

Meeting of the Retirement Plan for CTA Employees Board of Trustees

10 S. LaSalle Street
Suite 1100
Chicago, IL 60603

Approved
Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on June 23, 2011 at One North Franklin Street, 24th Floor. The Chairman and the Executive Director were present.

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

Darrell Jefferson
Bob Gierut as an alternate for Theresa Mintle
Carlos Acevedo
John Burkard
Joseph Burke
Robert Kelly
Dennis Mondero
Paul Sidrys
Karen Walker
Darryle West
Peter Xilas

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the Union Trustees were Joseph Pass, of Jubelirer, Pass, and Intriari, PC, and Joseph Burns, of Jacobs, Burns, Orlove & Hernandez. Appearing on behalf of the Regional Transit Authority appointed Trustee was Andrew Malahowski of Franczek Radelet, PC and John Doerrer of Kaizen, Inc. James Daley of K&L Gates appeared on behalf of the CTA Trustees. Also present was Ivory Day of Gray & Company.

On a motion by Mr. Kelly, seconded by Mr. Burke, the Board approved the draft minutes of May 26, 2011, with the correction noted on the record.

General Administration Subcommittee Items

On motion by Mr. Acevedo, seconded by Mr. West, the Board of Trustees approved the General Administration report.

Investment Subcommittee Items

Mr. Day provided the Trustees with a report, advising that assets had a market value of \$1,801,034,622 as of June 21, 2011, a decline from May. He noted factors that could lead to a further decline, similar to what occurred in 2008, but did not recommend any changes, since the Plan was well-diversified, and needed to be in the market to meet its obligations going forward.

Real Estate Subcommittee Items

Mr. Kallianis reported that he expected to have a marked up version of the request for proposal, with comments from Mr. Kelly and Ms. Walker, to circulate at the next Board meeting.

Old Business

With respect to the health care transition audit, Mr. Kallianis reported that the CTA had received figures on prescription drug claims from Walgreen's and expected a suggested division between actives and retirees from the CTA by the next Board meeting.

Mr. Kallianis reported simultaneously on the Old Business item regarding Part-Time Union Officers, and on the New Business item on the Payroll Audit Committee, advising that the Committee expressed its preference for Legacy to perform the audits anticipated. Mr. Kelly asked Mr. Kallianis if he would ask Legacy to reduce their price. Mr. Kallianis agreed to ask, and on motion by Mr. Burke, seconded by Mr. Volpe, the Board delegated authority to the Committee to retain Legacy.

New Business

Mr. Kallianis reported that Mesirow Financial Services had obtained fiduciary liability insurance for the fiduciaries of the Retirement Plan, effective May 31, 2011.

In response to a request by some of the Trustees, Mr. O'Connell provided a summary of the impact of the Religious Freedom Protection and Civil Union Act.

Mr. O'Connell raised the question of his authority to assign Retirement Plan legal work to either the Vedder firm or the Burke Warren firm. Mr. Burke indicated his view that this was part of his responsibility and authority as General Counsel. Mr. Sidrys agreed provided costs were allocated properly.

Executive Session

An Executive Session was held to discuss litigation and a personnel matter.

Open Session

On a motion by Mr. Kelly, seconded by Mr. West, the Board approved adjournment of the meeting.