

## Retirement Plan for CTA Employees

10 South LaSalle Street  
Suite 1100  
Chicago, Illinois 60603  
(312) 441-9694  
Fax (312) 441-0454  
www.ctapension.com

**TO:** Retirement Allowance Committee Members and Alternates

**FROM:**

  
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John V. Kallianis

**DATE:** May 24, 2007

**RE:** Retirement Allowance Committee Meeting

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This is to announce that the Retirement Allowance Committee Meeting will be held on Thursday, May 24, 2007 at 9:30 a.m., LaSalle Bank, 135 S. LaSalle in the Conference Room ABC, on the 43<sup>rd</sup> floor.

If you have any questions, please call me at (312) 463-0350

**AGENDA**  
**For the 698<sup>th</sup> Retirement Allowance Committee Meeting of**  
**May 24, 2007**

1. Meeting will be called to order at 9:30 a.m., LaSalle Bank, 135 S. LaSalle, in the conference Room ABC, on the 43<sup>rd</sup> floor.
2. Roll call
3. Consideration of the Minutes of the 697<sup>th</sup> meeting
4. General Administration Subcommittee Issues
  - a.) Announcements of deaths reported since last meeting
  - b.) Presentation of pre-retirement allowances for approval
  - c.) Presentation of new retirement applications for approval
  - d.) Return to work from disability allowances
  - e.) Presentation of death benefits for approval
  - f.) Presentation of refunds of contributions for approval
  - g.) Presentation of bills and remittances
  - h.) Cash flow statement YTD
  - i.) Milton Matos
  - j.) Final Retro-active Payments
5. Investment Subcommittee Issues
  - a.) Asset Allocation Recommendation
6. Real Estate Subcommittee Issues
7. Old Business
  - a.) 401h Status
  - b.) Letter to Participants
8. New Business
9. Executive Session
  - a.) Personnel matters
  - b.) Litigation
10. Adjournment

# **The 698<sup>th</sup> Meeting of the Retirement Allowance Committee of the Retirement Plan for Chicago Transit Authority Employees**

## **Meeting Minutes**

A regular meeting of the Retirement Allowance Committee was held on May 24, 2007 at LaSalle Bank, 135 S. LaSalle. The Chairman and the Executive Director were present.

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

Dennis Anosike  
John Burkard  
Calvin Tillery for Rick Harris  
Darrell Jefferson  
Carl Lingenfelter  
Lynn Sapyta  
Paul Sidrys  
Michael Simmons  
Darryle West  
Luis Cantu for Richard Winston

On a motion by Mr. West, the minutes of the 697<sup>th</sup> RAC Committee meeting were approved.

### **General Administration Subcommittee Items**

Mr. Simmons presented for approval items 4 (a) through 4 (g), including the death reports since last meeting, pre-retirement allowances, new retirement applications, return to work from disability allowance, disability summary, election of deferred vested old age retirement allowance, retirement applications revoked, death benefits, refunds of contributions, bills and remittances, and the cash flow statement. Mr. Simmons stated that the total amount of bills and remittances for the month was \$7,218,190.20. Item 4 (h) was the year-to-date cash flow statement. The Plan had a negative cash flow through April 2007, of \$19,078,284. Item 4(i) is regarding Mr. Milton Matos and Mr. Kallianis will explain.

Mr. Kallianis Mr. Matos is a participant in the Retirement Plan and an active CTA employee. Mr. Matos was injured in the line of duty in Iraq and has returned and is unable to work at this time. Unfortunately, Section 12.3.4 prohibits people from receiving a disability allowance from the Plan if their injuries or disability is a result or sustained while serving in the Armed Forces or the Merchant Marine of the United States or allies.

Mr. Jefferson explains that Mr. Matos injuries are such that he probably would never, ever return to work again.

Mr. Burke stated that you would basically have to amend the Plan, which could be done if there was a joint action by 241 and 308 on one side, and by the Authority on the other,

the language of 12.3.4 is pretty clear. There are seven clauses in Section 12.3, to change this you would have to remove number 4.

Mr. Anosike asks Mr. Kallianis what we expect the impact to be. Mr. Kallianis none that he's aware of right now! CTA would have a better idea of how many people are on leave from employment for active duty.

Mr. Simmons Item 4 (j) is the final retroactive payments and Mr. Kallianis will explain.

Mr. Kallianis the total amount of back pay for those 70 people is \$12,000. They're relatively small amounts on an individual basis. Some people are \$1.85 a month difference.

Mr. Kallianis was asked to come down to Springfield by the Speaker's staff to talk about the history of the Retirement Plan. Mr. Kallianis is supposed to meet with Mr. Steve Zahn and Mr. John Louder. Mr. Kallianis will report back to the Committee next month on the outcome of the meeting.

On a motion by Mr. Anosike, the Committee approved the General Administration Subcommittee report.

#### **Investment Subcommittee Items**

Mr. West deferred his report on Asset Allocation to Mr. Day from Gray and Company. Mr. Day completed his summary asset allocation analysis and submitted a copy to each Committee member. His recommendation is that the Fund adopts the preferred asset allocation, which is an increase in hedge funds by 3 percent, with a decrease in stable value by the same 3 percent amount. In his analysis report, he also reported on: Range of Excess Returns vs. Actuarial Return Assumption, Asset Allocation Analysis, and Nominal & Excess Return vs. Actuarial Return Assumption.

On a motion by Ms. Sapyta, the Committee accepted the recommendation from Gray and Company to move to a new preferred asset allocation.

#### **Real Estate Subcommittee Items**

On another motion by Mr. Tillery, the Committee approved to have AFL Building Investment to come before the Committee at the next meeting for a presentation.

#### **Old Business**

Mr. Kallianis gave an update on the 401(h) status. By the closing business yesterday, the Fund was up approximately 7 ½ percent for the year, which exceeds our ¾ of a point per month requirement to meet the 401 H analysis that was done before. GRS is working on an update to the 401 H analysis that will give us the deterministic approach and the stochastic approach. And the participant letter will have a final version today and will be mailed out.

**New Business**

Mr. Jefferson will replace Ms. Wanda Black as an alternate with Mr. Pete Fionda. Also when the Committee increased the cost of dependent and spousal healthcare, it adversely affected a great number of retirees. Mr. Kallianis will provide the Committee a list of those retirees at the next meeting.

**Executive Session**

No Old Business

The Committee was adjourned on a motion by Mr. Anosike.