

AGENDA
For The 704th Retirement Allowance Committee Meeting of
November 20, 2007

1. Meeting will be called to order at 9:30 a.m., LaSalle Bank, 135 S. LaSalle, in the Conference Room ABC on the 43rd floor.
2. Roll call
3. Consideration of the Minutes of the 703rd meeting
4. General Administration Subcommittee Issues
 - a.) Announcements of deaths reported since last meeting
 - b.) Presentation of pre-retirement allowances for approval
 - c.) Presentation of new retirement applications for approval
 - d.) Return to work from disability allowances
 - e.) Presentation of death benefits for approval
 - f.) Presentation of refunds of contributions for approval
 - g.) Presentation of bills and remittances
 - h.) Cash flow statement YTD
5. Investment Subcommittee Issues
 - a.) FAF Advisors Update
 - b.) Hedge Fund Allocations
6. Real Estate Subcommittee Issues
7. Old Business
 - a.) 401h Status
8. New Business
 - a.) Allsup Update
9. Executive Session
10. Adjournment

The 704th 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 November 20, 2007 at LaSalle Bank, 135 S. LaSalle. The Executive Director was present.

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

John Bayer for Darrell Jefferson
Dennis Anosike
Calvin Tillery for Rick Harris
Michael Simmons
Pete Fionda for Darryle West
Carl Lingenfelter
John Burkard
Lynn Sapyta
Paul Sidrys
Rubin Madrigal for Richard Winston

There were no minutes available for approval for this meeting. The minutes for the 703rd and 704th will be presented at the December 20th meeting for approval.

General Administration Subcommittee Items

Mr. Simmons presented for approval items 4 (a) through 4 (h), including the death reports since last meeting, pre-retirement allowances, new retirement applications, return to work from disability allowance, disability summary, election of deferred vested old age retirement allowance, retirement applications revoked, death benefits, refunds of contributions, bills and remittances, and the cash flow statement. The total amount of bills and remittances including federal income tax for the month was \$7,165,476.30. Item 4 (h) is estimated year-to-date cash flow statement. The Plan has a negative cash flow through October 2007 of \$47,967,289.

On a motion by Mr. Burkard, the Committee approved the General Administration Subcommittee report.

Investment Subcommittee Items

Mr. Kallianis had Mr. Tim Henning Relations Manager, Mr. Jim Diedrich Portfolio Manager, and Mr. Jay Pluimer Consultant Relation from First American Funds give an update on mid cap growth portfolio.

Mr. Henning briefly spoke about First American Funds and their investment strategy. He updated the Committee on how they expect to add value to the portfolio. Mr. Diedrich

Retirement Plan for CTA Employees Medicare Project

There are two components of the Medicare Project with Allsup:

Medicare Recovery

- Allsup can recoup up to 24 months worth of claims for participants who are receiving SSDI, but have not yet been updated to Medicare as their primary insurance.
- Those claims are “re-run” as if Medicare was the primary insurance.
- This process has resulted in recapturing more than \$365,000 in gross medical costs for the Plan.

Updating Participants to Medicare Primary

- 360 Disabled Participants have been updated to Medicare primary since the program began in 2005.
- The average annual medical costs per disabled participant are \$10,000. On average, costs to the Plan are reduced by 71% when Medicare becomes primary.
- The estimated annual savings from these updates amount to approximately \$2,556,000.
 $(360 \times \$7,100 = \$2,556,000)$
- The estimated future savings from these 360 participants who've been updated is \$20,448,000.¹

¹ This is based on the average length of a long term disability claim being 10 years, less the 24 month waiting period from SSDI onset to Medicare entitlement.)