

RETIREMENT PLAN  
FOR  
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 320th Meeting of the Retirement Allowance Committee was held on December 15, 1975 in the Conference Room, Room 444, Merchandise Mart, and the following were in attendance:

Mr. W. A. Ashley	Mr. J. Blaa
Mr. J. Aurand	Mr. J. Hastings
Mr. E. Barley, Sr.	Mr. J. Tiffy
Mr. L. Beatty	Mr. J. Touhy

Mr. A. Kasmer, alternate for Mr. E. Langosch, and Mr. H. F. Brown, alternate for Mr. Kole were also present. Mr. Mullen, alternate for Mr. J. Hastings was also present for part of the meeting.

The Chairman called the meeting to order at 10:33 A.M.

On a motion by Mr. Blaa, seconded by Mr. Touhy, the minutes of the 319th meeting held on November 17, 1975 were unanimously approved.

The announcements of deaths since the last meeting were made by the Secretary, as per the attached list.

The Secretary advised that eight (8) Survivorship Options were submitted for approval at this meeting. On a motion by Mr. Aurand, seconded by Mr. Touhy, the Committee unanimously approved the eight (8) Survivorship Options submitted by the Secretary.

The Secretary advised that one hundred sixteen (116) applications for retirement were submitted to this office for presentation at this meeting. An application for Mr. H. Laatsch, Security Department, was submitted with a request to be made retroactive to December 1, 1975 as the application reached the Secretary's Office too late for the November 17th meeting.

On a motion by Mr. Touhy, seconded by Mr. Blaa, the Committee approved the one hundred sixteen (116) applications submitted by the Secretary, with the effective date of December 1, 1975 for Mr. Laatsch.

The Secretary reported that during the month, four (4) employees on Total and Permanent Disability were examined by the Medical Department or their records reviewed.

The Secretary presented fifty-four (54) refunds totaling \$113,326.57 for approval at this meeting.

On a motion by Mr. Touhy seconded by Mr. Brown, the refunds to be paid December 31, 1975, as per the attached statement, were unanimously approved.

The Secretary read a report of the deposits, disbursements, and investments during the month of November, as per the attached statement.

The Secretary presented the Chicago Transit Authority bills totaling \$9,369.60 and miscellaneous bills totaling \$125,602.93 for approval. On a motion by Mr. Tiffy, seconded by Mr. Blaa, the Committee unanimously approved payment of these bills.

The Secretary reported that for the payment of December 31, 1975, Death Benefits numbering thirty-six (36) and amounting to \$44,000.00 were submitted for approval. On a motion by Mr. Touhy, seconded by Mr. Kasmer, the Committee unanimously approved payment for the Death Benefits as per the attached list.

The Secretary advised the Committee that with regard to the Retirement Booklet, all necessary corrections have been made and within the very near future, the Booklet should be printed and distributed.

The Secretary then stated that Mr. Mullen was to obtain a legal opinion regarding employees discharged by the Authority who had received a refund for their contributions and interest and had been reinstated by an Arbitration Award. Mr. Mullen was not present at this time and the Chairman explained to the Committee that this question would be held in abeyance until the next meeting.

Mr. Barley stated that he had copies of the new laws from the Internal Revenue Department and ERISA and thought the Committee should have copies of these for review. Mr. Barley indicated that he would get copies for the Secretary. The Chairman and the Secretary both stated that we were not covered by ERISA as of this time and that when HR9155 is enacted covering public employees, we will be covered at that time and information regarding the law will be distributed to the Committee members.

The Chairman stated that since he will no longer represent Division 308, effective January 1, 1976, a new Chairman will have to be appointed. Mr. Touhy asked if the past practice was to have the Chairmanship between Management and Labor based on a two (2) year period. The Secretary advised that this had been the practice and that the union had completed one (1) year of this term. The Chairman then requested nominees and Mr. Tiffy nominated Mr. Barley for Chairman. Mr. Touhy seconded the motion. There being no further nominations, the Secretary was instructed to cast one (1) unanimous ballot for Mr. Barley as Chairman for the Plan Year 1976.

