

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 339th Meeting of the Retirement Allowance Committee was held on Monday, May 16, 1977, in the Board Room, Room 734, Merchandise Mart, and the following were in attendance:

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

Mr. Gresham, alternate for Mr. Touhy; and Mr. Hegarty, alternate for Mr. Spears, were also present. Neither Mr. Brabec nor his alternate were present. Mr. W. Leszinske and Mr. N. Funk of Continental; Messrs. Hall, Lemm and Mullen; and Mr. C. Heatter, Superintendent of Pensions, were also present.

The Chairman called the meeting to order at 10:34 A.M.

The Chairman asked for the approval of the Minutes of the 338th Meeting, held April 18, 1977.

On a motion by Mr. Tiffy, seconded by Mr. Hastings, the Minutes of the 338th Meeting, held April 18, 1977, were unanimously approved.

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

The Secretary presented four (4) Survivorship Options for approval at this meeting. On a motion by Mr. Barley, seconded by Mr. Langosch, the Committee unanimously approved

the four (4) Survivorship Options submitted by the Secretary.

The Secretary advised that sixteen (16) Applications for Retirement were submitted for approval. The Secretary pointed out that among the applications to be approved was one for Mr. Thaddeus J. Kolman, who was being recommended to begin disability retirement retroactive to May 1, 1977 as a result of a misunderstanding in the procedure for filing an application for disability retirement. On a motion by Mr. Hegarty, seconded by Mr. Barley, the Committee unanimously approved the sixteen (16) applications submitted by the Secretary.

The Secretary reported that during the month, eleven (11) employees on Total and Permanent Disability were examined by the Medical Department or their records reviewed.

The Secretary presented thirty-nine (39) refunds totaling \$130,653.42 for approval at this meeting. On a motion by Mr. Hegarty, seconded by Mr. Hastings, the refunds to be paid May 31, 1977, as per the attached statement, were unanimously approved.

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

The Secretary presented the Chicago Transit Authority bills, totaling \$13,924.71, and other bills, totaling \$113,341.47. On a motion by Mr. Barley, seconded by Mr. Gresham, the Committee unanimously approved payment of these bills.

The Secretary reported for the payment of May 31, 1977, Death Benefits numbering twenty-seven (27) and amounting to \$41,500.00 were submitted for approval. On a motion by Mr. Hegarty, seconded by Mr. Blaa, the Committee unanimously approved the Death Benefits, as per the attached list.

The Secretary reported that as requested by Mr. Touhy, the Secretary discussed with Mr. Kole the matter of using the Employees' Welfare Fund as collateral for loans of reinstated employees, who are required to reimburse the Retirement Fund. Mr. Kole recommended that this matter be presented to the Welfare Committee Members by Mr. Touhy. The Secretary suggested that this matter be held in abeyance until Mr. Touhy returns from his illness, at which time he and Mr. Touhy will contact the Employees' Welfare Committee.

The Secretary recommended that the Real Estate proposal, as presented by Continental Bank, be held in abeyance due to the fact that many of the Committee Members had business appointments immediately following this meeting.

The Secretary reported that Mr. Ernest Buchanan, approved for Total and Permanent Disability, effective June 1, 1976, returned to duty on May 2, 1977; Mr. Raymond Mason, approved for Total and Permanent Disability, effective December 1, 1976, returned to duty on April 2, 1977.

The Secretary reported that Mr. Homer E. Barron, who has been on Total and Permanent Disability since October 1, 1976, declined a position of Ticket Agent on April 29, 1977. Subsequently, on May 11, 1977, Mr. Barron

accepted a position as a Janitor. The Secretary referred the Committee to Section 12 of the Retirement Plan, which states, "He (referring to an employee) shall not be entitled to receive any disability allowance for any period for which he, although unable to return to his regular duties, refuses to accept other work offered by the Authority which, in the judgment of a physician duly selected by the Committee, he is capable of performing and which pays not less than two-thirds (2/3) of the earnings which would have accrued to him if he had been currently in the job classification last held by him with the Authority." The Secretary pointed out that in accordance with the Retirement Plan, Mr. Barron should not receive disability benefits from April 29, 1977 to May 10, 1977.

Mr. Tiffy stated that there was a misunderstanding between Mr. Barron and the Personnel Department and indicated that the Personnel Department did not inform Mr. Barron that his disability retirement benefits would be terminated if he did not accept the position of Ticket Agent.

The Chairman recommended that in view of Mr. Tiffy's comments, the Committee pay Mr. Barron from April 29, 1977 to May 10, 1977.

On a motion by Mr. Tiffy, seconded by Mr. Hegarty, the Committee agreed to pay Mr. Barron disability retirement benefits from April 29, 1977 to May 10, 1977.

The Secretary advised the Committee of a clerical oversight relative to not submitting a request to the

Committee at the April meeting to have Mr. Stephen C. Allen's disability retirement retroactive to April 1, 1977. This request was submitted as a result of a misunderstanding in the procedure for filing for a disability retirement. The Secretary recommended that in view of the oversight, the Committee approve an April 1, 1977 retroactive disability retirement date for Mr. Stephen C. Allen.

On a motion by Mr. Blaa, seconded by Mr. Hastings, the Committee unanimously approved a retroactive disability retirement date of April 1, 1977 for Mr. Stephen C. Allen.

A presentation was made by Mr. W. Leszinske of Continental Bank by referring to the written report as was in each Committee Member's pass out material, relative to the current economic environment, pointing out factors attributed to the strength and weaknesses of the current and projected economic scene.

Mr. Leszinske informed the Committee that, effective July 1, 1977, Continental Bank is establishing an Index Fund and an Intermediate Bond Fund, which will consist of Bonds with maturity dates of less than fifteen (15) years. The Intermediate Bond Fund will be subject to less fluctuations as compared to Bonds with longer maturity dates.

Mr. Hastings asked the rationale for recently investing in securities of Digital Equipment Corporation and Phillips Petroleum Company, which recently have had a decrease in market value.

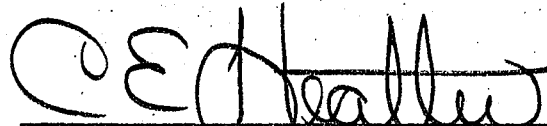
Mr. Leszinske responded by indicating that Continental Bank is forecasting that the market value of both firms'

securities will bounce back in the future.

Mr. Hastings asked why Continental purchased more securities in the Weyerhaeuser Company.

Mr. Leszinske responded by indicating that Continental believes the company is an attractive investment since it is a major producer of lumber and paper products, which are essential materials in the housing industry.

There being no further business, on a motion by Mr. Langosch, seconded by Mr. Tiffy, the Committee unanimously agreed to adjourn at 11:00 A.M.



~~SECRETARY~~ SECRETARY PROTEMPORE
RETIREMENT ALLOWANCE COMMITTEE



CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED: JUN 20 1977