

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 April 30, 2019 at 200 West Adams Street, 17th Floor commencing at 9:36 a.m., adjourning at 10:27 a.m., reconvening at 11:15 a.m., and adjourning at 11:18 a.m.

Mr. Keith Hill, the Chairman, called the meeting to order at 9:36 a.m.

At the direction of Mr. Hill, a roll call was taken and established that the following Trustees were present:

Mr. Keith Hill, the Chairman
Mr. Tom McKone, the Vice Chairman
Ms. Toi Bowers
Mr. John Burkard
Mr. Joseph Burke
Mr. Woodrow Eiland
Mr. Ron Ester
Mr. Jeremy Fine
Mr. Kenneth Franklin
Ms. April Morgan
Mr. Paul Sidrys

John Kallianis was present as the Executive Director. Rachel Yarch of Burke, Warren, MacKay & Serritella, P.C. appeared as General Counsel. Appearing on behalf of the Local 241 Trustees was Justin Lannoye of Dowd, Bloch, Bennett & Cervone. Appearing on behalf of the CTA Trustees was James P. Daley of Jackson Lewis PC. Appearing on behalf of the Local 308 Trustees was Ms. Anita Tanay of Jacobs Burns Orlove Stanton. Appearing on behalf of the RTA appointee was Daniel R. Salemi of Morgan, Lewis & Bockius. Also present were Kweku Obed and Samantha Grant of Marquette Associates and Aaron Shapiro of Buck.

Mr. Kallianis reported that a quorum was present.

Consideration of Minutes from prior Meetings

Mr. Franklin made a motion to approve the minutes of the March 28, 2019 minutes. Mr. Burke seconded the motion and it passed. Mr. Ester abstained from that prior vote.

Investment Subcommittee

Mr. Hill called for the Investment Committee Report. Mr. Obed of Marquette gave the report. Mr. Obed advised the Trustees that the value of the investment portfolio of the Plan as of the close of business on April 29, 2019 was \$1,813,309,310.14 and of that amount \$13,173,584.66 was in cash. After a discussion of the portfolio Marquette made a recommendation that its investment in Nuveen be terminated and the funds from the Nuveen liquidation be moved to a passive option. Marquette looked at both Rhumblin and Piedmont, two passive managers and chose Piedmont because of a lower fee charge. Marquette's recommendation was to move the allocation from Nuveen to Piedmont and thereby save almost \$200,000 in annual fees. Piedmont is an MWBE firm. Mr. McKone moved to approve the recommendation which was seconded by Mr. Eiland and unanimously passed.

Old Business

Aaron Shapiro from Buck made a report on Actuarial Assumption Study. After the presentation by Mr. Shapiro, Mr. Sydris moved to approve the updated assumption presented by Buck. The motion was seconded by Mr. Burkard and unanimously approved.

Mr. Hill called for an update in regard to the 2011-2017 Payroll Audit update. Mr. Kallianis reported that Legacy had been out to Local 241 earlier in April and had finished its work. It also had finished its work at Local 308 earlier in the year. Legacy will be moving on with its field work to the CTA.

Mr. Hill asked for a summary of litigation. Mr. Kallianis responded that the summary of litigation was in the package delivered to all the Trustees. Mr. Kallianis stated there was going to be an Executive Session to discuss litigation and appeals.

Mr. Hill called for an update in regard to the RFP investment for consulting services. Mr. Kallianis reported that the RFPs were due in April. He has received some of the evaluations but he is waiting for a few more evaluations from the investment subcommittee before he summarizes them and sets up interviews with the respondents to the RFP.

Mr. Hill called for an update on the RFP for actuarial services. Mr. Kallianis responded that he will recirculate the actuarial RFP with updated dates for the timeline.

General Administration

Mr. Hill then called for a report from the General Administration Committee. Mr. Franklin made a motion to approve Items 5a through 5j on the agenda which were seconded by Mr. Eiland and unanimously approved.

New Business

The fee request from Burke, Warren, MacKay & Serritella is pending a meeting of the General Administration Committee.

Mr. Franklin then made a motion to go into Executive Session to discuss a couple of appeals and some litigation. It was seconded by Mr. Fine. The motion was unanimously approved at 10:27 a.m. and the meeting adjourned.

At 11:15 a.m. the meeting reconvened. Mr. McKone made a motion to deny the Taylor appeal which was seconded by Mr. Estes. A roll call was taken. Mr. Kallianis reported that the motion passed with seven yeas, two nos and two abstentions.

Mr. Hill made a motion to adjourn which was seconded by Mr. McKone and passed at 11:18 a.m.