

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 October 24, 2013 at One North Franklin Street, ^{27th} Floor. The Chair and the Executive Director were present.

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

Joan Coogan, Chair
Keith Hill as an alternate for Javier Perez, Jr.
Christopher Kasmer as an alternate for John Burkard
Joseph J. Burke
Michael McBride as an alternate for Marcellus Barnes
Robert Kelly
Paul Sidrys
Thomas McKone as an alternate for Ronald DeNard
Ronald Ester
Omar Brown

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the ATUUnion-appointed Trustees was Tiffany Reeves, of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the Regional Transit Authority-appointed Trustee was Andrew Malahowski of Franczek Radalet, PC and John Doerr of John A. Doerr 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. Mr. Perez joined the meeting in progress.

On motion by Mr. Burke, seconded by Mr. Sidrys, the Board voted to approve the draft minutes for the September 24 Board meeting. On motion by Mr. Kasmer, seconded by Mr. Burke, the Board voted to approve the draft minutes for the special meeting on September 5.

General Administration Subcommittee Items

The Board voted to approve items 4(a) through 4(i) under the General Administration committee agenda.

Investment Subcommittee Items

Mr. Kallianis advised the Trustees that a meeting of the Investment Subcommittee is scheduled for November 7, to review the large cap manager population and to interview global macro managers.

Mr. Day referred the Trustees to a hand-out summarizing the response by Baird to the Trustees request that Mr. Day seek an additional discount: Baird had agreed to an additional discount of three additional basis points from the previous, also discounted rate.

Mr. Day provided the Trustees with the performance report through June, with a return of 13.13%. He noted that the Plan's average annual return since the beginning of the 1990s has been 9.02%.

Mr. Day reported that total assets as of October 21, 2013 were \$1,821,301,440.73.

Mr. Kelly noted for the record that Mr. Day had advised the Trustees at the February meeting and again at the September meeting that Gray & Company, and Mr. Gray in particular, had been the subject of some news articles in Atlanta. He noted also that Plan counsel had requested documents and the company's response to the issues reported, and had provided copies to the Trustees. In the meantime, the Plan has begun the process of putting out the statutorily required RFP for the next investment consultant contract. Finally, Mr. Kelly commented that the person who has been providing the consulting advice to the Trustees for the past 13 years has been Mr. Day, and as long as Mr. Day continues to be the person providing the advice, he would be inclined to continue with Mr. Day and proceed with the RFP. In the meantime, he suggested that Plan staff and counsel continue to monitor the situation, and advise the Trustees if there are additional developments.

Real Estate Subcommittee

Mr. Kallianis advised that he planned to schedule a Real Estate Subcommittee meeting in the near future, to discuss the core RFP responses and to move forward on the non-core allocation.

Old Business

Mr. Kallianis provided an update on the Legacy payroll audit, advising that Local 241 and the CTA have both requested meetings to discuss the initial findings with Legacy. He reported that Local 241 has provided some additional information to Legacy. On motion by Mr. Kelly, seconded by Mr. McBride, the Trustees voted to have Legacy present its report at the November meeting. Mr. Kallianis noted that the meeting will be held on Tuesday, November 26, because of the Thanksgiving holiday.

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