

**Meeting of the Retirement Plan for CTA Employees
Board of Trustees**

200 West Adams Street
17th Floor
Chicago, IL

Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on July 27, 2017 at 200 West Adams Street, 17th Floor commencing at 9:40 a.m.

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

Thomas McKone, Chairman
Michael Bowen for Jeremy Fine
John Burkard
Joseph Burke
Woodrow Eiland
Kenneth Franklin
Keith Hill
Erin Kleist-Gaynor for Ron Ester
Paul Sidrys
Sherri Thornton-Pierce (via telephone)
Marqueal Williams for Toi Bowers

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 M. Novak of Jackson Lewis LLP. Appearing on behalf of the RTA appointed Trustee was Daniel R. Salemi of Franczek Radelet, P.C. Appearing on behalf of the ATU Local 241 appointed Trustees was Justin J. Lannoye of Dowd, Bloch, Bennett & Cervone. Also present were Kweku Obed and Miguel Zarate of Marquette Associates.

In response to a question from Chairman McKone, Mr. Kallianis stated that there was a quorum in the room and overall.

Mr. Kallianis made a motion to approve the minutes of the June 19, 2017. The motion was seconded by Mr. Burkard. All were in favor of the minutes being approved with the abstinence from the voting by Paul Sidrys and by Mike Bowen.

General Administration Items

Mr. Franklin moved for the approval of administration items 3(a) through 3(i) on the agenda. Mr. Sidrys seconded the motion and the motion was approved unanimously.

Investment Subcommittee Items

Mr. Obed gave the report from Marquette. He stated that the value of the portfolio at the end of trading on July 26, 2017 was \$1,801,601,876.26 and of that amount \$27,439,424.00 was in cash. Mr. Obed then spoke of the process which was followed in regard to the private equity manager selection. He said that more than 25+ names were profiled by Marquette and discussed with the investment committee on two separate occasions. The Committee heard from 5 outstanding candidates and narrowed the choice to 2. Aberdeen was the investment subcommittee's recommendation and their recommendation was concurred in by Mr. Franklin and seconded by Mr. Burke. The motion passed unanimously.

The discussion then turned to the emerging markets manager. Mr. Obed stated that Morgan Stanley was terminated a few months ago and the recommendation was to issue an RFP for an MWBE emerging markets manager. The subcommittee received 11 responses and ended up with 2 names of active firms whom they would interview. They are looking to find one, if not more, passive index providers that are also MWBE firms. The subcommittee will meet on September 9, 2017 and at that time, interview the managers. There will be two firms interviewed. One is FIS and the other Arga. Those are both active managers and they are looking to add a passive manager for the interview. The Committee is also to issue an RFP for an MWDBE index provider. Mr. Sidrys made a motion to issue an RFP for an MWDBE index manager. The motion was seconded by Mr. Burkard. The motion passed unanimously.

Old Business

On the issues of unpaid employee and employer contributions for settlement agreements, Mr. Kallianis reported that the Plan office had received from the CTA in late June a check in the amount of \$548,386.09. That sum was both the employee and employer contributions for the period July 1, 2008 to June 30, 2011. Mr. McKone asked that Mr. Kallianis place on the agenda for the collections committee the issue of interest on the recent payment by the CTA.

Mr. Kallianis then distributed to the committee members a mid-year budget update. At this point Mr. Hill left the meeting and was replaced with Mr. Mohammad. The meeting then progressed to discuss agenda item 5(g) which is the Legacy data request items. Mr. Hill then rejoined the meeting and Mr. Muhammad withdrew.

New Business

Mr. Kallianis stated that he was attempting to arrange a date for an actuarial education session.

Mr. McKone asked if there was matters to be discussed in executive session. Mr. Burke responded, yes, there were two pieces of pending litigation. Mr. Franklin then made a motion to adjourn to executive session which was seconded by Mr. Burke. The room was then cleared for executive session. The time was 10:38 a.m.

At the conclusion of Executive Session, the meeting resumed at 11:05 a.m. Mr. McKone stated that the executive session was for an update of two litigation cases; one is the Williams case and the other is the prescription drug rebate case.

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 11:05 a.m.