

The 686th Meeting of the Retirement Allowance Committee of the Retirement Plan for Chicago Transit Authority Employees

Meeting Minutes

A regular meeting of the Retirement Allowance Committee was held on May 22, 2006 at LaSalle Bank, in the Conference Room ABC. The Chairman and the Executive Director were present.

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

Dennis Anosike
Wanda Black as an alternate to Darrell Jefferson
Michael Simmons
John Burkard
Rick Harris
Lynn Sapyta
Richard Winston
Paul Sidrys
Carl Lingenfelter

On a motion by Ms. Black, the minutes of the 685th meeting of the RAC were approved.

General Administration Subcommittee Items

Mr. Simmons presented for approval items 5 (a) through 5 (i), including the pre-retirement surviving spouse allowances, the regular retirements, revoking of applications, disability allowances, death benefits, refunds of contributions and payment of bills and remittances. Mr. Simmons stated that the total of bills and remittances for the month was \$7,592,390. Mr. Kallianis asked the retirement of Ms. Maria Hernandez be removed from consideration as there was still information needed from Ms. Hernandez.

Mr. Kallianis presented 5 (j) the benefit calculations issues for Ms. Ethel Carter and Mr. Jerry Williams. Mr. Kallianis reported that the Pension Office keeps records of contributions made for full-time and part-time officers of the Locals over the period of time that they work with the Locals. Mr. Kallianis indicated that there are differences between the earnings that have been reported to Pension Office from Local 308 and the W2 earnings for Ms. Carter and Mr. Williams.

After some discussion by the Committee, item 5j was moved to executive session for consideration.

On a motion by Ms. Black, the Committee approved items 5a through 5i of the General Administration Subcommittee report, with the removal of Maria Hernandez's request and the movement of 5j to executive session.

Investment Subcommittee Items

Mr. Lingenfelter asked Mr. Kelsen to report on a private equity fund of funds that we had previously committed funds to. Mr. Kelsen indicated that AA capital had withdrawn their fund from the market and it was no longer available for investment.

Mr. Simmons asked Mr. Kelsen about the AIG fund that had presented at the last meeting and whether or not that would be an appropriate substitute for our commitment to AA. Mr. Kelsen indicated that he was not ready to make a recommendation on AIG, but would be ready for the next meeting or before that if necessary.

Mr. Lingenfelter presented the item related to the Gray and Company request for an amendment to their fee agreement. The amendment would add a fee of 25 basis points on invested capital for alternative investments in private equity and hedge funds. The committee approved the amendment to the agreement with Gray and Company on a motion by Mr. Lingenfelter.

Real Estate Subcommittee Items

There was no business to discuss at the Real Estate Subcommittee. Mr. Burkard asked that the Townsend Group do due diligence on McMorgan and Company for consideration for the allocation to core managers.

Old Business Issues

Mr. Kallianis presented a proposal for an appeals process for disability allowances to the Committee for consideration. After some discussion, the Committee asked Mr. Kallianis to follow up with a General Administration meeting to discuss the matter.

New Business

Mike Kivi from GRS gave a report on the possible effects of the recent legislation passed in Springfield with respect to the Retirement Plan.

Executive Session

There was a roll call vote to go into Executive Session to discuss personnel matters. The roll call vote was unanimous.

Full RAC Meeting

On motion by Ms. Black, the Committee approved the payment of previously unpaid contributions for Mr. Jerry Williams and Ms. Ethel Carter, with 9% interest. The Committee indicated that the payment would reflect vacation buy-back figures and not transportation reimbursements.