The Secretary presented a letter, dated December 31, 1975, which will be inserted with the retirement checks of December 31 to all retirees. The letter indicated a change in the premium effective December 1, 1975 for all covered retired employees and their eligible dependents under age 65 and also the change in premium for retired employees and their spouses over age 65. It was indicated that the increase in premium was due to the increase in Medicare deductible which will be increased to \$104.00 for hospital confinement and \$26.00 per day for confinement from the 60th through the 90th day.

The Secretary then discussed the case of Franklin Specht, who retired on a disability pension on July 1, 1973 and was found fit for other work on December 1, 1975.

On December 11, 1975, Mr. Specht was offered a Telephone Operators job at North Avenue Station which he declined. The Secretary pointed out that under Section 12, Paragraph 12.1 of the Retirement Plan, a retiree refusing to accept a job offered by the Authority which he is capable of performing would not be entitled to receive any disability allowance. The Chairman recommended that Mr. Specht be notified of his status by registered letter. On a motion by Mr. Kasmer, seconded by Mr. Aurand, the Committee unanimously approved that these steps be taken.

The Secretary read a letter from the Trustee which stated that a revised schedule of fees effective January 1, 1976 would be submitted some time during the month of January for the Committee's approval.

The Secretary then reviewed the case of Melvin Laxstrom. Mr. Laxstrom was placed on Disability Retirement on August 1, 1974. On July 23, 1975, he was approved by the Medical Department to return to his previous position as bus serviceman. He was sent to the Shops and Equipment Department where he was paid 72 hours for his training. However, he was disqualified and the Insurance Department was not notified by the Shop Department of this disqualification. On August 1, 1975, the Placement Department contacted Mr. Laxstrom regarding placement in another job. However, at this moment, no notification has been received from the Placement Department indicating what steps were

taken with Mr. Laxstrom. Upon receipt of information, the Committee will be informed and further action taken.

The Secretary stated that the final piece of new business was in regard to the position of Director of Pensions. He stated that at the 310th Meeting held February 18, 1975, he had discussed with the Committee the need for additional staffing.

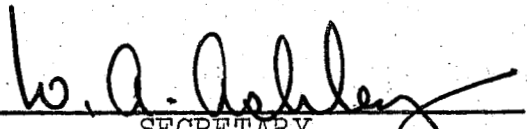
The Secretary stated that as a result of posting a job vacancy bulletin for the job of Director of Pensions, 15 bids were submitted and 6 people were interviewed. As a result of placing an advertisement in the Chicago Tribune for a Director of Pensions, 41 resumes were submitted of which 7 were interviewed. The Secretary stated that upon review of these 13 candidates, it was decided that the first two (2) "in-house" candidates and the first two (2) "outside" candidates would be considered. The Committee then proceeded to review the responsibilities of the job and background of the four (4) top candidates for about 15 minutes.

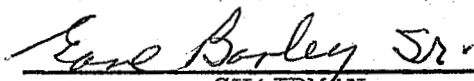
A motion was made by Mr. Barley and seconded by Mr. Tiffy that Mr. Heatter be recommended. The Chairman asked for a hand vote on the motion to recommend Mr. Craig Heatter for the Director of Pensions position. Nine (9) members voted for Mr. Heatter and Mr. Aurand voted against. After a brief discussion, the Committee recommended an increase in the amount of \$1,000.00 per year to the present salary of Mr. Heatter for the position. Mr. Aurand stated

that he should not receive more than \$500-\$800 increase until he had proven himself. However, the Committee stated \$1,000.00 should be recommended. Mr. Aurand said that the recommendation must be brought before the Wage Committee for final disposition.

At 11:15 A.M., the regular business of the Committee was concluded. A presentation of an evaluation of the Retirement Fund was made by John Turner of Callan Associates. Copies of the evaluation were provided each Committee member following the presentation.

On a motion by Mr. Aurand, seconded by Mr. Touhy, the meeting adjourned at 1:25 P.M.

  
SECRETARY  
RETIREMENT ALLOWANCE COMMITTEE

  
CHAIRMAN  
RETIREMENT ALLOWANCE COMMITTEE

JAN 19 1976  
DATED: \_\_\_\_\_