

RETIREMENT PLAN  
FOR  
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 321st Meeting of the Retirement Allowance Committee was held on January 19, 1976 in the Conference Room, Room 444, Merchandise Mart, and the following were in attendance:

Mr. W. A. Ashley	Mr. P. Kole
Mr. J. Aurand	Mr. E. Langosch
Mr. E. Barley, Sr.	Mr. W. C. Spears
Mr. J. Blaa	Mr. J. Tiffy
Mr. J. Hastings	Mr. J. Touhy

Mr. H. F. Hegarty, alternate for Mr. Spears and Mr. F. Mullen, alternate for Mr. Hastings, were also present.

The Chairman called the meeting to order at 10:09 A.M.

A presentation was made by Messrs. Donovan, Leszinske and Schuster of Continental Bank regarding the last quarter of 1975. Mr. Schuster stated that the Common Stock Portfolio looked much better than the short term investments or long term bonds. He anticipated the economy to advance about 5% over 1975 for the coming year. He stated inflation would remain about the same at 5 or 6%. He felt that there would be strong consumer and government spending during 1976 and that unemployment would fall from 8.3% to 7½%. Mr. Leszinske stated that the rate of return for the last quarter of 1975 was up 6% with Common Stock up 7% and other investments up 5%. He noted that the Fund was up 20% for the entire year with Common Stock being up 27% and other investments up 13%. He felt this increase made up for the losses in the years 1973 and 1974. He stated that for the first few weeks of 1976, the Fund was up another 5 to 6%. The results of the study was distributed

to each member of the Committee. Mr. Aurand stated that the Committee would study the report and forward any questions to the Secretary's Office. Mr. Touhy asked that a short report be prepared showing the results of the Plan for the first part of 1976 and asked that it be provided to the Committee for the next meeting.

Mr. Aurand then asked if the presentation of the report by Mr. Klimkowski of Becker Securities could be held in abeyance until the arrival of Mr. Kole.

The regular business meeting then began at 11 A.M.

On a motion by Mr. Touhy, seconded by Mr. Langosch, the minutes of the 320th Meeting held on December 15, 1975 were unanimously approved.

A question was raised by Mr. Spears as to what was meant by "Wage Committee" and this committee's part in approving the salary for Mr. Heatter, as mentioned in the minutes. The Secretary responded that this was routine for appointments and the establishment of salary to go before this committee.

Mr. Spears then asked what was meant by a retirement that was retroactive to the previous month. The Secretary explained that through an error or a delay in processing, the employee's retirement papers failed to reach the Secretary's Office prior to the date of final acceptance. Mr. Spears then asked why Joseph Pugh, who retired January 1, 1976 could not retire retroactively since he was in the hospital at the time. The Secretary responded that he would review the file.

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

The Secretary advised that two (2) Survivorship Options were submitted for approval at this meeting. On a motion by Mr. Tiffy, seconded by Mr. Touhy, the Committee unanimously approved the two (2) Survivorship Options submitted by the Secretary.

The Secretary advised that thirty (30) Applications for Retirement were submitted to this office for presentation at this meeting. An application for Mr. Frank S. Kubicki was submitted with a request to be made retroactive to January 1, 1976, as the application reached the Secretary's Office too late for the December 15, 1975 meeting.

On a motion by Mr. Tiffy, seconded by Mr. Touhy, the Committee approved the thirty (30) applications submitted by the Secretary with the effective date of January 1, 1976 for Mr. Kubicki.

The Secretary reported that during the month six (6) employees on Total and Permanent Disability were examined by the Medical Department or their records reviewed.

The Secretary presented forty-four (44) refunds totaling \$165,778.96 for approval at this meeting.

On a motion by Mr. Aurand, seconded by Mr. Tiffy, the refunds to be paid January 31, 1976, as per the attached statement, were unanimously approved.

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

The Secretary presented the Chicago Transit Authority bills totaling \$8,920.72 and miscellaneous bills totaling \$84,878.40 for approval.

On a motion by Mr. Touhy, seconded by Mr. Langosch, the Committee unanimously approved payment of these bills.

The Secretary reported that for the payment of January 31, 1976, Death Benefits numbering forty (40) and amounting to \$82,000.00 were submitted for approval. On a motion by Mr. Langosch, seconded by Mr. Touhy, the Committee unanimously approved payment for the Death Benefits, as per the attached list.

The Secretary distributed two (2) copies of the Retirement Booklet to each Committee Member with updated amendments, as of January 1, 1974 and December 1, 1974, and stated that distribution will be made within a week to all employees. In regard to the pension booklet, Mr. Touhy asked how the interest rate in Section 15.6 was arrived at. The Secretary advised that the original plan set the formula and also set the rate of interest. Mr. Touhy then stated that since this was contractual, the Committee could not change this rate and the rate could only be changed at the next negotiations. The Secretary answered in the affirmative. A brief discussion then followed regarding the interest rate.

