

AGENDA
For the 675th Retirement Allowance Committee Meeting of
June 23, 2005

1. Meeting will be called to order at 9:30 A.M. at the LaSalle Bank, 135 South LaSalle, Board Room, 43rd floor.
2. Roll call
3. Consideration of the Minutes of the 674th 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 disability benefits.
 - e.) Returned to work from disability
 - f.) Return to work – no job available
 - g.) List of retirement applications that were revoked
 - h.) Election of Deferred Vested Old-Age Retirement Allowance
 - i.) Presentation of death benefits for approval
 - j.) Presentation of refunds of contributions for approval
 - k.) Presentation of bills and remittances
 - l.) Requests for repayment of refunds
 - m.) Health Benefits for Surviving Spouses
5. Investment Subcommittee Issues
 - a.) 1st Quarter Investment Results (Gray & Co.)
 - b.) Dreyfus Proposed Assignment
 - c.) Asset Allocations
6. Real Estate Subcommittee Issues
 - a.) 1st Quarter Investment Results (Townsend Group)

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7. Old Business
 - a.) Proposed Rule on Return to Work
 - b.) Health Care Premiums
8. New Business
 - a.) January 1, 2005 Actuarial Valuation
9. Executive Session
10. Adjournment

The 674th 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 May 26, 2005 at LaSalle 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
Ethel Carter
Dorval Carter
Carl Lingenfelter
Leon London
Rodney Richmond
Lynn Sapyta
Richard Winston

On a motion by Ms. Sapyta, the Committee approved the minutes of the 673rd meeting of the Retirement Allowance Committee.

General Administration Subcommittee Items

Mr. Barnes presented for approval items 4a through 4l., 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. Ms. Sapyta stated that the total of bills and remittances for the month was \$7,373,022.09

Mr. Kallianis clarified for the Committee that item 4l. was regarding people who had appealed to the Committee to repay refunds of contributions to recapture lost credit in the Plan.

On a motion by Mr. Carter, the General Administration Issues were approved by the Committee, with the exception of items 4d., 4f and 4l. relating to retro-active disability payments, suspension of benefits and requests for repayments of refunds, respectively.

Investment Subcommittee Items

Mr. Gray and Mr. Day from Gray and Company then presented the proposed changes to the asset allocation based on the Investment Subcommittee meeting held earlier in the month.

After some discussion, on a motion by Mr. Winston, seconded by Mr. Barnes, the Committee approved changing the asset allocation of the Fund. The changes included a decrease in the allocation to active fixed income from 10% to 4% and an increase in the allocation to alternative investments from 6% to 12%. Alternative Investments would be defined as Hedge Funds, Private Equity and Absolute Return strategies.

There was then discussion about the redistribution of money from the Large Cap managers that had been terminated. On a motion by Mr. Lingenfelter, the Committee approved the redistributing the large cap money from the four managers that had been terminated based on the recommendation of Gray and Company. Gray and Company's recommended redistribution was contained in column J of their presentation on the issue.

Real Estate Subcommittee Items

There was no business for the Real Estate Subcommittee.

Old Business Issues

There was discussion on the proposed rule on returning to work that dealt primarily with parts of Section 3.7 of the Plan. After this discussion, Mr. Anosike asked the Plan Counsel to clarify the issues related to the proposed changes and asked that the item be deferred. Ms. Carter wanted to make the point to the Committee that, as the Plan Counsel clarified the issue, that people who are on disability allowance be allowed to retire without returning to work, provided the retirement formula be no greater than what they went on disability allowance with.

After some discussion on updating the premiums for dependents, Mr. Richmond suggested that a special meeting of the Committee be scheduled to go through the alternatives that Gabriel Roeder Smith had presented to the Committee.

New Business

There was some discussion regarding the presentation by Gabriel Roeder Smith to the CTA Board and the subsequent articles in the press. On motion by Ms. Carter, the Committee directed Mr. Kallianis to draft a letter for the Committee's review and Plan Counsel's review regarding the issues facing the Retirement Plan.

Executive Session

On a motion by Ms. Carter, the Committee adjourned to Executive Session to discuss specific personnel issues and specific disability cases.

Upon returning from Executive Session, the Committee voted to allow Mr. Connelly to retire based on the average of his high four years of earnings within the last ten years.

On a motion by Mr. Burkard, the Committee adjourned.