

Meeting of the Retirement Plan for CTA Employees Board of Trustees

10 S. LaSalle Street
Suite 1100
Chicago, IL 60603

Approved Meeting Minutes

A special meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on August 3, 2011 at One North Franklin Street, 24th Floor. The Acting Chairman and the Executive Director were present.

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

Carlos Acevedo as an alternate for Darrell Jefferson
Joan Coogan
Christopher Kasmer as an alternate for John Burkard
Keith Hill as an alternate for Michael Simmons
Joseph J. Burke
Robert Kelly
Ron Puskarits
Paul Sidrys
Karen Walker
Joseph Pass as an alternate for Sandra Simmons
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 Intrieri, 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 June 23, 2011.

General Administration Subcommittee Items

On motion by Mr. Kelly, seconded by Mr. Burke, the Board of Trustees approved the General Administration committee item.

On motion by Mr. Burke, seconded by Mr. Pass, the Board voted to authorize updated signatories for the Retirement Plan for the Northern Trust: Mr. Kallianis, Mr. O'Connell, Mr. Means, and Ms. Trejo.

Investment Subcommittee Items

Mr. Day provided the Trustees with a report, advising that assets had a market value of \$1,805,695,340 as of July 27, 2011, and discussing recent developments in the markets.

Real Estate Subcommittee Items

Mr. Kallianis reported that Sarah Cachet of the Townsend Group requested that the Board postpone putting out the RFP for a short time so that some managers that were anticipated to be starting funds in the near future could be part of the process.

Old Business

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 Board has authorized retention of Legacy (assuming a reduction in fees to which Legacy agreed), and a draft engagement letter had been circulated for comments.

With respect to the health care transition audit, Mr. Kallianis advised that on August 2, 2011 the CTA had provided figures on prescription drug claims from Walgreen's and that he hoped to have a preliminary report on that issue from the transition audit by the next Board meeting.

New Business

Mr. Kallianis indicated that he had distributed a letter he had received from PricewaterhouseCoopers advising that they would not continue to provide services to the Plan after the end of the current year. On motion by Mr. Burke, seconded by Mr. Kelly, the Board authorized the issuance of a request for proposal for actuarial services as soon as practical.

The Board discussed an appeal from Ms. Theresa Sawyer, seeking to be excused from the requirement in the Retirement Plan that she file, not earlier than 90 days prior to her 65th birthday, an application for commencement of payment of her deferred vested old age retirement allowance. On motion by Mr. Pass, seconded by Mr. Xilas, the Board voted to advise her that she must file an application for commencement of her allowance.

On motion by Mr. Pass, seconded by Mr. Xilas, the Board approved payment for the expenses of attendance at the International Foundation seminar on October 30 – November 2, 2011 by trustees Kasmer, Kelly, Hill, and Burke, at a 50% level for trustees who are also on the Board of the RHCT, and at 100% for Mr. Hill, provided the trustees return with certificates of attendance.

Executive Session

On motion by Mr. Kelly, seconded by Ms. Coogan, the Board voted unanimously to enter

executive session for the purpose of discussing litigation. On motion by Mr. Pass, seconded by Mr. Kelly, the Board voted unanimously to adjourn the Executive Session.

Open Session

On a motion by Mr. Pass, seconded by Mr. Sidrys, the Board approved adjournment of the meeting.