

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 16, 2013 at One North Franklin Street, 3rd Floor. The Chair and the Executive Director were present.

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

Joan Coogan, Chair
Keith Hill as an alternate for Javier Perez, Jr.
John Burkard
William Lachman as an alternate for Joseph J. Burke
Michael McBride as an alternate for Marcellus Barnes
Carlos Acevedo
Eric Dixon as an alternate for Robert Kelly
Ronald DeNard
Eva-Dina Delgado as an alternate for Paul Sidrys
Ronald Ester
Omar Brown

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the Union-appointed Trustees was Joseph Burns, 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 and Larry Langer of Buck Consultants

On motion by Mr. Acevedo, seconded by Mr. Ester, the Board voted to approve the draft minutes for the June regular meeting, with the correction noted on the record.

General Administration Subcommittee Items

On motion by Mr. Burkard, seconded by Mr. Acevedo, the Board voted to approve items 4(a) through 4(j) under the General Administration committee agenda. Mr. Kallianis updated the Trustees on item 4(k), the expiration of the lease for the Plan's office space. Mr. Burkard, Chair of the General Administration Subcommittee, advised that he would

report to the Board at the August meeting on the process of considering options for a new lease.

Investment Subcommittee Items

Mr. Day provided the March report for the Plan. He reported that the Plan earned 5.59% for the quarter, and that total assets as of June 15, 2013 were \$1,783,569,629.82.

Real Estate Subcommittee

Mr. DeNard reported that he and Joe Burke met with Sarah Cachat of Townsend, and discussed the allocation between core and non-core real estate assets. Noting that the Plan is under its allocation to real estate by about 10%, Mr. DeNard reported that the subcommittee had asked Ms. Cachet to prepare an RFP to bring the Plan up to its target allocation.

Old Business

Mr. Lamont provided an update on the Legacy payroll audit, advising that a meeting had been scheduled between Legacy and the CTA to obtain additional information needed to correctly determine the regular work schedule of certain participants.

New Business

Mr. Langer advised the Trustees that he had e-mailed an updated preliminary valuation as of January 1, 2013, including updated asset numbers. According to the preliminary evaluation, as updated, a contribution increase is not required for January 1, 2014. Mr. Langer noted that his firm would be performing a study of the Plan's experience later this year, however, and Mr. Kallianis noted that the experience study would have an impact on contributions that would be required for 2015.

Mr. Kallianis referred the Trustees to a memorandum he had provided on proposed staff pay increases of 1.5% effective July 1, 2013. On motion by Mr. Burkard, seconded by Mr. DeNard, the Trustees approved the increase.

Mr. O'Connell noted that Mitchell & Titus had completed their health care transition report. Mr. Kallianis advised that a draft had been circulated to the Trustees, and could be discussed at the August Board meeting if desired.

On a motion by Mr. Acevedo, seconded by Mr. Ester, the Board approved adjournment.