

Meeting of the Retirement Plan for CTA Employees Board of Trustees

10 S. LaSalle Street
Suite 1100
Chicago, IL 60603

Approved
Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on February 23, 2017 at One North Franklin Street, 24th Floor. The Chairman and the Executive Director were present.

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

Tom McKone, Chair
John Burkard, Vice Chair
Carlos Acevedo
Mike Bowen, as an alternate for Ron Ester
Jeremy Fine
Kenneth Franklin
William Lachman, as an alternate for Joseph Burke
Valerie Matthews-Wilson
Marqueal Williams, as alternate for Tommy Sams
Paul Sidrys
Sheri-Thornton-Pierce

John Kallianis was present as the Executor Director. Richard W. Burke and Rachel Yarch of Burke, Warren, MacKay & Serritella, P.C. were present as General Counsel for Retirement Plan. Appearing on behalf of ATU Local 308 appointed Trustees was Joseph M. Burns of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the CTA Appointed Trustees was David Novak, of Jackson Lewis LLP. Appearing on behalf of the Regional Transportation Authority appointed Trustee was Daniel K. Salemi of Franczek Radelet, PC. Also present was Kweku Obed of Marquette Associates.

On a motion by Mr. Franklin, seconded by Mr. Sidrys, the Board approved the draft minutes of January 24, 2017.

General Administration Items

Mr. Franklin presented the general administrative items 4A-J including benefit applications and bills and remittances for approval. On Motion by Mr. Franklin, seconded by Mr. Acevedo, the Board approved items 4A-J.

Investment Subcommittee Items

Mr. Obed of Marquette Associates reported that the market value of the fund from the previous days close was \$1,759,260,113.54. Mr. Obed indicated that, for January, 2017 the return was 1.4% positive which is ahead of the actuarial benchmark of 8.25%.

Mr. Obed called to the attention of the Committee the Marquette report of February 23, 2017, which he had distributed. He stated that the Investment Committee will meet to discuss emerging managers and report back to the Board quite possibly at the March or April meeting. The managers so identified are set forth on page 8 of Exhibit 1 of the report. He reminded the Committee that the Committee there was a previous commitment to make an investment in infrastructure in the firm IFM. He pointed out that, because of the time anticipated before the infrastructure funding will be permitted, it would be appropriate to have a liquid and transparent placeholder such as a passive infrastructure index fund or ETF, and that Northern Trust had an infrastructure index fund in which we could invest in the meantime.

On motion by Mr. Sidrys, seconded by Mr. Franklin, the Committee moved to allocate the \$43 million allocated to IFM to the Northern Trust Infrastructure Index Fund as a placeholder in that context.

Old Business

Mr. Kallianis reported that the Payroll Review Committee had met on February 14, 2017 with a scheduled further meeting on March 21, 2017 and a report to the Committee on March 23, 2017. Mr. Kallianis stated that counsel to the Retirement and to the Healthcare Trust had provided opinions regarding certain issues raised at the Payroll Committee meeting and that said opinions were being supplemented pursuant to inquiries posed by Payroll Committee members or their counsel. Mr. Kallianis stated he would also circulate the proposed engagement letters from Legacy regarding the 2011-2016 payroll audit.

New Business

Mr. Kallianis stated that he was going to distribute a list of the types of training which the Committee had deemed acceptable to meet the 8 hours of required training each calendar year for Trustees.

The Chair inquired as to whether there would be a need for Executive Session for litigation. Mr. Burke responded there would not be such a need because the parties were still awaiting a call from the Court regarding the Matthews case and that they had not yet received that call. In the Hampton case Mr. Burke reported that the Court again granted the Committee's motion to strike the complaint and granted leave to the plaintiff to file again a new complaint which has not yet occurred.

Mr. Kallianis reminded the Trustees that there would be a Special Meeting to discuss the Rebate Litigation on March 9, 2017.

There being no further business to come before the meeting, on a motion by Mr. Sidrys, seconded by Mr. Franklin, the meeting was adjourned at 10:00 a.m.