

RETIREMENT PLAN  
FOR  
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 295th Special Meeting of the Retirement Allowance Committee was held on November 27, 1973 in the Secretary's Office, Room 746, Merchandise Mart, and the following were in attendance:

Mr. W. A. Ashley	Mr. F. McCrea
Mr. D. M. Flynn	Mr. D. J. McFadden
Mr. G. S. Graybiel	Mr. P. J. Meinardi
Mr. J. E. Hastings	Mr. J. Tiffy
Mr. J. D. King	

Mr. C. Loughran, alternate for Mr. L. Beatty, was also present.

The Chairman called the meeting to order at 10:35 A.M. The Chairman advised the Committee that the special meeting was called to permit Mr. Zyasman, Director of Israel Bond Campaign, and his Associate, Mr. Shamberg, speak to the Committee regarding the purchase of Israel Bonds by our Retirement Fund.

Messrs. Zyasman and Shamberg were introduced to the Committee and Mr. Zyasman began his discussion. He gave a brief description of the problem that Israel is having in the Middle East and stated that Israel is closely modeled after the United States and that it was one of our closest allies.

Mr. Zyasman stated that 260 of 300 banks in the United States own Israel Bonds, as well as many labor unions. He explained that the rate of interest on the bonds is  $5\frac{1}{2}\%$ . They have a feature which is the redemption in full in ninety (90) days with interest.

Mr. Zyasman stated that Sears Roebuck purchased one million dollars in bonds and several banks in Chicago have bonds in their portfolio.

Mr. McFadden asked Mr. Zyasman if we would purchase bonds in what amount would they be asking. Mr. Zyasman said the largest amount possible, hoping for at least one million dollars. There being no further questions, Mr. Zyasman said that he hoped the Committee would act favorably. The Committee then discussed the request by Mr. Zyasman to invest in Israel Bonds, after Messrs. Zyasman and Shamberg had left the meeting.

Mr. Meinardi stated that the Trustee has sole responsibility for any investments. Mr. McFadden stated that he had a question regarding today's market and whether further investment in stocks is advisable. Mr. Graybiel brought up the point that due to the energy crisis and the curtailing of petrochemicals, this would have a definite effect on the market. Mr. Meinardi also stated that the larger coal deposits in the United States were in Illinois and he had hopes that a process would be found to enable us to obtain energy from this coal, which would also be clean.

Mr. McFadden asked when the latest actuarial study was made on our investments. Mr. Ashley pointed out that this was done at the end of 1972. Mr. McFadden stated that this study should show us how we are making out on our investments. Mr. Ashley stated that the Trustees were going to meet with the Committee on December 17, 1973 for the purpose of this market review.

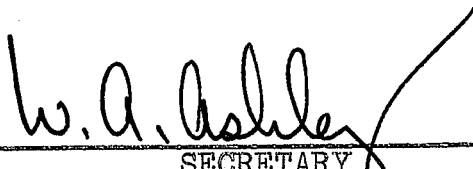
Mr. Meinardi then polled the membership to determine if there was approval or disapproval of the purchase of these bonds. The vote was unanimous not to recommend purchase of any bonds. Mr. Hastings stated that he was very reluctant to try to steer the Trustee into the purchase or non-purchase of these bonds. He said that the Committee should act as a "watch dog" of the Fund.

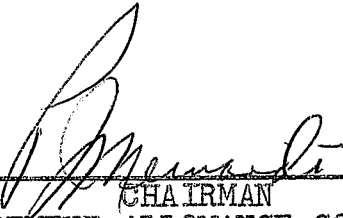
The Chairman then instructed the Secretary to call Mr. Shamberg and inform him of the Committee's decision. Mr. Hastings advised against calling the bank since it was the Trustee's ultimate decision. He stated if the bank should decide to purchase these bonds, they would undoubtedly contact the Committee first, at which time the question could be raised. He stated that this was obviously a political investment and not an investment to make money. He concluded with the statement that the Committee had no right to direct such an investment.

On October 15, 1973, the Secretary had read a letter from the Chicago Transit Authority's Manager of Data Processing indicating that the department could take over the monthly payments and the preparation of retirement checks, effective January 1, 1974. The Committee agreed at the meeting of November 19, 1973 that if the wording in the proposal was changed from "can" to "will", it would be acceptable as a contract. The Secretary was in receipt of a letter from the Manager of Data Processing with this wording changed.

Mr. Ashley also read a letter that was being sent to Statistical Tabulating Corporation stating that we would cancel the contract, effective December 31, 1973.

There being no further business, a motion was made by Mr. Flynn, seconded by Mr. King, that the meeting be adjourned at 11:30 A.M.

  
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SECRETARY  
RETIREMENT ALLOWANCE COMMITTEE

  
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CHAIRMAN  
RETIREMENT ALLOWANCE COMMITTEE

DEC 17 1973

DATED: \_\_\_\_\_

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