

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 346th Meeting of the Retirement Allowance Committee was held on Monday, November 21, 1977, in the Board Room, Room 734, Merchandise Mart, and the following were in attendance:

Mr. E. Barley, Sr.	Mr. W. Spears
Mr. S. Bianchi	Mr. J. Tiffy
Mr. P. Kole	Mr. J. Touhy
Mr. S. Miller	Mr. L. Wool

Mr. Heatter, alternate for Mr. Ashley was also present. Neither Mr. Langosch nor his alternate were present. Messrs. DeFranco, Hill, Hegarty, Mullen and Redding were also present. Mr. John Story of Callan Associates, Inc. and Messrs. Edward Hamilton and William Leszinske of Continental Bank were also present.

In the absence of the Chairman, Mr. Heatter called the Meeting to order at 8:10 A.M. and advised the Committee that it would be necessary to elect a Secretary Pro Tempore, due to the fact that Mr. Ashley had a meeting relative to the Authority's Liability Insurance. On a motion by Mr. Tiffy, seconded by Mr. Spears, the Committee unanimously elected Mr. Heatter Secretary Pro Tempore. Mr. Heatter advised the Committee that Mr. Kole would be delayed in coming to the meeting and it would be necessary to elect a Chairman Pro Tempore. On a motion by Mr. Tiffy, seconded by Mr. Mullen, Mr. Barley was elected Chairman Pro Tempore.

Mr. Leszinske of Continental Bank began his presentation by circulating a Point to Point Measurement on Fund "E". Mr. Leszinske pointed out that Fund "E", for the period from September 30, 1977 to November 16, 1977, outperformed both the S & P 500 Index and the Dow Jones Industrials.

He then referred the Committee to the written report as was in each Committee Member's file, relative to the Fixed Income Portion of the Fund, and pointed out the rationale for Continental's current position in the intermediate and long term market and rationale for sale and purchase of certain intermediate and long term securities.

Each Committee Member was given their personal copy of Continental's Reports. A copy of each report is part of the Committee's Records in the Secretary's Office.

Mr. Hamilton reported that separate accounts are now established for the five new equity managers for the Chicago Transit Authority Retirement Trust. Mr. Hamilton stated that the Continental Bank, as Corporate Trustee, recommends that the Investment Adviser fees be paid directly from the individual accounts. This could be accomplished by having the Investment Advisers bill the Bank, the Bank, in turn would pay the fees from each individual account and send a receipted "Paid" bill to the Retirement Allowance Committee for its records. Mr. Hamilton pointed out that the aforementioned payment procedure is quite customary among many of the accounts for which Continental is the custodian.

Mr. Touhy asked if the Secretary's Office discussed this matter with Mr. R. Harrell of William Lowry and Associates, Inc. The Secretary responded by indicating that his office checked with Mr. Harrell and the aforementioned procedure for paying Investment Adviser Fees was in fact customary.

On a motion by Mr. Touhy, seconded by Mr. Tiffany, the Committee unanimously agreed to authorize the Continental to pay fees in accordance with the recommended procedure.

A presentation was then made by Mr. John Story of Callan Associates, Inc. relative to the Retirement Fund's Performance for the period ended September 30, 1977.

Mr. Story continued his presentation by indicating to the Committee the services Callan Associates, Inc. can provide under the new arrangement with the five new Investment Advisers.

After discussion between many of the Committee Members, it was agreed that this matter be held in abeyance until the Committee heard a presentation from Becker Securities Corporation.

Each Committee Member was given their personal copy of Callan Associates, Inc.'s Reports. A copy of each report is part of the Committee's Records in the Secretary's Office.

Mr. Story concluded his presentation at 9:00 A.M. and he, Messrs. Hamilton and Leszinske left the meeting.

The Chairman asked for the approval of the Minutes of the 345th Meeting, held Monday, October 17, 1977.

On a motion by Mr. Touhy, seconded by Mr. Tiffany, the Minutes of the 345th Meeting were unanimously approved.

