

AGENDA
For the 663rd Retirement Allowance Committee Meeting of
May 25, 2004

1. Meeting will be called to order at 8:30 A.M. at the LaSalle Bank, 135 S. LaSalle, 7th floor, Suite 740/7A.
2. Roll call
3. Approval of the Minutes of the 662nd meeting.
4. Investment Subcommittee
 - a.) AA Partners Presentation
 - b.) Trustee Seminar Schedule
 - c.) 1st Quarter, 2004 Performance
 - d.) Fee Reduction Request
5. Real Estate Subcommittee
 - a.) 4th Quarter, 2003 Report
6. Subcommittee on General Administration
 - a.) Announcements of deaths reported since last meeting.
 - b.) Presentation of pre-retirement surviving spouse allowances for approval.
 - c.) Presentation of new retirement applications for approval.
 - d.) List of retirement applications that were revoked.
 - e.) Presentation of death benefits for approval.
 - f.) Presentation of refunds of contributions for approval.
 - g.) Election of deferred vested retirement allowance.
 - h.) Presentation of bills and remittances.
 - i.) Pension #D3479 – eligibility of Darryl Jones for disability allowance.
 - j.) Allsup, Inc. Proposal
 - k.) Corvel Proposal
7. Old Business
 - a.) Administration of Arbitration Award
 - b.) Part-time union board members

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8. New Business
 - a.) Preliminary Actuarial Information
9. Executive Session
10. Adjournment

The 662nd Meeting of the Retirement Plan for Chicago Transit Authority Employees

I. Full Meeting Minutes

A regular meeting of the Retirement Allowance Committee was held on April 22, 2004 at LaSalle Bank. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at approximately 9:30 a.m..

Mr. Kallianis indicated that the meeting agenda and minutes would reflect that this was the 662nd meeting of the RAC, not the 663rd as indicated. This was due to the fact that the March 25, 2004 meeting was cancelled for lack of a quorum.

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

Dennis Anosike
Willie Means as an alternate for Marcellus Barnes
John Burkard
Ethel Carter
Paul Fish as an alternate for Dorval Carter
Carl Lingenfelter (had to leave during GA Subcommittee Mtng.)
Leon London
Wanda Black as an alternate for Rodney Richmond
Lynn Sapyta
Richard Winston

On a motion by Mr. Anosike, the Committee approved the minutes of the 661st meeting of the RAC.

General Administration Subcommittee Report

A brief report was given by Ms. Sapyta on the General Administration Subcommittee Meeting. The report of the Subcommittee, including items 6a through 6i was approved by the Subcommittee.

Investment Subcommittee Report

Mr. Winston gave a brief report on the meeting of the Investment Subcommittee. The report on the Subcommittee meeting was approved on a motion by Mr. Anosike.

Real Estate Subcommittee Report

(There was no business to report for the Real Estate Subcommittee.)

Old Business

Mr. Kallianis gave the Committee a brief update on the move of the office from 10 S. Riverside Plaza to 10 S. LaSalle Street. He indicated that the Plan Office would be moving immediately following the meeting.

Mr. Kallianis then indicated that Mr. Smith from Segal Company was exploring alternatives for the Committee with regard to Fiduciary Liability Insurance.

There was lengthy discussion on item 7C regarding the administration of benefits following the arbitration award issued last November. Mr. Kallianis and Mr. Burke indicated that the two parties to the agreement had to provide some clarifications with regard to some of the items in the award. Mr. Kallianis and Mr. Burke further indicated that the RAC was not the proper venue to approve the changes to the Plan. The changes had to be done by the parties to the agreement.

There was also lengthy discussion regarding the part-time union board member issue. Mr. Winston indicated that he had received documents regarding a specific case just the night before and would appreciate some time to review the documents. Mr. Winston also indicated that he and Mr. Richmond were supposed to discuss the issue in the near future. A number of the Committee members and alternates expressed frustration and the length of time that had passed since this issue first came to light and should be resolved soon.

New Business

Ms. Carter then inquired about the benefits for Mr. Wade. She asked that Mr. Lewis Wade be allowed to speak. Mr. Wade indicated that he had been promised a benefit for life from the CTA's law department in 1978 and had concerns about the payments.

Mr. Kallianis indicated that he or someone in the office would speak to Mr. Wade and attempt to resolve whatever issue he had.

Executive Session

The Committee adjourned to Executive session to discuss litigation related to the Plan,

Upon returning from Executive Session, on a motion by Mr. Winston, the Committee adjourned.

II. General Administration Subcommittee Minutes

A regular meeting of the General Administration Subcommittee was held on April 22, 2004 at the offices of LaSalle Bank. The Vice Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at 8:40 am.

Ms. Sapyta presented for approval items 6a through 6i, including the pre-retirement surviving spouse allowances, the regular retirements, revoking of applications, disability allowances, death benefits, refunds of contributions, payment of bills and remittances. Mr. Barnes stated that the total of bills and remittances for the month was \$ 7,894,981.10. (This amount included all of the items that were to be presented at the March 25, 2004 meeting, which was cancelled.)

On a motion by Mr. London, the Subcommittee voted to accept the report and approve the items on the agenda for the General Administration Subcommittee.

III. Investment Subcommittee Minutes

A regular meeting of the Investment Subcommittee was held on April 22, 2004 at the offices of LaSalle Bank. The Chairman of the Subcommittee and The Executive Director were present. A quorum being present, the meeting was called to order at 9:00 a.m.

Mr. Kallianis gave the Committee an update on the request for fee reductions. He indicated that responses from the small, mid and international equity managers were being received and that two of the five received indicated reductions to their Most Favored Nation structure. Three of the five had already given us the MFN status and several more were expected in the time before the next meeting.

Mr. Ross then gave the Subcommittee an update on the status of the Fund from the Financial Control Systems report. The Fund earned -0.11% in March of 2004. Year to date, the fund had earned 2.6% versus -1.87% in the same period last year. The market value of the Fund at the close of business from the prior day was approximately \$1.349B.

The report on the Subcommittee on Investments was approved on a motion by Mr. London.

IV. Real Estate Subcommittee Minutes

There was no business scheduled for the Real Estate Subcommittee.