

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 19, 2013 at One North Franklin Street, ^{24th} Floor. The Chair and the Executive Director were present.

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

Joan Coogan, Chair
Carlos Acevedo
John Burkard
Joseph J. Burke
Michael McBride as an alternate for Marcellus Barnes
Robert Kelly
Paul Sidrys
Judith Kelley as an alternate for Ronald DeNard
Ronald Ester
Omar Brown

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the ATU-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, Sarah Cachat of The Townsend Group, and Robert Tiberi, Terry Truesdale, Jim Kemperas, and Jim Lamont of Legacy Professionals.

On motion by Mr. Kelly, seconded by Mr. Acevedo, the Board voted to approve the draft minutes for the November 26 Board meeting. On motion by Mr. Kelly, seconded by Mr. Acevedo, the Board voted to approve the proposed minutes for the executive session on November 26, 2013.

Mr. O'Connell advised that the Trustees periodically review the minutes of prior executive sessions and determine whether the need to keep them confidential still exists. No action was taken to make a change by the Trustees pursuant to this review.

General Administration Subcommittee Items

On motion by Mr. Acevedo, seconded by Mr. Burkard, the Board voted to approve items 4(a) through 4(i) under the General Administration committee agenda.

Investment Subcommittee Items

Mr. Day provided the Trustees with a report on total fund performance without alternatives, through the third quarter, and noted that the ten-year return for the Plan is 8.9%.

Mr. Day reported that total assets as of December 18, 2013 were \$1,866,369,436.36.

Real Estate Subcommittee

Ms. Cachat reported on third quarter performance, noting that the net of fees return was 3.8%, and that net-of-fees return since inception is 6.2%, which is consistent with a program mainly investing in core real estate.

Mr. Burkard reported that the subcommittee met with Townsend to review a summary of proposals for core real estate, and selected five for interviews in January. Additionally, he advised that the subcommittee planned to commence the RFP process for non-core managers, to keep the Plan's real estate allocation at its target of 10% of total investments.

Old Business

Messrs. Tiberi, Truesdale, and Kemperas presented the Legacy Professionals draft report on its payroll audit, and answered Trustee questions. On motion by Mr. Kelly, seconded by Mr. McBride, the Trustees voted to set a deadline of Friday, January 17, 2014 for any responses by the parties, and further that if a response is not made by the 17th, then the report will be deemed accepted. Mr. Kallianis clarified that responses should be filed with Legacy, and a copy sent to Mr. Kallianis. Mr. Kelly suggested formation of a subcommittee to start addressing issues related to the draft report, and a committee was identified consisting of Ronald DeNard, Michael McBride, Omar Brown, Robert Kelly, and Joseph Burke.

Mr. Kallianis advised that he had prepared a draft RFP for the investment consultant position, and had incorporated comments from the five member subcommittee appointed to assist him in finalizing his draft. Upon resolution of four remaining decisions with input from the subcommittee, Mr. Kallianis reported that he planned to issue the RFP in the next week.

New Business

Mr. Kallianis directed the Trustees' attention to an item in their package seeking a January 1, 2014, compensation increase for staff of the Retirement Plan identical to the percentage

wage increase in the current CTA-ATU collective bargaining agreement. On motion by Mr. Kelly, seconded by Mr. Acevedo, the Trustees approved the request for an increase identical to that negotiated for hourly employees.

Open Session

On motion by Ms. Coogan, seconded by Mr. Kelly, the Board approved adjournment.