

Meeting of the Retirement Plan for CTA Employees

Board of Trustees

55 West Monroe Street

Room 5A

Chicago, Illinois

Regular Session

Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees was held at 55 W. Monroe Street, Conference Room 5A, Chicago, Illinois on February 27, 2020 commencing at 9:39 a.m. and adjourning at 11:25 a.m.

Mr. Keith Hill, the Chairman, called the meeting to order at 9:39 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
Mr. David Biggs (sitting in for Ms. April Morgan)
Mr. Mike Bowen (sitting in for Mr. Jeremy Fine)
Ms. Toi Bowers
Mr. Joseph Burke
Mr. Woodrow Eiland
Mr. Chris Kasmer (sitting in for Mr. John Burkard)
Mr. Ronald Ester
Mr. Jeremy Fine (arrived after the meeting started)
Mr. Kenneth Franklin
Ms. Tiant Gatewood (sitting in for Ms. Bowers)
Ms. April Morgan (arrived after the meeting started)
Mr. Paul Sidrys

John Kallianis was present as the Executive Director. Richard W. Burke of Burke, Warren, MacKay & Serritella, P.C. appeared as General Counsel. Appearing on behalf of the CTA Trustees was James P. Daley of Jackson Lewis, PC. Appearing on behalf of the ATU 241 Trustees was Ron Willis of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich. Appearing on behalf of the RTA Trustee was Dan Salemi of Morgan, Lewis, & Bockius. Appearing on behalf of ATU Local 308 was Anita Tanay. Also present was Kweku Obed of Marquette Associates.

Mr. Kallianis reported that a quorum was present.

Consideration of Minutes from prior Meetings

Mr. Hill called for approval of prior January meeting minutes. Mr. Kallianis stated there was two sets of minutes, one for the regular meeting and one for the executive session. Mr. Eiland pointed out that he was in attendance at the last meeting, but that his attendance was not noted in the transcript or in the minutes. Ms. Anita Tanay also made the point that she was at the January meeting and her presence was not noted.

Mr. Sidrys moved to accept the minutes of the regular meeting, with the above revisions, which motion was seconded by Mr. Eiland. Mr. Bowen abstained from voting on the motion. The minutes were approved.

Investment Committee

Mr. Obed gave the Investment Committee Report. He reported that the market value as of the close of business on February 26, 2020 was \$1,817,955,272.96. During Mr. Obed's report, Mr. Fine and Ms. Morgan joined the meeting.

Mr. Obed stated that the fund currently only has about \$21 million in cash. The fund received cash from the hedge fund liquidations and the global fixed income liquidations. That cash was redeployed into Global Low Volume. Further during Mr. Obed's presentation Mr. Salemi joined the meeting.

Mr. Obed made a recommendation that the Committee accept the fee concession proposal from UBS and make a commitment to take the benefit of the reduction in fees. Mr. Franklin made a motion to concur with Marquette's recommendation which motion was seconded by Mr. Burke and unanimously approved.

Mr. Obed made a recommendation that the Plan terminate its investment with Heitman. He added that if the recommendation is accepted he would return later with a recommendation as to the placement of the funds. His current thinking is REEF would be a good recipient of those assets. Mr. Hill made a motion to follow the recommendation of Marquette and terminate Heitman which was seconded by Mr. Franklin and passed unanimously. At this point Mr. Tiant Gatewood took the place of Bowers.

Old Business

Mr. Kallianis then gave a report on the sub-committee meeting with Legacy which occurred on February 26, 2020. He stated that the CTA was now working on the reports and they were attempting to expedite some of the reports involving some part time union officers who are on the eve of retirement.

Mr. Hill called for a litigation report. Mr. Burke stated that the litigation report was in the packet of material distributed to the Trustees. During Mr. Burke's report Ms. Toi Bowers returned to the meeting.

General Administration

For the General Administration Committee, Mr. Franklin gave the report. Mr. Franklin made a motion to approve Item 6a through 6i on the Agenda for the General Administration Subcommittee. Mr. McKone seconded the motion. The motion was unanimously approved.

Mr. Franklin then made a motion to approve Item 6j which is the Rebate Case bills. It was seconded by Mr. Hill. A rollcall vote was taken, the motion passed. The vote was 6 ayes and 5 abstentions. There was no educational request at this time.

New Business

Mr. Hill stated that there was no new business to be considered.

In response to a question from Mr. Hill, Mr. Kallianis stated that there was a need for executive session to discuss the rebate litigation. Mr. Franklin made a motion to go into executive session which was seconded by Mr. Kasmer and approved.

Mr. Franklin made a motion to adjourn to Executive Session to discuss potential litigation. The motion was seconded by Mr. Kasmer and the meeting adjourned at 10:44 a.m.

The meeting resumed at 11:23 a.m. whereupon Mr. Franklin made a motion to proceed with the recommendation of Daryl Schumacher that a Notice of Appeal be filed in regard to the recent order of the trial judge in the rebate litigation involving the former Trustees. Mr. Eiland seconded the motion. There was a roll call vote taken resulting in 6 ayes and 5 abstentions. The motion passed.

Mr. Franklin then made a motion to adjourn which was seconded by Mr. Kasmer and approved.

The meeting adjourned at 11:24 a.m.