


## Retirement Plan for CTA Employees

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**TO:** Board of Trustees  
Retirement Plan for CTA Employees

**FROM:**   
John V. Kallianis, Executive Director

**DATE:** August 21, 2009

**RE:** Board Meeting for August, 2009

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This is to announce that the Board of Trustees Meeting will be held Thursday, August 27, 2009, at 9:30 a.m., at the National City Bank, 1 North Franklin, on the 24th floor.

Attached is the agenda for the meeting.

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

JVK:gmb

**AGENDA**  
**Retirement Plan for CTA Employees – Board of Trustees**  
**August 27, 2009**

1. Meeting will be called to order at 9:30 a.m., at the National City Bank, 1 North Franklin, on the 24th floor conference room.
2. Roll call
3. Consideration of the Minutes of the July 23, 2009 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.) Election of Deferred Vested Retirement Allowances
  - f.) Presentation of death benefits for approval
  - g.) Presentation of refunds of contributions for approval
  - h.) Presentation of bills and remittances for approval
5. Investment Subcommittee Issues
  - a.) Joint Presentation w/RHCT
6. Real Estate Subcommittee Issues
  - a.) Update from Townsend Group
7. Old Business
  - a.) Update on HC Audit 2003-2009 (Mitchell Titus)
  - b.) Procurement Policy/Code of Conduct
  - c.) Contribution Calculation
8. New Business
  - a.) Summary – Experience Study (GRS)
  - b.) Summary of 01/01/09 Assessment (GRS)
  - c.) Resolution on Court Reporter
  - d.) Resolution on Joint Meetings
9. Executive Session
  - a.) Litigation (Fluker, Matthews)
  - b.) Personnel Issues
10. Adjournment

**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 August 27, 2009 at One North Franklin Street, 24th Floor. The Chairman and the Executive Director were present.

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

Theresa Mintle  
Darrell Jefferson  
Carlos Acevedo  
John Burkard  
Donald Franklin  
Dan Hrycyk  
Robert Kelly  
Gia Morris  
Lynn Sapyta  
Paul Sidrys  
Luis Cantu for Peter Xilas

Appearing on behalf of the Retirement Plan was Richard Burke, of Burke, Warren, MacKay, & Serritella. Appearing on behalf of the Union trustees was Joe Burns, of Jacobs, Burns, Orlove, and Stanton & Hernandez, and appearing on behalf of the Regional Transit Authority appointed Trustee, Andrew Malahowski of Franczek Sullivan, PC and John Doerrer of Kaizen, Inc., James Daley of K&L Gates LLP, was present on behalf of the CTA Trustees. Also present were Ivory Day of Gray and Company; Jon Berusch and Marilyn Fedak of Alliance Bernstein; Melody Hobson, Jason Tyler of Ariel Investments; Andrew Plautz and Alex Rivera of Gabriel Roeder Smith & Company; Andrew Pataky & Diane Swonk of Mesirow Financial; Kenneth Yu of Mitchell & Titus; and Sarah Cachat of The Townsend Group. Appearing on behalf of the Health Care Trust was Charles Wolf of Vedder Price, PC.

**Investment Subcommittee Items**

Presentations on the economy and the outlook for investments were made by Alliance Capital, Ariel Capital and Mesirow to the Retirement Board of Trustees. The Board of the Health Care Trust was invited to attend.

Mr. Day from Gray and Company presented his views on the market and on volatility. After Mr. Day's presentation, the Retirement Trustees' meeting resumed.

Mr. Jefferson made a motion to invest cash that is being held at Northern Trust in equities. There was discussion about whether the motion was to go all in or do a dollar cost averaging. Mr. Jefferson indicated that his motion was to go all in. Mr. Kelly second the motion. There was a roll call vote: Mintle-no, Jefferson-yes, Acevedo-yes, Burkhard-yes, Franklin-no, Hrycyk-yes, Kelly-yes, Morris-no, Sapyta-no, Sidrys-no, Cantu-no. The motion did not pass.

#### **General Administration Subcommittee Items**

Mr. Acevedo 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, death benefits, refunds of contributions, bills and remittances. The total amount of bills and remittances including federal income tax for the month was \$3,004,979.39.

On a motion by Ms. Sapyta, seconded by Mr. Burkard, the Board of Trustees approved the General Administration Subcommittee items.

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

Sarah Cachat from The Townsend Group gave updates on the commitments made back in October 2008 and on DV Realty. Ms. Cachat reminded the Board that they had rescinded the prior commitments to Square Mile Partners and Walton Street Fund VI and that Stockbridge had pulled its Value Fund from the market.

#### **Old Business**

Ken Yu from Mitchell & Titus gave an update on the [Health Care Audit] and also discussed the preliminary result of the health care claim reviews. There was discussion on the scope of the audit and the claims data provided by the vendors to the CTA.

On a motion by Mr. Sidrys, seconded by Mr. Burkard, the Board of Trustees voted to approve the Procurement Policy for investment consultants and the Procurement Policy for investment advisors and deferred the Code of Conduct until next month.

Dick Burke spoke on the employer contribution calculation. There was discussion on how to apply the debt service credit to which the Authority is entitled. Mr. Burns indicated that the Union Trustees did not agree with the methodology and that an alternative analysis would be provided for the Trustees' review.

#### **New Business**

Alex Rivera and Andrew Plantz of Gabriel Roeder Smith presented a summary of the experience study of the assumptions and the summary of the actuarial valuation for January 1, 2009, including the certification of contribution rates for Plan members and the Chicago Transit Authority for 2010.

Executive Session

On a motion by Mr. Burkard, the Board agreed to move to Executive Session to discuss pending litigation.

Upon returning from Executive Session, a motion was made by Mr. Kelly, seconded by Mr. Sidrys, to concur with the recommendation of counsel and settle the case brought by Mrs. Fluker.

The meeting was adjourned on a motion by Mr. Acevedo.