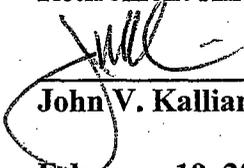


Retirement Plan for CTA Employees

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TO: Retirement Allowance Committee Members and Alternates

FROM:



John V. Kallianis

DATE: February 19, 2008

RE: Retirement Allowance Committee Meeting

This is to announce that the Retirement Allowance Committee Meeting will be held Thursday, February 28, 2008 at 9:30 a.m., at the National City Bank, 1 North Franklin on the 24th floor.

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

JVK:gmb

AGENDA
For The 707th Retirement Allowance Committee Meeting of
February 28, 2008

1. Meeting will be called to order at 9:30 a.m., at the National City Bank, One North Franklin, on the 24th floor.
2. Roll call
3. Consideration of the Minutes of the 706th 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.) 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.) Update on Commitments
6. Real Estate Subcommittee Issues
 - a.) Update on Redemptions
7. Old Business
8. New Business
 - a.) IRS Determination letter
 - b.) Plan Amendment
 - c.) Housekeeping Issues for Transition

AGENDA
For The 707th Retirement Allowance Committee Meeting of
February 28, 2008

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

The 707th 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 February 28, 2008 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:

Dennis Anosike
Darrell Jefferson
Rick Harris
Michael Simmons
Darryle West
Paul Sidrys
Lynn Sapyta
John Burkard
Ruben Madrigal for Richard Winston

Mr. Kallianis stated that the electronic copy of the January minutes was distributed, but that the hard copy of the minutes was not in the package. He recommended that the Committee consider the January meeting minutes at the next meeting, along with the February minutes.

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 \$7,902,730.36.

Mr. Harris made a motion to approve the General Administration Subcommittee Report; the motion was seconded by Mr. West. Mr. Jefferson called for the vote by asking for those in favor to signify by saying "aye". There was a chorus of ayes. Mr. Jefferson asked if anyone was opposed. There was no response. Mr. Anosike called for the question. After some discussion and some clarification called for by Mr. Simmons, Mr. Jefferson indicated that he would allow the discussion.

Mr. Kallianis brought up an issue that was part of the recently passed legislation. He indicated that he did not recall it being in the arbitration award. The issue was that the

legislation now requires participants to be at least 55 years old, with at least 10 years of service in order to get health care benefits. Mr. Kallianis informed the Committee that the January meeting agenda included 14 people that retired February 1, 2008 that were in that situation. He indicated to the Committee that, according to the legislation, it appeared as if they were not supposed to get health care benefits.

Mr. Virgil explained that the legislation creates the Retiree Health Care Trust, 90 days after the effective date of the amendatory act. He further explained that there is a provision in the legislation that states "For any retiree who first retires effective on or after the effective date of this amendatory act to be eligible for health care benefits must be 55 and have 10 years of service." This created an issue with people who have retired with 25 years of service but are not yet 55.

Mr. Jefferson said that the intent of that provision was to close the loophole from people from the City of Chicago coming to the CTA, working three years and retiring and getting health care.

Mr. Burns (Counsel for the Association) indicated that there is a process known as a technical correction, a rebuild process, which could fix the drafting issue. There's a very easy solution, and it's to take out the "at least 55". If you were eligible for retirement and you have 10 years of service, this wouldn't be a problem.

There was a long discussion on this matter about the interpretation of the legislation and the possible remedies. Mr. Simmons expressed great concern to Mr. Kallianis that this issue was only brought up to him the afternoon before the meeting. Mr. Kallianis indicated that he reached out to people as soon as he was aware of the impact. The discussion continued with suggestions that the language could be interpreted to say that the Healthcare Trust Trustees would set the rules and regulations for this matter. There were also members who brought up concerns that the Committee should not be violating the state legislation.

Mr. Anosike and Ms. Sapyta requested that their votes be recalled and that they be recorded as voting "no". After additional discussion, Mr. Jefferson said to change the votes for Mr. Anosike and Ms. Sapyta and that the voted passed.

Investment Subcommittee Items

Mr. West had no reports at this, but Mr. Kallianis wanted to give the Committee some information on the commitments that they made last month. The investment in the Chilton Fund closed on February 1, 2008 and the investment in the Viking Fund would close on March 1, 2008.

Real Estate Subcommittee Items

Mr. Kallianis reported to the Real Estate Subcommittee that the Plan had put in redemption requests to JP Morgan, PRISA, and RREEF in order to fund the commitments that the Committee made to the four remaining hedge funds.

On a motion by Mr. West, the Committee approved the Investment Subcommittee report and the Real Estate Subcommittee reports.

Old Business

Mr. Kallianis advised the Committee that every five years the Plan is supposed to determination letter. Once the Plan incorporate all the state statute and is amended we'd have to file this letter.

Mr. Virgil explained to the Committee that the Internal Revenue Service has adopted a procedure for qualified plans to get a new determination letters every five years. The year that we would do it is from February 1, 2008, to January 31, 2009. A determination letter is a "blessing" from the IRS that your plan qualifies with the Internal Revenue Code.

New Business

Mr. Harris asked if Mr. Winston's and Mr. Lingenfelter's positions on the Committee were going to be filled soon. Ms. Sapyta informed the Committee that, at the last CTA Board meeting, the Chairman did submit an ordinance approving new board members.

Executive Session

None

On a motion by Mr. Anosike, the meeting was adjourned.