



Regional Transportation Authority

175 West Jackson Blvd.
Suite 1650
Chicago, Illinois 60604
312-913-3200
rtachicago.org

Board Agenda

Compensation & Human Resources Committee

Thursday, October 17, 2019

Board Room

8:30 a.m.

1. Roll Call

2. Approval of Minutes

From the meeting held on January 18, 2018

3. Action Items

Ordinance reappointing Sam Sesto to the RTA Board of Pension Trustees

Description:

The proposed ordinance recommends the reappointment of one non-employee Trustee, Sam Sesto, to the RTA Pension Board of Trustees.

ADJOURNMENT

**MINUTES OF A PUBLIC MEETING OF THE COMPENSATION AND
HUMAN RESOURCES COMMITTEE OF THE
BOARD OF DIRECTORS OF THE REGIONAL TRANSPORTATION AUTHORITY**

The **Compensation & Human Resources Committee** of the Board of Directors of the Regional Transportation Authority met in public session on **Thursday, January 18, 2018**, at 9:00 a.m., in Suite 1650, 175 West Jackson Blvd., Chicago, Illinois, pursuant to notice.

Committee Vice-Chairman Pang presided.

ROLL CALL

Committee members present (6): Frega (phone), Hobson, Kotel, Melvin, Pang, Troiani (phone)

Committee members absent (a): Magalis

Other Board members present: Coulson, DeWitte, Durante, Fuentes, Higgins, Lewis, Ross and Chairman Dillard (@ Item 3a)

Approval of minutes from the meeting held on December 14, 2017

Director Melvin moved, and Director Hobson seconded that the minutes from the meeting held on December 14, 2017 be approved as submitted. The motion carried on the following roll call vote:

6 Yeas: Directors Frega, Hobson, Kotel, Melvin, Pang, Troiani

1 Absent: Director Magalis

Ordinance adopting the restatement of the RTA Pension Plan

RTA Pension Trustee Chairman Bill Lachman presented the request to re-appoint Frank Paul, a non-employee member of the RTA Board of Pension Trustees. Mr. Lachman explained that the membership of the RTA Board of Pension Trustees consists of three transit agency trustees—one each from the RTA, Metra, and Pace—and four non-employee trustees.

In April 2016, the RTA Board approved by-laws that set the terms for the then current and future non-employee trustees. More recently, in November 2016 and April 2017, the RTA Board appointed Zaid Abdul-Aleem and Kathleen Hechinger to fill the non-employee trustee vacancies created by the passing of trustee Raymond Roe and the expiration of the term of the former Chair Frank Miller.

Frank Paul's term expired on December 31, 2017. Mr. Paul has over thirty years of experience as a public finance investment banker. He is currently the Managing Director of Public Finance at Academy Securities, an investment bank and broker dealer. Chairman Dillard noted that Frank Paul is a well-known fixture in the finance community. He explained that that Frank Paul's employer, Academy Securities, is a veteran and disabled veteran owned and operated firm.

Director Hobson then moved, and Director Melvin seconded that the proposed ordinance be recommended to the full Board for approval. The motion carried on the following leave for last unanimous roll call vote:

6 Yeas: Directors Frega, Hobson, Kotel, Melvin, Pang, Troiani

1 Absent: Director Magalis

ADJOURNMENT

There being no further business to come before the public session of the Compensation & Human Resources Committee, Director Hobson moved, and Director Melvin seconded that the meeting adjourn. The motion carried by the following voice vote:

6 Yeas: Directors Frega, Hobson, Kotel, Melvin, Pang, Troiani

1 Absent: Director Magalis

The meeting ended at 9:05 a.m.

AUDREY MACLENNAN
Secretary of the Authority

To: Compensation & Human Resources Committee

From: Leanne P. Redden, Executive Director

Date: October 10, 2019

Re: Ordinance reappointing Sam Sesto to the RTA Board of Pension Trustees



**Regional
Transportation
Authority**

175 W. Jackson Blvd,
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ACTION REQUESTED

The proposed ordinance recommends the reappointment of one non-employee Trustee, Samuel A. Sesto, to the RTA Pension Board of Trustees. Mr. Sesto's qualifications are briefly summarized below:

Mr. Sesto has over 34 years of experience providing expertise to public funds, corporations, and other institutional clientele. He is currently a Senior Vice President, Senior Institutional Consultant, and Corporate Client Group Director with Morgan Stanley, as well as a Government Entity Specialist. Mr. Sesto has guest lectured at the Wharton School, the University of Illinois-Chicago, and the University of Notre Dame, and spoke on sustainable and impact investing at the Association of Public Treasurers of the United States and Canada's conference in Chicago. Mr. Sesto is a Corporate Affiliate Member and guest speaker of the Illinois Public Pension Fund Association and has served on the State of Illinois' Department of Insurance Focus Group for Police and Fire Pension Funds. Mr. Sesto has also served on a number of community boards and is past Board President of Chicago Heights District #170. He has been awarded the CIMA designation by the Investment Management Consultants' Association and is a Chartered Retirement Plan Specialist. Mr. Sesto has completed advanced studies in consulting at The Wharton School of Business at the University of Pennsylvania, and the Booth Graduate School of Business at the University of Chicago. He graduated from Marquette University and earned an MBA in Investment Finance from the University of Illinois in Champaign.

