on the overall CTA audit. He anticipates that the draft report would encompass both the overall audit and the part-time union officer audit.

In response to a question from Mr. Hill, Mr. Richard Burke stated that that the litigation summary was included in the packet of material distributed to the Trustees. Mr. Burke added that we await a ruling from Judge Valderrama on the motion challenging the class certification.

### **General Administration**

Mr. Franklin made a motion to approve Items 6a through 6i on the Agenda, which was seconded by Mr. Burke. A roll call was taken and the motion carried. Mr. Franklin then made a motion to approve Item 6j which relates to legal bills incidental to the rebate case. Mr. Burkard seconded the motion. A roll call vote was taken. The motion carries.

### **New Business**

The Trustees' attention was directed to the renewal of the fiduciary liability insurance. Mr. Craig Goesel from Alliant made a report. There were two firms that made responses to the bid solicitation for the insurance, namely Ullico, which represents Markel and Euclid which represents Hudson. Alliant's recommendation is option No. 2 of Ullico proposal, which option increased the cyber liability coverage. Mr. Burke made a motion to go with Ullico (Option 2) which motion was seconded by Mr. McKone. A roll call vote was taken. The motion carried. Mr. Kallianis stated that there was no need for an Executive Session. Mr. Kallianis then spoke of his plans to make the office more readily available which plans will be announced in June.

Mr. Hill made a motion to adjourn which was seconded by Mr. Burke. The motion carried and the meeting was adjourned at 12:00 p.m.