

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 Chicago Transit Authority Employees was held on May 24, 2018 at 200 West Adams Street, 17th Floor commencing at 10:19 a.m. and continuing through 10:38 a.m.

Chairman McKone called the meeting to order at 10:19 a.m.

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

Mr. Thomas McKone, Chairman
Mr. John Burkard
Mr. David Biggs (for Mr. Jeremy Fine)
Ms. Toi Bowers
Mr. Joseph Burke
Mr. Tanno Muhammad (for Woodrow Eiland)
Ms. Erin Kleist-Gaynor (for Ronald Ester)
Mr. Kenneth Franklin (Via Telephone)
Mr. Marquel Williams (for Keith Hill)
Mr. Paul Sidrys
Mr. Michael Bowen (for 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. Brandon M. Anderson of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of Local 241 Trustees was Mr. Justin J. Lannoye of Dowd, Bloch, Bennett & Cervone. Appearing on behalf of the RTA Trustee was Mr. Daniel R. Salemi of Morgan, Lewis & Bockius, LLP. Appearing on behalf of the CTA Trustees was Mr. James P. Daley of Jackson Lewis LLP. Appearing as counsel for the Retirement Plan were Richard W. Burke, Rachel E. Yarch and Nicholas Gowen of Burke, Warren, MacKay & Serritella, P.C. Also present was Mr. Tim Bowen of Alliant/Mesirow Insurance Services and Mr. Miguel Zarate and Mr. Jesus Jimenez of Marquette Associates.

In regard to the appearance of Ken Franklin, Mr. Franklin appeared by telephone conference after having received an approval to do so on a motion for his participation by telephone conference. The motion was made by Mr. Williams and seconded by Ms. Toi Bowers.

The Chairman then called for consideration of the minutes of the April 26, 2018 meeting. Upon a roll call vote on the motion made by Mr. Burke, and seconded by Mr. Williams, the minutes of the April 26, 2018 meeting were approved.

General Administration

Mr. Burkard gave the summary of the General Administration issues which are referenced in item 4 on the Agenda. On a motion made by Mr. Williams, which was seconded by Mr. McKone the report of the General Administration Committee described in items 4(a) through 4(i) of the Agenda was approved.

Under item 4(j) a bill related to the rebate litigation. There was a motion by Mr. Franklin to approve the bill which was seconded by Mr. Burke. Roll call was taken and motion passed. In regard to item 4(k) educational conference, there were requests for approval by M. Franklin, Mr. Weems, Mr. Williams and Ms. Bowers to attend the annual IFEBP Conference for half of the expenses of which would be borne by the Plan. The other one-half of the expenses will be borne by the Retirement Health Care Trust. The Trustees' alternates are Mr. Eiland, Mr. Muhammad, Ms. Coleman and Mr. Williams. On a motion made by Mr. Williams and seconded by Mr. Burke, the requests were approved.

Investment Subcommittee

The Investment Subcommittee Report was given by Mr. Zarate of Marquette Associates. He reported that as of the close of market on April 23, 2018 the value of the investment portfolio was \$1,842,224,027.11 and of that amount the cash position was \$25,817,716.32.

Old Business

The Chairman asked for the status of the Legacy data requests for the 2011-2017 payroll audit. The Chairman said that at the next Board meeting, the Trustees should consider the engagement letter to include 2017. Mr. Kallianis advised the Chairman that at the next Board meeting he would provide a spreadsheet showing the data requested and the status of that data request. The spreadsheet is to be distributed in advance of that meeting in order that the parties can respond as to gaps in the information.

Mr. Kallianis stated in regard to the collection policy that it had been discussed at the General Administration Subcommittee meeting. It is planned that there would be a couple versions of proposals out for distribution for people to consider and then there would be scheduled another General Administration Committee meeting to discuss the matter.

Mr. Richard Burke then directed the Committee's attention to the monthly litigation report which was to send it to the Trustees in regard to the status of the matters which are in litigation and which were being handled by his firm.

Mr. Richard Burke asked that his colleague Mr. Nick Gowen speak in Executive Session about some of the discovery area we are moving into in the Williams case.

New Business

The Chairman then called for report in regard to fiduciary liability insurance which was given by Mr. Tim Bowen. He stated that the fiduciary liability insurance is coming up for renewal at the end of May. It provides personal liability insurance for any allegations of breaches of fiduciary duty. The current policy is \$10,000,000 limit of liability insurance and it is with Ullico Insurance Company. He had received quotes from Chubb and Euclid. He recommended continuation of the Ullico coverage which is on a claims made basis. A motion to accept the recommendation of Mr. Bowen to go with Ullico was made by Mr. Burke, seconded by Mr. Sydris and approved by the Trustees.

Richard Burke then requested an Executive Session to discuss litigation. A motion to enter Executive Session was made by Mr. Burkard and seconded by Mr. Williams. The motion passed and the meeting adjourned at 10:18 a.m.

At 10:37 the Chairman resumed the regular session. There was no business to discuss. On a motion made by Mr. Sidrys and seconded by Mr. Burke the meeting adjourned at 10:38 a.m.