BACKGROUND

Pace, Metra and the RTA are participating employers of the RTA Pension Plan (the Plan), which is administered by a Pension Committee and a Board of Trustees. The Plan is a defined benefit plan for non-union employees of the participating agencies. Managing the Pension Trust's investments is the primary role of the Board of Trustees (the Trustees). The Board of Trustees is comprised of three employee and four compensated non-employee appointees from the private sector. The RTA Pension Plan requires that the RTA Board of Directors appoint all Trustees.

PREVIOUS ACTIONS

Ordinance 2016-16 adopted by the RTA Board of Directors on April 21, 2016 incorporated as part of the RTA Pension Plan by-laws governing the operations of the Pension Plan Trustees. These by-laws set the expiration dates of all non-employee Trustees then serving on the Board of Trustees, including the December 31, 2019 expiration date of Mr. Sesto's current term, and established four-year terms for all appointments of non-employee trustees.

Ordinance 1997-17 adopted by the RTA Board of Directors on May 1, 1997 appointed Mr. Sesto to the RTA Pension Board of Trustees.

Prepared by the Finance, Innovation & Technology Department.

LPR/BRH/WDL
Attachment.

ORDINANCE NO.

WHEREAS, the Regional Transportation Authority (RTA) and its Board of Directors (Board) have entered into a trust agreement (Pension Trust) as a funding mechanism for The Regional Transportation Authority Pension Plan (Plan) established by the Authority;

WHEREAS, Article 10 of the Pension Trust, as amended and restated, provides that the Board of the Authority shall be responsible for the removal and appointment of Trustees; and

WHEREAS, the Board finds that reappointing Sam Sesto to the Board of Pension Trustees is in the best interests of the Authority.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE REGIONAL TRANSPORTATION AUTHORITY that:

- 1) Sam Sesto is hereby reappointed as a non-employee Trustee of the RTA Pension Trust, effective December 31, 2019.
- 2) The Executive Director, Chair of the Board of Pension Trustees and the Pension Plan Administrator are hereby authorized and directed to take such action as they deem necessary and appropriate to implement, administer and enforce this ordinance.

Samuel A. Sesto, CIMA®, CRPS®

Senior Vice President

Senior Institutional Consultant

Corporate Client Group Director

Government Entity Specialist

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Samuel A. Sesto, CIMA®, CRPS® is a Senior Vice President, Senior Institutional Consultant, and Corporate Client Group Director with Morgan Stanley. He is also a Government Entity Specialist. He holds a Bachelor's Degree in Business from Marquette University and an MBA in Investment Finance from the University of Illinois in Champaign. He has completed advanced studies in consulting at The Wharton School of Business at the University of Pennsylvania, and The Booth Graduate School of Business at The University of Chicago through the firm's partnership with those entities. He has been awarded the CIMA designation by the Investment Management Consultants' Association and is a Chartered Retirement Plan Specialist. Sam has served as a guest lecturer at the Wharton School. He was asked by the University of Notre Dame to speak at their annual Leadership Conference where he spoke on the topic of Socially Responsible Investing. He lectured on the same topic at the University of Illinois-Chicago. Sam was asked to present at the Association of Public

Treasurers of the United States and Canada's conference in Chicago where he spoke on sustainable and impact investing. He has served as a national speaker on the topic of managed money and consulting. He has over 34 years of experience providing expertise to public funds, corporations and other institutional clientele.

Mr. Sesto has received numerous professional awards and designations. He has twice received the firm's Investment Consulting Services Leadership Award for outstanding achievement. Mr. Sesto sat on the ICS Focus Group, a committee of Senior Consultants who provided input to senior management on the direction and focus of the firm's consulting efforts. Sam has been asked to accept the position of Senior Institutional Consultant and join an elite group of consultants nationally that concentrate on institutional business. He has received The Distinguished Service Award presented by the Local Teachers' Union. He is an Illinois State Board of Education "Those Who Excel" Award recipient, and a past member of Marquette University's President's Council.

Mr. Sesto has served on a number of community boards and is past Board President of Chicago Heights District #170. Sam is a former member of the St. James Hospital Advisory Board and a founding member of the Aunt Martha's Health Center Board. He is also a founding board member of the District 170 Foundation Board. He is Vice Chairman of the State of Illinois' Regional Transportation Authority Pension Board. He is a Corporate Affiliate Member and guest speaker of the Illinois Public Pension Fund Association, has served as an educational instructor for the state mandated compliance curriculum, and has served on the State of Illinois' Department of Insurance Focus Group for Police and Fire Pension Funds. He has served as a National Chair of Marquette University's Gift Giving Program.

Sam resides in the Chicago area with his wife, Jennifer, and their daughter Sophia Grace.