

Meeting of the Retirement Plan for CTA Employees Board of Trustees

200 West Adams Street
17th Floor
Chicago, IL

Regular Session Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees was held on January 24, 2019 at 200 West Adams Street, 17th Floor commencing at 9:43 a.m. and adjourning at 10:49 a.m. and then reconvening at 11:32 a.m. and adjourning at 11:34 a.m.

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

At the direction of Mr. McKone, a roll call was taken indicating that the following Trustees were present:

Mr. Tom McKone, the Chairman
Mr. David Biggs (appearing for Mr. Ron Ester)
Mr. Mike Bowen (appearing for Ms. April Morgan)
Ms. Toi Bowers
Mr. John Burkard
Mr. Joseph Burke
Mr. Woodrow Eiland
Mr. Jeremy Fine
Mr. Kenneth Franklin
Tiant Gatewood (appearing for Mr. Keith Hill after his departure)
Mr. Keith Hill (for a portion of the meeting)
Mr. Paul Sidrys

John Kallianis was present as the Executive Director. Rachel Yarch and Aaron Stanton of Burke, Warren, MacKay & Serritella, P.C. appeared as General Counsel. Appearing on behalf of the Local 241 Trustee was Justin Lannoye and Ron Willis of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich. Appearing on behalf of the CTA Trustees was James P. Daley of Jackson Lewis PC. Appearing on behalf of the Local ATU 308 was Anita Tanay. Appearing on behalf of the RTA Trustee was Daniel R. Salemi of Morgan, Lewis & Bockius. Also present was Miguel Zerate of Marquette Associates.

Mr. Kallianis reported that a quorum was present.

Consideration of Minutes from prior Meetings

The first order of business was the consideration of minutes of the prior meeting. There was a motion made by Mr. Burkard, seconded by Mr. Sidrys to accept the minutes of the Regular

Session and the Executive Session of the December 20, 2018 meeting. Mr. Biggs, Mr. Franklin, Mr. Bowen abstained. The motion passed.

The Chairman announced that from the agenda Item No. 4 - the election of the Chair and Vice Chair of the Board, Item No 5. - the Appointment and confirmation of Standing Committee members, namely General Administration and Investment, and Item No. 6 - the Appointment of Standing Committee Chairs and Vice Chairs will be deferred to the February Board meeting.

Investment Subcommittee

Mr. Zarate gave the report. He stated that the market value of the fund as of January 24, 2019 was \$1,746,371,488.11.

Old Business

In regard to the payroll audit for the year 2011 to 2017 there was no report given because of the absence of Mr. Kemperes.

As to the litigation status, the memorandum from the Burke firm was distributed and the discussion was put off to Executive Session.

New Business

The discussion then turned to the proposed budget for 2019. Mr. Burke moved to approve the proposed budget. His motion was seconded by Mr. Franklin. The motion passed unanimously.

General Administration

Mr. Franklin gave the General Administration report. Mr. Franklin made a motion that Items 9a through 9i of the Agenda be approved. The motion was seconded by Mr. Hill. The motion passed unanimously.

Mr. Franklin made a motion to approve Item 9j which is the bill for legal services in regard to the prescription rebate litigation. Mr. Burke seconded the motion. At this time Tiant Gatewood assumed the place of Mr. Hill in the discussions. The motion passed with 6 yeas and 5 abstentions. There was nothing to consider under Item 9k which is educational conferences.

The item under 10a, which was the rate request from the Burke, Warren, MacKay & Serritella firm was deferred until the next meeting.

Mr. McKone stated that there was a discussion about moving into Executive Session to discuss a personnel issue and litigation. Whereupon Mr. Burkard moved to adjourn to Executive Session, which motion was seconded by Mr. Franklin and unanimously approved.

The meeting then adjourned at 10:49 a.m.

At 11:32 a.m. the Chairman announced that the meeting had resumed. He stated that in Executive Session there had been discussion of pending litigation and a personnel issue. Mr.

Burkard then made a motion to accept the Executive Director's recommendation as to compensation and the role of Hector Flores. Mr. Sidrys seconded the motion. The roll was called. The vote was taken resulting in 7 yeas, 2 nos and 2 abstentions. The motion passed.

Mr. Sidrys moved to adjourn which motion was seconded by Franklin and unanimously approved.

The meeting adjourned at 11:34 a.m.