

The Retirement Plan for CTA Employees

Board of Trustees

10 S. LaSalle Street
Suite 1100
Chicago, IL 60603

Approved
Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on February 25, 2010 at One North Franklin Street, 24th Floor. The Chairman and the Executive Director were present.

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

Theresa Mintle
Darrell Jefferson

Carlos Acevedo
Christopher Kasmer for John Burkard
Donald Franklin
Dan Hrycyk
Robert Kelly
Gia Morris
Lynn Sapyta
Paul Sidrys
Peter Xilas

Present on behalf of the Retirement Plan was Richard Burke, of Burke, Warren, MacKay, & Serritella. Present on behalf of the Union Trustees was Joe Burns, of Jacobs, Burns, Orlove & Hernandez, and present on behalf of the Regional Transit Authority appointed Trustee were John Doerrer of Kaizen, Inc. and Andrew Malahowski of Franczek Sullivan, PC. James Daley of K&L/Gates was present on behalf of the CTA Trustees.

On a motion by Mr. Kelly, seconded by Ms. Morris, the Board of Trustees approved the January 2010 minutes.

General Administration Subcommittee Items

Mr. Acevedo 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, death benefits, refunds of contributions, bills and remittances. The total amount of bills and remittances including federal income tax for the month was \$3,297,371.71.

On a motion by Mr. Sidrys, seconded by Ms. Sapyta, the Board of Trustees approved the General Administration Subcommittee items, with the exception of the bills for Burke Warren MacKay and Serritella for the month of December, 2009.

Investment Subcommittee Items

Mr. Kallianis distributed to the members a copy of the Gray and Company fee schedule. This included the 2003 contract, the addendum from 2006 and a portion of the transcript of the discussions from the May, 2006 meeting.

Real Estate Subcommittee Items

Mr. Kallianis reported that he, along with Mr. Kelly and Ms. Sapyta, would be meeting with Ms. Cachat to discuss the Trust's investments in real estate.

Old Business

Mr. Kallianis briefed the Board on the Healthcare Transition Audit, which includes subrogation, Rx rebates, and claims reconciliation.

On a motion by Mr. Kelly, seconded by Mr. Jefferson, the Board approved adding Cohen Millstein to the list of the approved securities litigation firms, working on a contingent basis as the others do.

Mr. Kallianis updated the Board on Allsup and its fees. The Board asked Mr. Kallianis to write Allsup a letter requesting a reduction of its contingent fees charged to the Plan and to the retirees.

Ms. Sapyta made a motion, seconded by Mr. Xilas, to approve the best and final offer from Gabriel Roeder Smith to be the Plan's actuary. There was a roll call vote: Mintle-yes, Jefferson-no, Acevedo-no, Kasmer-abstain, Franklin-no, Hrycyk-no, Kelly-no, Morris-yes, Sapyta-yes, Sidrys-yes, Xilas-yes. The motion did not pass.

Mr. Kelly made a motion, seconded by Mr. Acevedo, to approve the best and final offer from PWC to be the Plan's actuary. There was a roll call vote: Mintle-no, Acevedo-yes, Kasmer-abstain, Franklin-yes, Hrycyk-yes, Kelly-yes, Morris-no, Sapyta-no, Sidrys-no, Xilas-no, Jefferson-yes. The motion did not pass.

New Business

Mr. Franklin made a motion, seconded by Mr. Kelly, to have Alex Rivera from Gabriel Roeder Smith at the next meeting to discuss the report that GRS produced for Mr. Kelly. There was a roll call vote: Mintle-yes, Jefferson-yes, Sapyta-no, Acevedo-yes, Kasmer-yes, Franklin-yes, Hrycyk-yes, Kelly-yes, Morris-yes, Sidrys-yes, Xilas-no. The motion passed.

On a motion by Mr. Kelly, seconded by Mr. Hrycyk, the Board approved extending an invitation to the Illinois Auditor General's Office to join next month's meeting.

Executive Session

On a motion by Mr. Kelly, seconded by Mr. Franklin, the Board approved moving into Executive Session for the purpose of discussing personnel issues.

Open Session

After adjourning from Executive Session on a motion made by Mr. Kelly and seconded by Kasmer, Mr. Kelly made a motion, seconded by Mr. Acevedo, to move forward with the job posting for General Counsel/Assistant Executive Director. There was a roll call vote: Mintle-no, Acevedo-yes, Kasmer-yes, Franklin-yes, Hrycyk-yes, Kelly-yes, Morris-yes, Sapyta-no, Sidrys-no, Xilas-no, Jefferson-yes, The motion passed.

On a motion by Mr. Acevedo, seconded by Mr. Jefferson, the meeting was adjourned.
