

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 June 18, 2013 at One North Franklin Street, 3rd Floor. The Chair and the Executive Director were present.

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

Joan Coogan, Chair
Javier Perez, Jr.
John Burkard
Joseph J. Burke
Marcellus Barnes
Michael McBride as an alternate for Carlos Acevedo
Robert Kelly
Ron DeNard
Paul Sidrys
Ronald Ester as an alternate for Karen Walker
Patricia Thomas-Miller as an alternate for Larry Owens

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the Union-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 was Ivory Day of Gray & Company.

On motion by Mr. Perez, seconded by Mr. Burke, the Board voted to approve the draft minutes for the May 23 regular meeting.

On motion by Mr. Burkard, seconded by Mr. Burke, the Board amended the draft minutes for the May 23 executive session with the amendment noted on the record.

On motion by Mr. Sidrys, seconded by Mr. Perez, the Board approved the draft minutes for the May 23 executive session.

General Administration Subcommittee Items

On motion by Mr. Kelly, seconded by Mr. Perez, the Board voted to approve items 4(a) through 4(j) under the General Administration committee agenda.

Investment Subcommittee Items

Mr. Day updated the Trustees on the investment markets, and the performance of the Plan. He reviewed the Plan's asset allocation, and discussed his reasons for not recommending managed futures for the Plan's portfolio.

Mr. Day reported that the assets of the Plan as of June 14, 2013 were \$1,784,335,333.87.

Real Estate Subcommittee

Mr. Kallianis provided an update, noting that the subcommittee is scheduled to meet in early July with Townsend.

Old Business

Mr. Kallianis provided an update on the Legacy payroll audit, indicating that the last issue remaining was a request by Legacy for scheduling information on 40 employees, to respond to a question raised by Mr. Perez. Mr. Kelly suggested that, if a final report was not ready, Legacy could produce a draft report. Mr. Burke questioned the value of an incomplete report. Mr. DeNard volunteered to investigate and report back to the Board on when the CTA anticipates the scheduling information would be ready. Ms. Coogan asked Mr. DeNard if he could get back to Mr. Kallianis on this sooner than the next Board meeting, and he agreed to do so.

Regarding the Health Care Transition Audit being performed by Mitchell & Titus, Mr. Kelly made a motion, seconded by Mr. Burkard, that a draft be provided to the Trustees prior to the next Board meeting. Mr. Sidrys expressed concern that the Board not direct the work of the auditors and that they be able to maintain independence. On motion by Mr. Sidrys, seconded by Mr. DeNard, the Board approved an amendment to Mr. Kelly's motion to request that the auditors complete the audit and direct the draft to the Board as expeditiously as possible. Mr. Kelly and Mr. Perez voted against the amendment. The Board then approved the amended motion unanimously.

With respect to the educational presentations sponsored by the Plan, Mr. Kallianis provided turnout figures, and described additional presentations he is planning. He also indicated that he plans to seek feedback from participants on their preferences in terms of topics and timing for future presentations, and anticipates sharing the results with the Trustees.

Mr. Kallianis indicated that he had received some information on policies of other public plans, and would be contacting Trustees to schedule a follow-up meeting for the Collection Policy Committee.

On a motion by Mr. Burke, seconded by Mr. Sidrys, the Board approved adjournment.