

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 January 24, 2013 at One North Franklin Street, 27th Floor. The Chair was present.

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

Javier Perez, Chair
Joan Coogan, Vice-Chair
John Burkard
Carlos Acevedo as an alternate for Joseph Pass
Joseph J. Burke
Marcellus Barnes
Robert Kelly
Celia Meza
Paul Sidrys
Karen Walker
Larry Owens

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 Radalet, PC, and John Doerrer of John A. Doerrer and Associates, PC. James Daley of Schuyler Roche & Crisham appeared on behalf of the CTA Trustees.

Also present were Ivory Day and Christopher Kuhn of Gray & Company, and Sarah Cachet of The Townsend Group.

On motion by Mr. Kelly, seconded by Mr. Burke, the proposed minutes for the December regular meeting were approved. On motion by Mr. Kelly, seconded by Mr. Burke, the proposed minutes for the executive session in December 2012 were approved.

General Administration Subcommittee Items

On motion by Mr. Burke, seconded by Mr. Sidrys, the Board voted to approve items 4(a) through 4(h) under the General Administration committee agenda, with the exception of the individual identified at the December board meeting, and the individual on the last line of page 2 of the Early Retirement Applications, both of whose applications were approved provisionally. Mr. Barnes voted no.

On motion by Mr. Burke, seconded by Mr. Burkard, the Board approved paying for Mr. Kelly and Eric Dixon to attend the fall seminar of the International Foundation of Employee Benefit Plans.

Investment Subcommittee Items

Mr. Day provided the September report for the Plan. Mr. Kuhn reviewed recent developments in the capital markets with the Trustees. Mr. Day reported that as of January 21, 2013, the Plan had \$1,735,503,271.70 in assets.

Ms. Cachet reported on the third quarter performance of the Plan's real estate portfolio.

Old Business

Mr. O'Connell reported that closeout interviews for the Legacy payroll audit are in progress, and a draft report will be presented when they are complete.

Mr. O'Connell provided an update on the transition audit, advising that he had just received a memorandum from the Groom Law Group, and would like to incorporate the information into an updated memorandum to be provided in February. He also indicated he would like to present his memorandum regarding interest on late contributions at that time.

New Business

Mr. O'Connell reported that Mr. Kallianis had initiated discussions with Northern Trust on the possibility, as referenced in the tentative collective bargaining agreement, of shifting from a trustee relationship to a custodial relationship. No action was requested.

On motion by Mr. Perez, seconded by Mr. Kelly, the Board elected Ms. Coogan as Chair. On motion by Ms. Coogan, seconded by Mr. Sidrys, the Board elected Mr. Perez as Vice Chair.

Mr. O'Connell updated the Trustees on the DV Urban matter. He noted that the Board had previously delegated authority to Mr. Kallianis to act on its behalf regarding DV Urban. Mr. O'Connell reported that, pursuant to this authority, Mr. Kallianis had approved members of the Advisory Committee for DV Urban. More generally, Mr. O'Connell reported that the Delaware Court had indicated it may decide additional issues relating to the removal of the former General Partner, and that the Cook County litigation was being stayed pending further decisions by the Delaware Court.

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