

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 October 25, 2012 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:

Javier Perez, Chair
Joan Coogan, Vice-Chair
Christopher Kasmer as an alternate for John Burkard
Carlos Acevedo as an alternate for Joseph Pass
Joseph J. Burke
Marcellus Barnes
Robert Kelly
Ronald Puskarits
Paul Sidrys
Karen Walker
Larry Owens

James O'Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the Union Trustees was Anita Tanay, of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the Regional Transit Authority appointed Trustee was John Doerrer. James Daley of Schuyler Roche & Crisham appeared on behalf of the CTA Trustees.

Also present were Ivory Day and Curtis Williams of Gray & Company, and Sarah Cachet of The Townsend Group.

On motion by Mr. Acevedo, seconded by Ms. Coogan, the proposed minutes for the public session on September 20, 2012 were approved. On motion by Mr. Kelly, seconded by Ms. Coogan, the proposed minutes for the public session on September 25, 2012 were approved, with the addition noted for the record.

General Administration Subcommittee Items

On motion by Ms. Coogan, seconded by Mr. Acevedo, the Board voted to approve items 4(a) through 4(h) under the General Administration committee agenda.

Investment Subcommittee Items

Mr. Day provided the June performance report, noting that the return for the year ending June 2012 was negative, but that the results of the September update were significantly better. He noted that the Plan's investment performance was better than the benchmarks, and added that his research has not indicated that a below-average ten year return is likely to lead to a below-average 30 year return. As of October 23, 2012, the Plan had \$1,701,985,426.42 in assets.

Mr. Sidrys summarized the meeting of the Investment Subcommittee. He advised that the Subcommittee had reviewed the finalists for the hedge fund allocation, was recommending Aetos Capital, based on their investment philosophy and their match with the investment needs of the Plan. On motion by Mr. Burke, seconded by Mr. Owens, the Trustees approved the recommendation of the subcommittee. On motion by Mr. Sidrys, seconded by Mr. Acevedo, the Trustees approved a redemption of the full investment of the Plan in Crestline, in order to use those monies to fund the Atos investment.

Mr. Kallianis described the request the Plan had received from the Mesirov private equity fund for an extension of one year, through October 31, 2013. He noted that Gray & Company recommended the extension, and that such requests are routine. On motion by Mr. Kelly, seconded by Mr. Burke, the Trustees granted their consent to the extension.

Sarah Cachat of The Townsend Group provided a report on the Plan's real estate performance through June 30, 2012, reviewing the performance of each manager individually.

Old Business

Mr. Kallianis reported that Legacy has approached the CTA, and Locals 241 and 308, to schedule meetings to discuss preliminary audit results.

Mr. O'Connell provided an update on the transition audit, advising that he and the CTA's General Counsel had agreed to meet again after trading some information.

Mr. O'Connell provided an update on the pursuit of interest on contributions which had been paid late on full time union officers, advising that he and the CTA's General Counsel had agreed to meet again after trading some information.

Mr. Kallianis advised the Trustees that Steve Vernon, from Rest of Life Planning, is scheduled to make a retirement planning presentation on October 30, 2012 from 6 p.m. to 9 p.m., and about 100 participants to date had responded that they planned to attend.

Mr. O'Connell advised that the DV Urban limited partners were proceeding with the substitution of a new general partner.

On a motion by Mr. Sidrys, seconded by Mr. Kelly, the Board approved adjournment of the meeting.