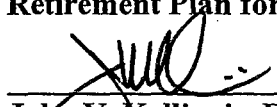


Retirement Plan for CTA Employees

10 South LaSalle Street
Suite 1100
Chicago, Illinois 60603
(312) 441-9694
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www.ctapension.com

TO: Board of Trustees
Retirement Plan for CTA Employees

FROM: 
John V. Kallianis, Executive Director

DATE: July 28, 2008

RE: Board Meeting for July, 2008

This is to announce that the Board of Trustees Meeting will be held Thursday, July 31, 2008, at 9:30 a.m., at the National City Bank, 1 North Franklin on the 24th floor.

If you have any questions, please call me at (312) 463-0350.

JVK:gmb

AGENDA
Retirement Plan for CTA Employees – Board of Trustees
July 31, 2008

1. Meeting will be called to order at 9:30 a.m., at the National City Bank, One North Franklin, on the 24th floor.
2. Roll call
3. Consideration of the Minutes of the June meeting of the Retirement Allowance Committee and the meeting of the Board of Trustees.
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.) Return to work from disability allowances
 - e.) Presentation of death benefits for approval
 - f.) Presentation of refunds of contributions for approval
 - g.) Presentation of bills and remittances
5. Investment Subcommittee Issues
 - a.) Asset Allocation
6. Real Estate Subcommittee Issues
 - a.) Asset Allocation
7. Old Business
 - a.) Health Care Trust administration costs
8. New Business
 - a.) Notification of Employees Regarding Health Care Eligibility
9. Executive Session
10. Adjournment

**4th 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 July 31, 2008 at One North Franklin Street, 24th Floor. The Chairman and the Executive Director were present.

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

Dennis Anosike
John Burkard
Joseph Costello
Rick Harris
Darrell Jefferson
Dan Lurie as an alternate for Theresa Mintle
Gia Morris
Lynn Sapyta
Paul Sidrys
Michael Simmons
Darryle West

Appearing on behalf of the Retirement Plan was Richard Burke, of Burke, Warren, MacKay, & Serritella.

Mr. James P. Daley, of Bell, Boyd & Lloyd, LLP appeared on behalf of the CTA appointed Trustees. Joseph M. Burns, of Jacobs, Burns, Orlove, Stanton & Hernandez appeared on behalf of the Union appointed Trustees.

On a motion by Mr. Anosike, the minutes of the 3rd Retirement Plan for CTA Employees Board of Trustees meetings were approved.

General Administration Subcommittee Items

Mr. Simmons presented for approval items 4 (a) through 4 (g), including the death reports since last meeting, pre-retirement allowances, new retirement applications, return to work from disability allowance, disability summary, election of deferred vested old age retirement allowance, retirement applications revoked, death benefits, refunds of contributions, bills and remittances, and the cash flow statement. The total amount of bills and remittances including federal income tax for the month was \$8,029,963.79.

Mr. Anosike had some questioned Mr. Pianto's eligibility for a deferred, vested pension. Mr. Anosike indicated that he thought Mr. Pianto was convicted of a federal crime. Mr. Kallianis indicated that the Plan had dealt with conviction issues before. He indicated that the Plan says if the employee was discharged for conduct related to a felony conviction, then they are not entitled to retirement benefits.

Mr. Anosike suggested that the committee push this to the next meeting to give time to fully investigate it before making a decision.

On a motion by Ms. Morris, the Committee deferred making a decision on Mr. Larry Pianto's pension eligibility until further investigation.

Mr. Jefferson asked for clarification on the six remittances in minutes. Mr. Kallianis stated that they were the healthcare bills for retirees. Mr. Jefferson wanted to know if we explored the open market to see if we can drive healthcare costs down. Mr. Kallianis stated that the Healthcare Trust would take over responsibility for healthcare administration, either January 1, 2009 or not later than July 1, 2009. He indicated that the Healthcare Trust would be discussing those issues in the near future.

On a motion by Mr. Lurie, the Board of Trustees approved the General Administration Subcommittee report.

Investment Subcommittee Items

Mr. Day gave a presentation on asset allocation analysis and requested the approval of the Committee. Mr. Day indicated that the analysis related to his recommendation used a 30-year time period, with 117 rolling one-year periods.

Mr. Day explained that the average expected return would increase, the standard deviation remains very close to what it was before and the efficiency of the portfolio was expected to go up. Mr. Day further explained that the projections were based on historical numbers that have been achieved by these asset classes over the relevant time periods.

Mr. West updated the committee on several meetings he had with Theresa Mintle, Ivory Day and Larry Gray. Mr. West agreed with the asset allocation Ivory had just recommended for the retirement plan. On a motion by Mr. West, the Committee approved Mr. Ivory Day's recommended asset allocation.

On a motion by Mr. West, the Committee directed Gray and Company to work with Mr. West and Ms. Mintle as chair and vice chair of the investment subcommittee to compile a list of managers to be interviewed.

On a motion by Mr. West, the Committee directed Gray and Company to work with the Chair and Vice-Chair of the investment subcommittee to determine the best place to invest the bond proceeds in the interim prior to our selection of managers.

Real Estate Subcommittee Items

Ms. Sapyta indicated that she and Rick Harris, as the Chair and Vice chair had spent some time with The Townsend Group to discuss the options for the real estate allocation. Mr. Burns was at the meeting to provide a summary of discussion that the real estate subcommittee had regarding this matter.

Mr. Burns of the Townsend Group talked to the Committee about the process that led to the development of the existing asset allocation for real estate. He stated that the allocation had been highly successful, but that with the new money coming into the Plan, he would like to give the Committee more flexibility. Mr. Burns described the recommended allocation, which includes an allocation of no less than 40% for Core and no less than 40% for Non-Core

On a motion by Ms. Sapyta, the Committee approved the recommendation of the Townsend Group on asset allocation.

Old Business

Mr. Kallianis passed out a revised copy of the costs associated with the healthcare trust administrative costs within the office, salaries and fringe benefits, office space, equipment, telephone cost, fee associated with the application for the private letter ruling, actuarial services, for the Committee's review. After some discussion, Mr. Jefferson asked that he provide some additional information to him, following the Board meeting.

New Business

Mr. Kallianis indicated that, earlier this year with the January 18, 2008 legislation, there were changes to the eligibility for healthcare that were supposed to take effect immediately. There was a subsequent court order that required the committee to administer the healthcare benefits related to the plan that were in place prior to the passage of the legislation. Subsequent to that, there had been legislation passed in Springfield regarding healthcare eligibility. Mr. Kallianis explained that he would like to have the committee affirm that we are going to administer the benefits for the rest of the year pursuant to the court order that was issued. He would also like to send out a letter to that effect.

Mr. Harris explained that when the CTA made the announcement that you wouldn't be eligible for healthcare unless you retired with at least 10 years and 55 years of age, that you would be amazed at what chaos it caused. Mr. Harris complained that the pension office was telling people that they better retire now or they're not going to have any healthcare come January.

After some additional discussion, the Board directed Mr. Burke to draft a letter to the affected employees, that would explain the Board's position. Mr. Burke indicated that he would share the draft of the letter with Mr. Burns so that he could provide comments. Mr. Burkard indicated that he would like the entire Committee to review anything prior to going out.

Mr. Harris further added that he thought that the restrictions on healthcare eligibility were a violation of the Collective Bargaining Agreement and that the Unions would continue to fight to preserve the rights of the participants.

Executive Session

None

Meeting adjourned on a motion by Mr. Anosike.