

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 July 26, 2012 at One North Franklin Street, 27th Floor. The Chair and the Executive Director were present.

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

Javier Perez, Chair
Joan Coogan, Vice-Chair
John Burkard
Joseph J. Burke
Marcellus Barnes
Robert Kelly
Ronald Puskarits
Paul Sidrys
Karen Walker
Larry Owens as an alternate for Paul Volpe

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 and Hernandez. Appearing on behalf of the Regional Transit Authority appointed Trustee was Andrew Malahowski of Franczek Radelet, PC. James Daley of Schuyler Roche & Crisham appeared on behalf of the CTA Trustees. Also present were Ivory Day, Laurence Gray, and Robert Hubbard of Gray & Company, Adam Derrick and Jim Kemperas of Legacy Professionals, and Stephen Burns of The Townsend Group.

On motion by Mr. Burke, seconded by Mr. Sidrys, the proposed minutes for June 2012 were approved.

General Administration Subcommittee Items

On motion by Ms. Coogan, seconded by Mr. Burke, the Board voted to approve the items under the General Administration committee agenda.

Investment Subcommittee Items

Mr. Day reported that that as of July 20, 2012 the Plan had assets of \$1,667,577,388.58. Mr. Day and Mr. Gray provided a first quarter performance report and market commentary.

Mr. Kallianis directed the Trustees' attention to Item 5 (b) on the Agenda, a request by CCMP for an extension of the investment period by six months. He noted that the request was recommended by Chris Kuhn, of Gray & Company. On motion by Mr. Sidrys, seconded by Ms. Walker, the Board approved the extension request.

Mr. Burns of The Townsend Group provided a quarterly performance report. He also addressed the request by the Retirement Plan for a redemption from RREEF America REIT II. After an update on the REIT from Mr. Burns, on motion by Mr. Kelly, seconded by Ms. Walker, the Trustees voted to amend the Plan's redemption request to reduce it from \$17 million to \$7 million.

Old Business

Mr. Derrick and Mr. Kemperas of Legacy Professionals updated the Trustees on their progress to date on the payroll audit.

Mr. O'Connell provided an update on the transition audit and the pursuit of interest on late contributions for full time union employees, and solicited questions and comments. He reported that he had met with the General Counsel for the CTA to discuss these issues, and that each agreed to examine some points raised by the other party, and meet again. He also reported that Mr. Burke had advised that, because the Burke Warren firm does work for the CTA on its deferred compensation plans, the firm could not file suit against the CTA. Thus, Mr. O'Connell reported that he anticipated retaining another firm to provide assistance on these issues and some others.

With respect to the Ethics Subcommittee item, Mr. O'Connell advised that he would be seeking input from Trustees as to when and how they would like to proceed for its next meeting.

Mr. O'Connell advised that he did not see a need for executive session, but reported that DV Urban had made a capital call. Mr. Kallianis noted that the call had been funded.

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