

# Meeting of the Retirement Plan for CTA Employees

## Board of Trustees

10 S. LaSalle Street  
Suite 1100  
Chicago, IL 60603

### Proposed Meeting Minutes

A regular meeting of the Board of Trustees of the Retirement Plan for CTA Employees was held on February 24, 2011 at One North Franklin Street, 24th Floor. The Chairman and the Executive Director were present.

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

Theresa Mintle  
Darrell Jefferson  
Dan Hrycyk for Carlos Acevedo  
John Burkard  
Joseph Burke  
Robert Kelly  
Dennis Mondero  
Paul Sidrys  
Karen Walker  
Darryle West  
Peter Xilas

Appearing on behalf of the Retirement Plan was Richard Burke, of Burke, Warren, MacKay, & Serritella. Appearing on behalf of the Union Trustees was Joseph Burns, of Jacobs, Burns, Orlove & Hernandez, and appearing on behalf of the Regional Transit Authority-appointed Trustee was Andrew Malahowski of Franczek Radelet, PC and John Doerrer of Kaizen, Inc. James Daley of K&L Gates appeared on behalf of the CTA Trustees. Also present were Ivory Day of Gray & Company and Sarah Cachat of The Townsend Group.

On a motion by Mr. Kelly, seconded by Mr. Burkard, the Board approved to defer minutes of January.

### General Administration Subcommittee Items

On a motion by Mr. Xilas, seconded by Mr. Burkard, the Board of Trustees approved the General Administration Subcommittee items.

### **Investment Subcommittee Items**

Mr. Sidrys informed the committee that on the direct private equity RFP, the six candidates will be interviewed on March 10<sup>th</sup> at the offices of Gray and Company. He asked Mr. Kallianis to send out a reminder notice to all of the Trustees.

Mr. Day provided the trustees with a preliminary report of the non-alternative assets for the fourth quarter of 2010. Mr. Day also indicated that the allocation was off in some areas, particularly real estate, where it is underweighted.

### **Real Estate Subcommittee Items**

Ms. Cachat presented an update on the allocation to real estate and recommended that the Trustees consider a combination of additional allocations to existing open-ended funds and publishing an RFP to solicit additional ideas in the enhanced and high-yield areas.

On a motion by Mr. Kelly, seconded by Mr. Sidrys, the Board of Trustees approved additional investments of \$15M each to JP Morgan's Strategic Property Fund, Prudential's PRISA Fund and Mesirov's Real Estate Value Fund.

### **Old Business**

Mr. Kallianis informed the Trustees that there was a meeting among fund staff, the CTA and Local 308 to discuss the payroll process for part-time and full-time officers. Agreement was reached as to what information needs to be exchanged going forward. Mr. Xilas indicated that he was looking forward to having the same sort of meeting with Local 241.

Mr. Kallianis informed the Trustees that a follow up request was made to CTA asking for the information on Rx rebates. Mr. Kallianis indicated that this is the last piece needed to finish up the health care transition audit and that he would ask Mitchell Titus in to present once they've received the information.

### **New Business**

Mr. Kallianis spoke about the motion from last month that was approved to designate a Payroll Audit Committee, which will include two management Trustees, two labor Trustees and Joe Burke. The committee will prepare what the scope of the payroll audit will be, as well as review processes and procedures related to payroll for 308, 241 and the CTA. The four members appointed to this committee, along with Joe Burke, were Dan Hryczk, Bob Kelly, Peter Xilas and Karen Walker.

### **Executive Session**

On a motion Mr. Kelly, seconded by Mr. Burkard the Committee unanimously approved moving into Executive Session for the purpose of discussing litigation.

### **Open Session**

On a motion by Mr. Kelly, seconded by Mr. Hrycyk the Committee approved continuing with open session.

On a motion by Mr. Kelly, seconded by Mr. Burke the Committee approved the retention of Mr. Kopecky and his firm to pursue litigation.

On a motion by Mr. Kelly, seconded by Ms. Mintle, the meeting was adjourned.