

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

200 West Adams Street  
17<sup>th</sup> Floor  
Chicago, IL

## **Meeting Minutes**

A regular meeting of the Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees was held on April 26, 2018 at 200 West Adams Street, 17th Floor commencing at 9:43 a.m. and continuing through 10:53 a.m.

Chairman McKone called the meeting to order at 9:43 a.m.

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

Mr. Michael Bowen (for Mr. Jeremy Fine)  
Ms. Toi Bowers  
Mr. Joseph Burke  
Mr. Woodrow Eiland  
Mr. Ronald Ester  
Mr. Kenneth Franklin  
Mr. Keith Hill  
Mr. Christopher Kasmer (for Mr. John Burkard)  
Mr. Thomas McKone, Chairman  
Mr. Paul Sidrys  
Ms. Sherri Thornton-Pierce

Mr. Kallianis reported that a quorum was present.

John Kallianis was present as the Executor Director. Appearing on behalf of ATU Local 308 Trustee was Mr. Joseph Burns of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of Local 241 Trustees was Mr. Ronald M. Willis of Dowd, Bloch, Bennett & Cervone. Appearing on behalf of the RTA Trustee was Mr. Christopher A. Johlie of Franczek Radelet, PC. Appearing on behalf of the CTA Trustees was Mr. David M. Novak of Jackson Lewis PC. Also present was Mr. Kweku Obed of Marquette Associates and Richard W. Burke and Rachel E. Yarch of Burke, Warren, MacKay & Serritella, P.C.

The meeting was called to order by Chairman McKone at 9:43 a.m. The Chairman asked for consideration of the minutes from prior meetings. Upon motion made by Mr. Burke and seconded by Mr. Kasmer, the minutes of the meeting of March 15, 2018 were approved. On the vote Mr. Hill, Mr. Bowen, and Ms. Thornton-Pierce abstained. The Chairman stated that the next set of minutes related to the meeting of September 28, 2017. Mr. Franklin moved to approve and his

motion was seconded by Mr. Burke. On the vote Ms. Thornton-Pierce and Mr. Ester abstained and the motion passed.

### **General Administration**

*(At this point, Mr. Fine joined the meeting and replaced Mr. Bowen.)*

Mr. Franklin moved to approve items 4(a) through 4(i) on the agenda. Mr. Hill seconded the motion and the motion passed. Item 4(j) which is a statement from the firm of Kopecky & Schumacher which relates to the rebate litigation. Mr. Franklin moved to approve the bill and Mr. Kasmer seconded the motion. Mr. Kallianis stated that on the roll call six (6) ayes were received and five (5) abstentions. The motion carried. Under Item 4(k) there were two requests to attend IFEBP conferences, which was seconded by Mr. Franklin. The motion passed.

### **Investment Subcommittee**

The Investment Subcommittee Report which was given by Mr. Obed. Mr. Obed then stated that as of the close of business on April 25, 2018 the value of the Plan's investments was \$1,834,644,740.66 and of that amount \$32,761,549.46 was in cash.

Mr. Obed spoke about ARGA a MWBE Manager in the emerging market space. ARGA was given an initial allocation of \$25 million of a proposed allocation of \$55 million. Mr. Kasmer made a motion to adopt the recommendation from Marquette that ARGA receive the remaining allocation of \$30 million. His motion was seconded by Mr. Burke. The motion was passed on a vote of seven (7) ayes, two (2) nays and two (2) abstentions.

The next item on the agenda was 5(c) – IFM Additional Investment. Mr. Obed stated that the Trustees had an option to invest an additional \$6 million in IFM because of availability in the fund. Mr. Obed stated that IFM was an open-end manager. At this point in the meeting Mr. Tanno Muhammad replaced Mr. Hill. Mr. Sidrys made a motion to adopt the recommendation from Mr. Obed which was seconded by Mr. Kasmer. On the vote Mr. Eiland and Mr. Muhammad abstained. The motion passed.

The last item on the Agenda was the Emerging Markets Small Cap RFP. Mr. Obed stating the allocation would be approximately 3% of assets or roughly \$55 million which would be taken from a Northern Trust Index Fund and placed with an active manager. At this point Mr. Hill rejoined the meeting. Mr. Sidrys made a motion to approve an RFP for an Emerging Market Small Cap manager, which was seconded by Mr. Burke. The motion passed unanimously.

### **Old Business**

Mr. Kallianis stated that he would be returning to the next meeting with an updated engagement letter in regard to the payroll audit for 2017. Mr. Kallianis stated that there is a meeting scheduled on Thursday, May 10, 2018 on the issue of interest on unpaid contributions.

The Chairman asked Mr. Richard Burke for an update on litigation which was in written form and distributed to the Committee.

## **New Business**

Under Item 7 there was a request for a waiver of conflict for the Burke, Warren, MacKay & Serritella firm which had been distributed to the Trustees. Ms. Thornton-Pierce made a motion to approve the execution of the waiver of a conflict which was seconded by Mr. Ester. The motion passed unanimously.

There was no Executive Session.

On motion made by Mr. Sidrys and seconded by Mr. Kasmer, the meeting adjourned at 10:53 a.m.