

**AGENDA**  
**For The 706th Retirement Allowance Committee Meeting of**  
**January 24, 2008**

1. Meeting will be called to order at 9:30 a.m., Amalgam Trust Bank, One West Monroe.
2. Roll call
3. Consideration of the Minutes of the 705<sup>th</sup> meetings
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.) Retirement applications revoked
  - f.) Presentation of death benefits for approval
  - g.) Presentation of refunds of contributions for approval
  - h.) Presentation of bills and remittances
  - i.) Cash flow statement YTD
5. Investment Subcommittee Issues
  - a.) Hedge Fund Allocations
6. Real Estate Subcommittee Issues
  - a.) 3<sup>rd</sup> Quarter Report – Townsend Group
  - b.) Kiwanja Real Estate Fund Presentation
7. Old Business
8. New Business
  - a.) Administration Changes

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9. Executive Session
  - a.) Personnel Matters
  - b.) Litigation
  
10. Adjournment

# **The 706<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 January 24, 2008 at Amalgamated Bank at One West Monroe Street, Third Floor. The Chairman and the Executive Director were present.

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

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

On a motion by Mr. Simmons, the minutes of the 705<sup>th</sup> RAC Committee meetings were approved.

### **General Administration Subcommittee Items**

Mr. Simmons presented for approval items 4 (a) through 4 (h), 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. The total amount of bills and remittances including federal income tax for the month was \$7,943,804.28. Item 4 (i) is the estimated year-to-date cash flow statement. The Plan has a negative cash flow through December 2007 of \$122,244,383.

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

### **Investment Subcommittee Items**

Mr. Anosike requested a motion to approve the hedge fund managers that were recommended to the Committee by Andrew Kelsen at Gray and Company.

Mr. Kallianis summarized Mr. Kelsen's recommendations and gave a status on the first two commitments. He reported that Chilton Investment Company and Viking Global Investors had already been approved at \$5M each. Chilton had already closed and the investment in Viking will close on February 1<sup>st</sup>. The remaining managers recommended by Mr. Kelsen were Sandell Asset Management, Shumway Capital Partners, Zweig-DiMenna and Torshen. Sandell, Shumway and Zweig-DiMenna would receive \$5M each and Torshen would receive \$3M.

On a motion by Mr. Anosike, the Committee approved \$5M investments in Sandell, Shumway, Zweig-DiMenna and a \$3M investment in Torshen.

### **Real Estate Subcommittee Items**

Mr. Curtis Spears of the Kiwanja Redevelopment Fund, a minority-owned Chicago-based real estate fund which falls into the category of opportunistic real estate, was at the Committee to present Kiwanja's fund. Mr. Spears also introduced Mr. Ray McGaugh, an attorney, Mr. Ed Pennington and Mr. Paul Lambert.

Mr. McGaugh gave a brief description how they obtain two properties and how they operate in obtaining these properties that had environmental issues. He explained that they work with the owners of the property, the EPA, community developers and the court system. The financial objective is to achieve a 25 to 35 percent annualized return to all limited partners of the fund. They focus on areas including the Midwest, Chicago and St. Louis.

Ms. Cachat from the Townsend Group gave the third quarter 2007 report. She reported that that at the end of the third quarter, the market value of the Real Estate funds was about \$145 million. It generated 3.5 percent, just shy of the NPI's quarterly return of 3.6 percent, and was comprised of about a 1.1 percent income and about 2.4 percent appreciation. Since inception, the portfolio has been beating the NPI by about 50 basis points. Prudential PRISA is an open-end poor fund positions, generating a total gross return of 4.4 percent. As of right now the fund is on target to generate its net return objective of a 11 to 13 percent apiece.

### **Old Business**

None

### **New Business**

None

### **Executive Session**

The Committee approved a motion by Mr. Kasmer to go into Executive Session to discuss personnel matters.

**Resumed Regular Session**

Upon returning from Executive Session, Ms. Sapyta made a motion to extend the employment of Willie Means and Hector Flores for three additional years, beginning January 1, 2009, with the rights of employment subject to termination for cause. Mr. Simmons seconded the motion and it was approved by the full Committee.