

# Meeting of the Retirement Plan for CTA Employees

## Board of Trustees

55 West Monroe Street  
Suite 1950  
Chicago, IL 60603  
January 24, 2017

### Approved Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on January 24, 2017 at One North Franklin Street, 27<sup>th</sup> floor.

The following Trustees were present:

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

John Kallianis was present as the Executive Director. Richard Burke of BWM&S were present as General Counsel for the Retirement Plan. Appearing on behalf of the ATU Local 308 appointed Trustee was Joseph Burns 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. Sidrys, seconded by Mr. Burke, the minutes of the December 22, 2016 meeting were approved.

There was then discussion about the rotation of the Chair and Vice Chair positions every two years and the need to fill open Committee positions due to the departure of Joan Coogan. Mr. Burkard nominated Mr. McKone as Chair of the Board. Mr. McKone then nominated Mr. Burkard as Vice Chair of the Board. Mr. Sams nominated Mr. Franklin as Vice Chair of the Board.

Mr. Ester seconded the nomination of Mr. McKone as Chair. On a voice vote, Mr. McKone was elected Chair.

Mr. Burke seconded the nomination of Mr. Burkard as Vice Chair. There was a roll call vote. Mr. Burkard was elected Vice Chair with seven “yes” votes and four “no” votes. The yes votes were Bowen, Burke, Burkard, Ester, Fine, McKone and Sidrys. The no votes were Acevedo, Franklin, Matthews-Wilson, and Sams, Jr.

Mr. McKone then nominated himself as Vice Chair of the GA Committee to replace Ms. Coogan. Mr. Sidrys seconded the nomination and Mr. McKone was elected Vice Chair of the GA Committee on a voice vote.

Mr. McKone nominated Mr. Fine as a member of the Payroll Review Committee to replace Ms. Coogan. Mr. Burke seconded the nomination and Mr. Fine was appointed to the Payroll Review Committee on a voice vote.

### **General Administration Committee Items**

Mr. Franklin presented the General Administration items 7a through 7i, including benefit applications and bills and remittances, for approval. On a motion by Mr. Franklin, seconded by Mr. Burke, the Board approved items 7a through 7i.

There was no business to consider under Item 7j.

### **Investment Committee Items**

Mr. Obed of Marquette Associates reported the market value of the Fund from the previous day’s close was \$1,732,000,061.06.

Mr. Obed further reported that, without the year-end returns for real-state and private equity, the Plan had a net return of approximately 6.7%. Mr. Obed estimated that, once they had the year-end 2016 returns in for real estate and private equity, that the Plan would have a net return of approximately 7%.

Mr. Obed indicated that the US equity market saw a strong rally after the November Presidential election and that small cap stocks, in particular, did very well.

Mr. Obed pointed out that the benchmark return for the Plan was 6.8%, indicating that the 6.7% return for the Plan was mostly in line with the benchmark, but that active managers did underperform. Mr. Obed then reviewed some of the managers that allocations that outperformed and under-performed for 2016. There was then discussion about

Mr. Obed suggested that the Investment Committee could take up the topics of cyclical performance and active versus passive management during a separate Committee meeting. Mr. Fine asked Mr. Obed to provide some analysis around these topics at our next Investment Committee meeting. Mr. McKone asked

Mr. Kallianis to work with the Chair and Vice Chair of the Committee to get a meeting scheduled and alert all Trustees to the date and time.

### **Old Business**

Mr. Kallianis reported that the Payroll Review Committee met on January 23<sup>rd</sup> and that Legacy had summarized the amounts due to the Retirement Plan and RHCT in the enclosed letter. He further indicated that the Payroll Committee would meet again on February 14<sup>th</sup> to discuss the research that Burke Warren and Baum Sigman had been asked to provide. Mr. Franklin asked if there were any objections at the January 23<sup>rd</sup> Payroll Committee meeting about the amounts owed and Mr. Kallianis said that he didn't think there were any objections.

### **New Business**

There was no new business.

### **Executive Session**

On a motion by Mr. Franklin, the Board unanimously went into Executive Session to discuss litigation.

Upon returning from Executive Session, on a motion by Mr. McKone, seconded by Mr. Burkard, the Board voted to have a special meeting at 2pm on February 3rd to discuss litigation.

On a motion by Mr. Acevedo, seconded by Mr. Burke, the Board vote to adjourn the meeting.