

Meeting of the Retirement Plan for CTA Employees Board of Trustees

10 S. LaSalle Street
Suite 1100
Chicago, IL 60603

Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on December 22, 2011 at One North Franklin Street, 24th Floor. The Chairman and Executive Director were present.

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

Javier M. Perez, Jr., Chairman
Joan Coogan
Marcellus Barnes
John Burkard
Joseph Pass
Joseph J. Burke
Robert Kelly
Ronald Puskarits
Paul Sidrys
Helen Kim as an alternate for Karen Walker
Judith Kelley as an alternate for Peter Xilas

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the Union Trustees was Anita Tanay, of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the Regional Transit Authority appointed Trustee were Andrew Malahowski of Franczek Radelet, PC and John Doerrer. James Daley of K&L Gates appeared on behalf of the CTA Trustees. Also present was Ivory Day of Gray & Company.

On a motion by Mr. Kelly, seconded by Mr. Sidrys, the Board approved the draft minutes, including suggested changes, for November 2011.

General Administration Subcommittee Items

A motion was made by Mr. Burke, seconded by Ms. Coogan, to approve the items under Item 4(a) through (i) of the General Administration committee agenda, including the disability allowance application of Zulma Crespo. The motion passed unanimously.

Investment Subcommittee Items

Mr. Day provided the Trustees with a report, advising that assets had a market value of \$1,657,733,751.00 as of December 20, 2011. He was asked about Enhanced Investment Partners, LLC (EIP), and responded that he had recommended them to the Trustees some time ago, but there had been a change in composition of the Board, and the newer members might not be familiar with the company. On motion by Mr. Kelly, seconded by Mr. Burke, the Trustees voted to have Mr. Day invite EIP back for another presentation, and to have the Plan's General Counsel advise the Trustees on any procurement issues relative to potential services by EIP.

Mr. Day also mentioned that he would be speaking at the Financial Research Associates Made In America conference in Las Vegas, and could obtain a discount to any trustees who would like to attend. Mr. Kelly expressed an interest in attending.

Real Estate Subcommittee Items

Mr. Kallianis reported that he was in the process of following up with Trustees on the Real Estate Subcommittee to schedule a meeting concerning the recent RFP.

Old Business

The Trustees discussed the Old Business item regarding the payroll audit. Mr. Kallianis reported that Legacy had requested about 40 months of data, and January 10, 2012 is the target date to provide them with that data. The next step after that would be for discussions to occur with the contact persons designated by the CTA, and Locals 241 and 308.

With respect to the health care transition audit, Mr. Kallianis reported that a response from the CTA was anticipated before the next Board meeting, and that he planned to ask an additional Trustee from labor and management to form a subcommittee to assist Mr. Burke, who had worked on the issue previously, after the CTA response is received.

Mr. Kelly raised the question of certain employment contracts which were expiring, but indicated he would wait to discuss the specifics in executive session.

New Business

Mr. Kallianis reported that Buck Consultants had begun work on the Plan's actuarial valuation.

The Trustees discussed ideas for additional communications with participants, and Mr. Kallianis indicated he would review some additional ideas with the Trustees at the next Board meeting.

Executive Session

On motion by Mr. Kelly, seconded by Mr. Burke, the Board voted unanimously to conduct

an executive session, under the litigation exception (5 ILCS 120/2(c)(11)).

On motion by Mr. Pass, seconded by Ms. Coogan, the Board voted unanimously to return to executive session.

Open Session

On a motion by Ms. Coogan, seconded by Mr. Burkard, the Board voted to ratify the actions taken to date by Mr. Kallianis with respect to the DV Urban matter. On motion by Ms. Coogan, seconded by Mr. Burkard and Mr. Pass, the Board voted to give Mr. Kallianis authority to enter into a settlement in connection with DV Urban up to the amount discussed in executive session, and to take other actions on behalf of the Board as appropriate in connection with the DV Urban matter.

On a motion by Mr. Sidrys, seconded by Mr. Puskarits, the Board approved adjournment of the meeting.