

Meeting of 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 March 24, 2011 at One North Franklin Street, 24th Floor. The Chairman and the Executive Director were present.

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

Darrell Jefferson
Erin Kleist as an alternate for Theresa Mintle
Carlos Acevedo
John Burkard
Joseph Burke
Robert Kelly
Dennis Mondero
Robert Gierut as an alternate for Paul Sidrys
Karen Walker
Daniel Hrycyk as an alternate for Darryle West
Peter Xilas

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the Union Trustees was Joseph Burns, of Jacobs, Burns, Orlove & Hernandez, and Joseph Pass, of Jubelirer, Pass, and Intieri, PC. Appearing on behalf of the Regional Transit Authority appointed Trustee was Andrew Malahowski of Franczek Radelet, PC and John Doerrer of Kaizen, Inc. James Daley of K&L Gates, appeared on behalf of the CTA Trustees. Also present were Ivory Day of Gray & Company and Robert Rowe and Edward Murray of Enhanced Investment Partners, LLC.

On a motion by Mr. Kelly, seconded by Mr. Burke, the Board approved the draft minutes of for January 27, 2011 with the corrections indicated. On a motion by Mr. Burke, seconded by Mr. Xilas, the Board approved the minutes of February 24, 2011.

General Administration Subcommittee Items

On a motion by Mr. Acevedo, seconded by Mr. Burkard, the Board of Trustees approved the General Administration report.

Investment Subcommittee Items

Mr. Day provided the Trustees with comment on the investment markets, and introduced Mr. Rowe and Mr. Murray of Enhanced Investment Partners, who made a presentation concerning their equity investment rotation strategy.

On motion of Mr. Burke, seconded by Mr. Acevedo, the Trustees approved, pursuant to the recommendation of Gray & Company, a transition of the portfolio managed by Attucks Asset Management to a new platform managed by Attucks with additional services provided by Hedge Fund Research and its affiliate, Riverside Portfolio Management.

On motion of Ms. Walker, seconded by Mr. Burke, the Trustees approved, pursuant to the recommendation of Gray & Company, an extension of the term of the partnership agreement for Pharos Capital Partners, L.P. for an additional three years. Mr. Kelly abstained.

Mr. Kallianis summarized the review by the Investment Committee Subcommittee of the proposals received in response to its Request for Proposals for direct private equity managers. On motion of Mr. Burkard, seconded by Mr. Burke, the Trustees approved the recommendation of the Subcommittee to allocate \$5 million each to Taurus Resources Fund No. 2 and Black Enterprise/Greenwich Street Capital Partners II, LP, and \$10 million to Craton Equity Partners.

Real Estate Subcommittee Items

Mr. Kallianis updated the Board on the actions taken pursuant to the Board's decision in February to allocate additional amounts to real estate managers.

Old Business

Mr. O'Connell reported to the Trustees on the meeting he attended between the CTA and Local 241 concerning contributions for part-time union officials.

Mr. O'Connell reported that he had begun to review the issues arising out of the health care transition audit, and had suggested a format for discussions with the CTA.

New Business

Mr. Kallianis reported that the Payroll Audit Committee meeting had to be rescheduled. Mr. Acevedo raised a question regarding contributions for recently rehired employees, and Mr. Xilas offered to check into it.

On motion by Mr. Burke, seconded by Mr. Acevedo, the Trustees voted to establish a subcommittee to interview brokers for the procurement of fiduciary liability insurance, and to make a recommendation to the full Board as to which broker to retain.

Mr. Kallianis called the Board's attention to a letter that had been distributed from Mr. Madigan, Speaker, Illinois House of Representatives. After a discussion, on motion by Mr. Kelly, seconded by Ms. Walker, the Trustees voted to acknowledge that they had received the letter and read it, and would send such an acknowledgment to the Speaker.

Mr. Kallianis advised the Trustees that the Appeal Regarding Disability Application on the Agenda had been mooted by a letter recently received from Sedgwick.

Mr. Acevedo requested that a copy of the pension provision regarding contributions for accrued vacation payout be brought to the next Board meeting, and Mr. Kallianis agreed to bring it.

Executive Session

None.

Open Session

On a motion by Mr. Acevedo, seconded by Mr. Hrycyk, the Committee approved adjournment of the meeting.