The Secretary advised the Committee that at the last meeting he discussed the case of Franklin Specht, who retired on 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 Operator's job at North

Avenue, which he declined and under Section 12, Paragraph 12.1 of the Retirement Plan, Mr. Specht was no longer entitled to receive any Disability Allowance. At that time, the Chairman recommended that Mr. Specht be notified of his status by Registered Letter. The Secretary stated that the Registered Letter was sent and that a return receipt had been obtained but as yet Mr. Specht has not responded. Mr. Touhy asked if this job was comparable to a Grade 5. The Secretary responded in the affirmative. The Secretary then stated that Mr. Specht gave the reason for rejecting the job as a problem with transportation. He also stated that Mr. Specht is now an inactive employee. Mr. Touhy remarked that evidently Mr. Specht did not want to work. He asked if Mr. Specht had challenged the medical report classifying him as fit to return to work in the capacity indicated. The Secretary answered that he had not.

The Secretary then gave a progress report on Whitted Hart, Jr. Mr. Hart was on disability pension and was requested to come to the Medical Department for a physical examination. Mr. Hart refused to come in. He was sent a Registered Letter and we received the return receipt but no response. The Secretary stated that we are holding up his retirement checks but there has been no request from Mr. Hart for the checks.

The Secretary proceeded with a progress report on Melvin Laxstrom. Mr. Laxstrom was placed on disability pension on August 1, 1974. On July 23, 1975, he was approved by the Medical Department to return to his previous position as a Bus Serviceman. However, he failed to qualify and was

referred to the Placement Department. Since he was not offered a position during this time, he was returned to Disability Retirement, effective August 1, 1975.

The Secretary noted that since Monday, February 16, would be a holiday he suggested the February meeting be held on Tuesday, February 17. On a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously approved that the meeting be held on Tuesday, February 17 at 10:30 A.M.

The Secretary mentioned that a Retirement Application from a J. A. Saunders, which was to be approved for January 1, 1976, was withdrawn because Mr. Saunders was hospitalized in December.

The Secretary advised the Committee that Mr. William D. Brown, who retired on January 1, 1976, had presented legitimate documents to the Secretary's Office indicating that his birthday was December 25, 1909 instead of December 25, 1910. The appropriate changes will be made and he will be refunded his contributions from the date of his 65th birthday.

The Secretary reported to the Committee that Mr. Robey McKay, who was approved for Total and Permanent Disability, effective January 1, 1974, had returned to duty as of January 12, 1976.

On a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously agreed to adjourn this segment of the meeting at 11:28 A.M.

Mr. Klinkowski of Becker Securities Corporation then presented a report for the first 9 months of 1975. He stated that in March, 1976 the Committee would be given a five (5)

year study of the Fund by Becker Securities Corporation.

To begin with, he discussed a chart showing the first three (3) quarters of 1975. He pointed out that the first two (2) quarters were fairly good but the third quarter was poor. He stated that a better means of comparison would be the entire year of 1975 with the year 1974 and with other Funds, which have the same investment philosophy as our Trustee.

Mr. Kole asked if it was appropriate after hearing the reports of Callan and Becker Securities to have the Trustee tell us where we will be one (1) year from now.

Mr. Schuster then briefly discussed the Trustee's investment philosophy. Mr. Kole then asked if we could get something in writing from the Trustee in regards to these projections.

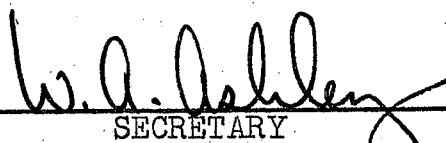
Mr. Touhy then asked a question of Mr. Aurand regarding the content of Benefacts and did Benefacts replace the previous Report Card submitted by the Retirement Section. Mr. Tiffy stated that many employees had indicated that they did not care for Benefacts. Mr. Aurand stated that it had already been explained that Benefacts would be more complete and accurate than with the first issue. Mr. Tiffy requested that before the next Benefacts Report is printed the Presidents of Divisions 241 and 308 be shown a copy of the report. Mr. Aurand stated that Mr. Ashley would bring in a copy.


Mr. Aurand then suggested that for the purpose of acquainting new members with the overall responsibilities of

the Trustee and a view of the organization managing the Fund, a special luncheon meeting be arranged with the Trustee.

On a motion by Mr. Aurand, seconded by Mr. Touhy, the Committee unanimously agreed to attend this special luncheon meeting and tour. Mr. Leszinske stated he thought this was an excellent idea. Mr. Aurand stated that arrangements for the time and date would be handled through the Secretary.

On a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously agreed to adjourn at 12:20 P.M.

  
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SECRETARY  
RETIREMENT ALLOWANCE COMMITTEE

  
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CHAIRMAN  
RETIREMENT ALLOWANCE COMMITTEE  
FEB 17 1976  
DATED: \_\_\_\_\_