

Meeting of the Retirement Plan for CTA Employees Board of Trustees

55 West Monroe Street
Suite 1950
Chicago, IL 60603

Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on May 29, 2014 at One North Franklin Street, ^{27th} Floor. The Chair and the Executive Director were present.

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

Joan Coogan, Chair
Javier Perez, Jr.
John Burkard
Joseph J. Burke
Marcellus Barnes
Robert Kelly
Judith Kelley as an alternate for Paul Sidrys
Ronald Ester
Thomas McKone
Omar Brown

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the ATU-appointed Trustees was Tiffany Reeves, of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the Regional Transit Authority-appointed Trustee was Daniel Salemi of Franczek Radelet, PC. James Daley of Jackson Lewis, PC appeared on behalf of the CTA-appointed Trustees.

Also present was Ivory Day of Gray & Company.

On motion by Mr. Burke, seconded by Mr. Burkard, the Trustees voted to approve the proposed minutes for the regular session of the April Board meeting. On motion by Mr. Burke, seconded by Mr. Burkard, the Trustees voted to approve the proposed minutes for the executive session of the April Board meeting.

General Administration Subcommittee Items

On motion by Mr. Ester, seconded by Mr. Burke, the Board voted to approve items 4(a) through 4(i) under the General Administration committee agenda.

Investment Subcommittee Items

Mr. Day provided a flash report, and reviewed the performance of certain managers and the Plan as a whole.

Mr. Day referred the Trustees to a request made by TCW/Craton for consent to an extension of the closing date to December 31, 2014. Mr. Day advised that he recommended granting the consent, because there is reason to believe that this manager is able to deploy additional money effectively, which would benefit the Plan. On motion by Mr. Kelly, seconded by Mr. Burke, the Trustees approved the extension of the closing date for TCW/Craton to December 31, 2014.

He advised that total assets as of May 29, 2014 were \$1,871,038,974.09.

Mr. Burke presented the report of the Real Estate Subcommittee. He noted that the Subcommittee had interviewed five finalists, selected with assistance from The Townsend Group, and had recommended allocation of \$20 million each to Jamestown Premier and UBS Trumbull. Decision on UBS Trumbull had been deferred at the April Board meeting, in order to obtain additional information. Mr. Burke reported that the information had been received to the satisfaction of the Subcommittee. On motion by Mr. Burke, seconded by Mr. McKone, the Trustees approved the allocation of \$20 million to UBS Trumbull, with one dissenting vote, from Mr. Kelly. Mr. Burke reported that the Subcommittee was deferring action on the non-core real estate position at this time.

Old Business

Mr. Kallianis reported that there was a vacancy on the Payroll Audit Subcommittee. On motion by Mr. Perez, seconded by Mr. Burke, the Trustees approved the addition of Carl Haymore to the Subcommittee.

Mr. Burkard reported on behalf of the subcommittee appointed by the Board to assist in the process of selecting an investment consultant. He noted that an RFP was issued on December 27, 2013, and that eleven proposals were received from firms across the country. Mr. Burkard then described the process of evaluation and interviews, which were conducted at a meeting open to all trustees. He advised that the unanimous recommendation of the subcommittee was to hire Marquette Associates as the investment consultant for the Retirement Plan, subject to the successful negotiation of a contract. Mr. Charlie Peacock substituted as an alternate for Mr. Kelly at this point. On motion by Mr. Burkard, seconded by Mr. Burke, the Board voted to hire Marquette Associates as the investment consultant for the Retirement Plan, subject to the successful negotiation of a contract. Mr. Barnes abstained, stating that he was not up to date on the matter. Following the vote, Mr. Kelly rejoined the meeting as trustee replacing Mr. Peacock.

Mr. O'Connell suggested executive session for some appeals, and for a discussion of pending litigation. On motion by Mr. Burkard, seconded by Mr. Burke, the Trustees voted to go to executive session.

Open Session

On motion by Mr. Burkard, seconded by Mr. Burke, the Trustees voted to deny the appeal of Mr. Peacock. On motion by Mr. Perez, seconded by Mr. Burke, the Board approved the appeal of Ms. Jones, based on the numbers as provided by the Legacy audit. Mr. Perez asked that the record reflect that these are also the numbers she requested. On motion by Mr. Kelly, seconded by Mr. Burkard, the Trustees voted to send the disputes under Paragraph 3.9 of the Plan Agreement relating to part-time union officials to an independent arbitrator within 60 days after the July meeting, unless the parties reach a resolution on how to handle the matter by the July 2014 meeting of the Board of Trustees.

On motion by Mr. Burkard, seconded by Mr. Burke, the Board approved adjournment.