

RETIREMENT PLAN  
FOR  
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 335th Meeting of the Retirement Allowance Committee was held on Tuesday, February 22, 1977, in the Board Room, Room 734, Merchandise Mart, and the following were in attendance:

Mr. W. Ashley	Mr. J. Hastings
Mr. E. Barley, Sr.	Mr. P. Kole
Mr. J. Blaa	Mr. J. Tiffy
Mr. E. Brabec	Mr. J. Touhy

Mr. Hegarty, alternate for Mr. Spears; and Mr. Kasmer, alternate for Mr. Langosch, were also present. Mr. W. Leszinske of Continental; Mr. R. Harrell of Eppler, Guerin and Turner, Inc.; Messrs. Hall, Lemm and Mullen; and Mr. C. Heatter, Superintendent of Pensions, were also present.

The Chairman called the meeting to order at 9:49 A.M.

Mr. Leszinske began his presentation by referring to the written report as was in each Committee Member's file, relative to the current economic environment, pointing out factors which attributed both to the strength and weaknesses of the current and projected economic scene.

Mr. Leszinske responded to the Secretary's Office inquiry concerning the investment of certain balances in Pension Payment Checking Account. These balances arise as a result of the slow mail and the decision of Pensioners

to not immediately cash their Pension Checks. Mr. Leszinske indicated the Continental Bank's Legal Department pointed out that once a check is drawn against this type of demand account, the monies must, by law, be on deposit in the account.

Mr. Leszinske responded to the Secretary's Office inquiry relative to eliminating miscellaneous charges which totaled \$492.00 on the December 31, 1976 Trustee Fee Bill, indicating the charges will be eliminated on the December 31, 1976 Trustee Fee Bill and on all future Trustee Fee Bills.

Mr. Leszinske extended an invitation to a Special Luncheon Meeting on March 16, 1977, at the Continental Bank in order to hear Continental's Annual Report of the Fund and to discuss the Fund's Investment Objectives.

Mr. Leszinske concluded his presentation at 10:00 A.M. and left the meeting.

The Chairman asked for the approval of the Minutes of the 334th Meeting, held January 17, 1977.

On a motion by Mr. Brabec, seconded by Mr. Touhy, the Minutes of the 334th Meeting, held January 17, 1977, were unanimously approved.

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

The Secretary presented twelve (12) Survivorship Options for approval at this meeting. The Secretary pointed out that among the twelve was Ms. Louise M. Drews, the first woman to make application for the Survivorship Option. On a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously approved the twelve (12) Survivorship Options

submitted by the Secretary.

The Secretary advised that twenty-six (26) Applications for Retirement were submitted for approval. The Secretary pointed out that among the applications to be approved was one for Mr. Edward M. Key, who was being recommended to begin retirement retroactive to February 1, 1977 as the result of a misunderstanding in the procedure for filing an application for retirement. The Secretary also pointed out that among the applications was one for Mr. Andrew W. Segar which was signed by his wife due to an illness which prevents him from signing the necessary documents himself. The Secretary recommended that the application be accepted until such time that Mr. Segar's wife provides this office with the necessary legal documents. On a motion by Mr. Barley, seconded by Mr. Touhy, the Committee unanimously approved the twenty-six (26) applications submitted by the Secretary.

The Secretary reported that during the month, eight (8) employees on Total and Permanent Disability were examined by the Medical Department or their records reviewed.

The Secretary presented forty (40) refunds totaling \$218,152.78 for approval at this meeting. On a motion by Mr. Touhy, seconded by Mr. Brabec, the refunds to be paid February 28, 1977, as per the attached statement, were unanimously approved.

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

The Secretary presented the Chicago Transit Authority bills, totaling \$14,013.67, and other bills, totaling \$109,664.96. On a motion by Mr. Touhy, seconded by Mr. Blaa, the Committee unanimously approved payment of these bills.

The Secretary reported for the payment of February 28, 1977, Death Benefits numbering forty-five (45) and amounting to \$97,500.00 were submitted for approval. On a motion by Mr. Hall, <sup>Blaa</sup> seconded by Mr. Touhy, the Committee unanimously approved the Death Benefits, as per the attached list.

