

Meeting of the Retirement Plan for CTA Employees Board of Trustees

55 West Monroe Street
Suite 1950
Chicago, IL 60603

November 22, 2016

Approved Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on November 22, 2016 at One North Franklin Street, 27th floor.

The following Trustees were present:

John Burkard (Chair)
Mike Bowen as an alternate for Joan Coogan
Carlos Acevedo
Joseph J. Burke
Ronald Ester
Patricia Thomas-Miller as an alternate for Jeremy Fine
Kenneth Franklin
Valerie Matthews-Wilson
Tom McKone
Marqueal Williams as an alternate for Tommy Sams, Jr.
Paul Sidrys

John Kallianis was present as the Executive Director. Richard Burke of BWM&S was present as General Counsel for the Retirement Plan. Rachel Yarch of BWM&S was also present with Richard Burke. Appearing on behalf of the ATU Local 308 appointed Trustee was Anita Tanay of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the 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 Transit Authority-appointed Trustee was Daniel Salemi of Franczek Radelet, PC.

Also present were Kweku Obed and Miguel Zarate of Marquette Associates.

On motion by Mr. Acevedo, seconded by Mr. Sidrys, the minutes of the October 27, 2016 meeting were approved.

General Administration Committee Items

Mr. Franklin presented the General Administration items 4a through 4i, including benefit applications and bills and remittances, for approval. On a motion by Mr. Franklin, seconded by Ms. Burke, the Board approved items 4a through 4i.

There was no business to consider under Item 4j.

Investment Committee Items

Mr. Obed of Marquette Associates reported the market value of the Fund from the previous day's close was \$1,727,160,617.58. Mr. Obed further reported, without the return information for alternatives, the Plan had a year to date return of approximately 4.6%. Mr. Obed added that healthcare stocks and fixed income were a drag on the performance, but that energy and financial stocks had done well since the election. He indicated that the Plan's returns had bounced back after the losses incurred in October.

Mr. Obed reminded the Board that that stable value would progress into 2017 and explained that it would be a drag on Plan performance until we were out of the asset class. Mr. Obed also confirmed that the Plan would issue an RFP for Private Equity in early 2017.

Old Business

Mr. Kallianis reported that the December 2nd Payroll Review Committee meeting had to be cancelled due to scheduling conflicts. Mr. Kallianis reported that, even though the meeting would be rescheduled, Legacy was continuing to make progress on the review of the 500+ settlement agreements. Mr. Acevedo reported that he and Brad Jansen from the CTA were working on a training session for the part-time union officer forms.

New Business

Mr. Kallianis reported to the Board that the Illinois Auditor General's Office (ILAG) had given him an indication that our assumptions would be found to be "not unreasonable in the aggregate" and that we would receive the report from the ILAG very soon.

Mr. Kallianis reminded the Board that he had circulated a draft letter for review. The letter would go to Plan participants to inform them of the increase in contributions for 2017. He asked that comments be sent back to him by Friday, December 2nd so that the letter could be mailed the following week.

Mr. Burke reported that the Matthews case preparation was continuing but that it had not yet been assigned to a new judge after the retirement of Judge Novak.

Mr. Kallianis reminded the Board that there would be a joint meeting of the Boards of the Plan and the RHCT on December 1st to interview firms and in individual for legal counsel.

On a motion by Mr. Franklin, seconded by Mr. Burke, the Board adjourned their meeting.