

AGENDA
For the 672nd Retirement Allowance Committee Meeting of
March 24, 2005

1. Meeting will be called to order at 9:30 A.M. at LaSalle National Bank, 135 S. LaSalle St., on the 43rd floor, in the boardroom.
2. Roll call
3. Consideration of the Minutes of the 671st 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.) Request for retroactive benefits
 - e.) Returned to work from disability
 - f.) List of retirement applications that were revoked
 - g.) Presentation of death benefits for approval
 - h.) Presentation of refunds of contributions for approval
 - i.) Requests to amend pension seniority
 - j.) Calculation of benefits for Thomas Connelly
 - k.) Presentation of bills and remittances
5. Investment Subcommittee Issues
 - a.) 2004 investment results
 - b.) Alternative investments
 - c.) Large cap equity managers
 - d.) Brokerage policy
 - e.) Securities lending fees
6. Real Estate Subcommittee Issues
 - a.) 2004 investment results
7. Old Business
 - a.) Medical premiums and plan design
 - b.) Proposed rule on reinstatements
 - c.) Plan counsel rates

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Page 2 of 2

8. New Business
9. Executive Session
 - a.) Personnel matters
 - b.) Pending litigation
 - c.) Disability cases
10. Adjournment

The 671st 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 24, 2005 at Amalgamated Bank. The Chairman and the Executive Director were present.

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

Dennis Anosike
Marcellus Barnes
John Burkard
Hector Flores as an alternate for Ethel Carter
Paul Fish as an alternate for Dorval Carter
Carl Lingenfelter
Leon London
Wanda Black as an alternate for Rodney Richmond
Lynn Sapyta
Richard Winston

On a motion by Mr. Fish, the Committee approved the minutes of the 670th meeting of the Retirement Allowance Committee.

Investment Subcommittee Items

Mr. Lingenfelter asked Mr. Day to report on the Large Cap Domestic Equity manager consolidation. Mr. Day provided the Committee several scenarios relating to the performance of large cap managers and how the overall category might have performed with different numbers of managers.

Mr. Lingenfelter then made a motion to reduce the number of large cap managers to three and to hold off on a vote until other members had their concerns addressed by Mr. Day. The motion was seconded by Mr. Fish. The motion to table the vote was passed by the Committee.

Mr. Lingenfelter then asked Mr. Day to speak to the Committee about Hedge Funds and other Alternative Assets. Mr. Day spoke briefly about alternatives and hedge funds and indicated that there should be some educational sessions for the Committee on alternatives, including hedge funds. Mr. Day thought it was realistic to make recommendations about the asset allocation in April or May and that June or July might be a realistic timeframe to interview and possibly hire managers.

Mr. Day then presented the request by Lightspeed Ventures (formerly WPG) to extend the WPG III Fund until 2006. All of the other LP's had agreed and Mr. Day indicated that he would recommend the extension regardless. The Committee approved the extension on a motion by Mr. Barnes.

Real Estate Subcommittee Items

Mr. Peter Palandjian and Mr. Jon Feinberg from Intercontinental Real Estate Group presented their firm and the funds that it had offered in the past. Intercontinental has offered closed-end real estate funds with a focus on the Northeast United States. The firm is headquartered in Boston and they are currently raising a fund.

General Administration Subcommittee Items

Mr. Barnes presented for approval items 4a through 4i including the pre-retirement surviving spouse allowances, the regular retirements, revoking of applications, disability allowances, death benefits, refunds of contributions and payment of bills and remittances. Mr. Barnes stated that the total of bills and remittances for the month was \$11,455,873.07

The request for retroactive benefits, was left on the agenda, but no policy decision had been made. Also, regarding people found fit to return to work with no job available there was no policy decision made on this item.

There was a motion made by Mr. Flores, that was approved by the Committee to defer a decision on Mr. Connelly's application until more information could be gathered by the staff from the CTA.

Mr. Kallianis then asked Mr. Collins to provide the Committee with the information on Mr. James Christman. Mr. Christman had applied for retirement and was approved by the Committee in December of 2004. After reviewing his file, Mr. Collins discovered that Mr. Christman had been on disability allowance for a period of 3 years and 7 months in the past and that he did not yet have 25 years of pension service because he should have only counted 3 years of the disability allowance time counted towards pension service.

On a motion by Ms. Black, the General Administration Issues were approved by the Committee.

Old Business Issues

Mr. Kallianis gave the Committee a brief update on the issue related to Part-Time Union Officers. He indicated that the Association and the CTA had reached an agreement on how to handle the issue going forward and that the two parties had submitted the balance of the issue to an arbitrator and that a decision on the balance was imminent.

On a motion by Ms. Black, the Committee voted to table the issue relating to the Proposed Rule on Reinstatements that had been discussed at the prior two meetings.

New Business

Mr. Kallianis then presented the request for an increase to hourly rates by the Plan Counsel. Mr. Kallianis indicated that the Plan Counsel had not requested an increase for several years, that the increase would be an across the board increase of 10% and that he was recommending approval of the request.

On a motion by Mr. Barnes, the Committee voted to table the request so that it could be studied further.

Mr. Alex Rivera, the Plan's Actuary from Gabriel Roeder Smith then presented the analysis his firm did regarding updating the dependent premiums and changing the healthcare plan design to reduce the health care costs to the Plan.

Mr. Rivera presented four alternatives that included phase-ins of increases to premiums for dependents and different alternatives in health care plan design.

On a motion by Mr. Barnes, seconded by Mr. Lingenfelter, the Committee voted to table the issue for one month.

Mr. Barnes then asked Mr. Burke to look at the resolution passed by the Committee in December of 1999 appointing four positions in the Retirement Plan office to see if the parties involved were being compensated properly.

Executive Session

There was no Executive Session.