

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 April 25, 2013 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:

Joan Coogan, Chair
John Burkard
Joseph J. Burke
Keith Hill as an alternate for Marcellus Barnes
Carlos Acevedo
Robert Kelly
Ron DeNard
Paul Sidrys
Erin Kleist-Gaylor as an alternate for Karen Walker
Marjorie Espina as an alternate for Larry Owens

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the Union-appointed Trustees was Tiffany Reeves, 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-appointed Trustees.

Also present were Ivory Day of Gray & Company, Sarah Cachat of The Townsend Group, and Tim Bowen of Mesirow Financial Insurance Services.

The proposed minutes for the March regular meeting and executive session were deferred.

On motion by Mr. Burke, seconded by Mr. Acevedo, Ron DeNard was appointed to replace Karen Walker as Chair of the Real Estate Subcommittee.

General Administration Subcommittee Items

On motion by Mr. Acevedo, seconded by Mr. Burke, the Board voted to approve items 5(a) through 5(j) under the General Administration committee agenda.

Investment Subcommittee Items

Mr. Day reviewed with the Trustees the performance of the Plan for 2012 without real estate, discussed the Plan's return assumption and asset allocation policy, and answered some Trustee questions on individual managers. He reported that the assets of the Plan as of April 24, 2013 were \$1,763,724,714.03.

Mr. Kallianis noted the Mr. Day would be providing a presentation for interested trustees after the Board meetings in May.

Ms. Cachat provided the report on year-end performance of the real estate portfolio for 2012.

Old Business

Mr. Kallianis provided an update on the Legacy payroll audit.

Mr. O'Connell indicated that the discussion of items 8(b) and (c) may be for executive session.

Mr. Kallianis reviewed the participant education initiatives he had organized, including two presentations by Steve Vernon on retirement planning scheduled for May 18 at Plumbers Hall.

New Business

Tim Bowen presented a proposal for renewal of the fiduciary liability policy, noting that ULLICO had improved coverage and reduced the premium. On motion by Mr. Kelly, seconded by Mr. Burke, the Trustees approved renewing the fiduciary liability policy with ULLICO.

Executive Session

On motion by Mr. Burkard, seconded by Mr. Burke, the Trustees voted unanimously to move to executive session, to discuss potential litigation.

Open Session

On motion by Mr. Kelly, seconded by Mr. Acevedo, the Trustees voted to direct Mr. O'Connell to retain litigation counsel to prepare a draft complaint seeking from the CTA the sums identified in Mr. O'Connell's February 19, 2013 memorandum on rebates, and that the CTA be given 21 days to respond to the draft complaint, and if the matter is not resolved by that deadline, a lawsuit be filed, unless Mr. O'Connell or litigation counsel have additional matters for the Trustees to consider before suit is filed. Ms. Coogan, Mr. DeNard, Ms.

Espina, Ms. Kleist, and Mr. Sidrys abstained.

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