

Meeting of the Retirement Plan for CTA Employees Board of Trustees

55 West Monroe Street
Suite 1950
Chicago, IL 60603

Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on March 27, 2014 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
Javier Perez
Christopher Kasmer as an alternate for John Burkard
Joseph J. Burke
Michael McBride as an alternate for Marcellus Barnes
Robert Kelly
Paul Sidrys
Eva-Dina Delgado as an alternate for Ronald Ester
Ronald Ester
Judith Kelley as an alternate for Omar Brown

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the ATU-appointed Trustees was Anita Tanay, of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the Regional Transit Authority-appointed Trustee was Daniel Salemi of Franczek Radelet, PC. David Novak of Schuyler Roche & Crisham appeared on behalf of the CTA-appointed Trustees.

Also present were Ivory Day of Gray & Company and Sarah Cachat of The Townsend Group.

On motion by Mr. Perez, seconded by Mr. Kasmer, the Trustees voted to approve the proposed minutes for the regular session of the February Board meeting. On motion by Mr. Perez, seconded by Mr. Burke, the Trustees voted to approve the proposed minutes for the executive session of the February Board meeting.

General Administration Subcommittee Items

On motion by Mr. Burke, seconded by Mr. McBride, the Board voted to approve items 4(a) through 4(i) under the General Administration committee agenda.

Investment Subcommittee Items

Mr. DeNard reported on behalf of the real estate subcommittee that it was recommending two firms after having interviewed five firms for the core real estate RFP: the Jamestown Fund, and the UBS Trumbull Property Fund. The subcommittee recommended an allocation of \$20 million to each. Ms. Cachat reviewed the process for the Trustees, and discussed the metrics for evaluating the responses to the RFP. She confirmed that the fees anticipated are less than the typical fee for such a manager. On motion by Mr. Denard, seconded by Mr. Sidrys, the Trustees approved the allocation of \$20 million to the Jamestown Fund, and deferred action on the UBS fund, in order to collect additional information.

Mr. DeNard also reported on the request by DV Urban general partner Newport Capital Partners for a disposal fee of 25 basis points. He advised the Trustees that, after discussing the matter with Townsend, the subcommittee recommended approval. Ms. Cachat noted that the all-in basis point fee will be 60 basis points, which is a reduction from the prior structure, which had Newport and Lincoln Property both doing work in connection with the winding down of DV Urban. On motion by Mr. DeNard, seconded by Mr. Burke, the Board approved the disposal fee for Newport Capital Partners as described by Ms. Cachat.

Mr. Kallianis reported that the Payroll Audit Subcommittee is scheduled to meet again in the near future.

Mr. Day provided an update on the markets, and reported that total assets as of March 25, 2014 were \$1,862,344,684.88.

Old Business

With respect to the Investment Consultant RFP Subcommittee, Messrs. Acevedo, Brown, Burke, Burkard, and Peacock, Mr. Kallianis reported that he had received initial evaluations back from the subcommittee members, and that he anticipated that the subcommittee would meet to decide how many of the responders to interview.

Mr. Kallianis advised that there was an appeal from the last Board meeting that had been deferred pending receipt of information from the plan actuary, that staff had received preliminary information, and had asked for revisions which are needed before the information can be presented to the Trustees.

Mr. O'Connell reported that the plaintiffs in the Matthews case had filed a petition for rehearing, which tolls the time for other actions in the case. In the meantime, he reported that he was proceeding with the plans outlined for the Trustees at the last meeting.

Open Session

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