The Secretary presented the matter of Mr. Joseph DeBenedetto indicating that, per the request of the Chairman of the Retirement Allowance Committee, Mr. DeBenedetto was called into the Personnel Department on January 26, 1977 in order to resolve the question as to whether or not Mr. DeBenedetto refused a position as either a collector or mail clerk. After a discussion with Mr. DeBenedetto and members of the Labor Relations and Personnel Departments, and Mr. Spears representing Division 308, there appeared to be a lack of communication between all parties concerned. The Secretary recommended that Mr. DeBenedetto be returned to the Disability Retirement Rolls, effective December 23, 1976. On a motion by Mr. Hegarty, seconded by Mr. Touhy, the Committee unanimously approved Mr. DeBenedetto to be returned to the Disability Retirement Rolls, effective December 23, 1976.

The Secretary reported that Mr. Daryl V. Russell has failed to fulfill his obligation to repay refunded accumulated contributions and accumulated earned interest as of the date of this meeting. The Secretary further pointed out that the Labor Relations Department was contacted and if full restitution is not made, his services will be terminated on February 28, 1977.

The Secretary reported that Mr. Willie Drake has made full restitution of accumulated contributions and accumulated earned interest to the Retirement Fund on February 11, 1977.

The Secretary then opened the discussion relative to employees being reinstated who were refunded Retirement Plan Contributions and Earned Interest.

Mr. Hastings indicated that in accordance with provisions of the Retirement Plan, a reinstated employee is required to make full restitution of all accumulated contributions and earned interest prior to the date of reinstatement.

After discussion between Messrs. Brabec, Hastings, Tiffy, and Touhy, the Secretary asked the Committee Members representing Division 241 if they had the Attorney representing 241 contact Mr. Hastings relative to this matter, as was indicated by Mr. Barley at the last meeting. They responded negatively.

The Secretary requested that this matter be held in abeyance pending a discussion between Division 241's attorney and Mr. Hastings.

The Secretary reported that Mr. Peter Preto, approved for Early Retirement, effective February 1, 1977, passed away on January 28, 1977.

The Secretary presented the interest factor to be used for the Plan Year January 1, 1976 to December 31, 1976 to be applied to contributions up to December 31, 1975. The Secretary advised that the gross income for the Plan Year ending December 31, 1976, including interest earned and net gains and losses of sales of securities, was \$7,914,502.19. The net income for the aforementioned Plan Year after deducting \$362,898.22 for expenses during the Plan Year was \$7,551,603.97. Using the formula set forth in Paragraph 15.6 of the Plan, the interest earned on the net income was 3.7936%.

On a motion by Mr. Brabec, seconded by Mr. Tiffy, the Committee unanimously approved the setting of the interest rate at 1.90% on the employee contributions for the Plan Year ending December 31, 1976 in accordance with the maximum amount to be applied to the total contributions up to December 31, 1975.

The Secretary reported that the Survivorship Option for Elmer E. Stobart, approved at the meeting of September 20, 1976, was withdrawn.

The Secretary recommended that the Committee accept Mr. Leszinske's invitation to a Special Meeting of the Retirement Allowance Committee, on March 16, 1977, at Continental Bank, in order to hear the Annual Reports as presented by Continental Bank and Callan Associates, Inc. and

to discuss the Fund's Investment Objectives. This Special Meeting is being called as result of a full schedule for the Retirement Allowance Committee in the next few months and at the invitation of Continental Bank.

After general discussion, on a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously agreed to have the Special Meeting on March 16, 1977, at 11:00 A.M., at the Continental Bank.

The Secretary gave a progress report on Mr. Whitted Hart, Jr. indicating that, to date, Mr. Hart has not reported in order to be re-examined in the Medical Department. Mr. Hart's Disability Retirement Checks have not been sent since October, 1976.

The Secretary called each Committee Member's attention to the check insert, which was in each Committee Member's pass out material, and indicated that it was developed per the request of Divisions 241 and 308 and will be mailed with the February 28, 1977 Retirement Allowance Benefit Checks. He indicated that once the Pension Section receives the completed inserts they will forward them to the respective union for approval to begin deducting monthly inactive Union Dues.

A presentation was made by Mr. Bob Harrell of Eppler, Guerin and Turner, Inc. relative to Retirement Fund Performance, Investment Objectives and Money Management Alternatives.

Each Committee Member was given their personal copy of the Eppler, Guerin and Turner Report, dated February 14, 1977.

A copy of this report is part of the Committee's records in the Secretary's Office.

There being no further business, on a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously agreed to adjourn at 12:51 P.M.

*Paul J. Fole*

CHAIRMAN  
RETIREMENT ALLOWANCE COMMITTEE

*W. A. Ashby*

SECRETARY  
RETIREMENT ALLOWANCE COMMITTEE

MAR 21 1977

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