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

The Secretary presented three (3) Survivorship Options for approval at this meeting. On a motion by Mr. Touhy, seconded by Mr. Bianchi, the Committee unanimously approved the three (3) Survivorship Options submitted by the Secretary.

The Secretary advised that there were seven (7) Applications for Retirement submitted for approval. Mr. Hegarty asked if Ms. Lillian M. Willis was recommended for a retroactive Disability Retirement. The Secretary responded by indicating that the application was received with a retirement date of December 1, 1977 without any letter of recommendation from the department relative to making Ms. Lillian M. Willis a retroactive Disability Retirement. The Secretary indicated that he would contact the department to ascertain whether Ms. Willis' application is eligible for a retroactive Disability Retirement.

On a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously approved the seven (7) Applications for Retirement with a request for the Secretary to contact Ms. Lillian M. Willis' department to determine if she is eligible for a retroactive Disability Retirement.

The Secretary reported that during the month, ten (10) employees on Total and Permanent Disability were examined by the Medical Department or their records reviewed.

The Secretary presented fifty-four (54) refunds, totaling \$297,172.90, for approval at this meeting. On a motion by Mr. Touhy, seconded by Mr. Tiffy, the refunds paid on November 30, 1977, as per the attached statement, were unanimously approved.

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

The Secretary presented the Chicago Transit Authority bills, totaling \$1,069.69, and other bills, totaling \$108,351.37. On a motion by Mr. Tiffy, seconded by Mr. Hegarty, the Committee unanimously approved payment of these bills.

The Secretary presented, for the payment of November 30, 1977, Death Benefits numbering twenty-seven (27) and amounting to \$65,000.00 for approval. On a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously approved the Death Benefits, as per the attached list.

The Secretary reported that the new Retirement Allowance Benefit Checks are scheduled to be utilized beginning with the payment of January 31, 1978 and the Secretary's Office will send out an insert with the December 31, 1977 Retirement Allowance Benefit Checks informing each retiree about the new check format.

The Secretary indicated that due to the fact that Mr. Hastings was not present, the information regarding Military Service Credit Compulsory or Period of Emergency be held in abeyance until Mr. Hastings is available to report to the Committee.

The Secretary informed the Committee that since Mr. Hall has been involved with the Labor Negotiations he has been unable to meet with Mr. Heatter regarding Mr. James B. Edwards' Contributions to the Retirement Fund. The Secretary reported that this will be held in abeyance until Mr. Hall meets with Mr. Heatter.

The Secretary reported that the Subcommittee to appoint the Retirement Plan Attorney has been unable to meet and this matter will be held in abeyance until the Subcommittee has an opportunity to meet.

The Secretary advised the Committee that Mr. Robert H. Kinney approved for Total and Permanent Disability, effective August 1, 1977, has returned to duty on November 3, 1977.

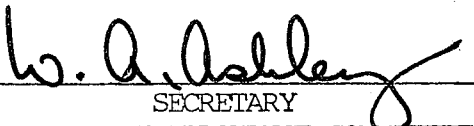
The Secretary referred each Committee Member to the pass-out material to a letter which will be sent to all retired employees who are paying Hospital and Medical Premiums informing them of an adjustment in rates, effective December 1, 1977.

The Secretary referred each Committee Member to the pass-out material and a report from Becker Securities Corporation and advised each Committee Member to review it.

Mr. Hegarty asked the Secretary why Mr. Lorinzo Sanders, an employee who was reinstated on September 21, 1977 as a result of an arbitration, was only being allowed sixty (60) days to reimburse the Retirement Fund of withdrawn accumulated contributions and earned interest instead of the ninety (90) days in accordance with the recently approved Rule 21, which states, "If an employee is reinstated within the provisions of Paragraph 3.7(3) of the Plan, after having received a refund of his contributions and wishes to take advantage of Paragraph 15.2(1) of the Plan, he shall repay to the Fund the amount of the refund within ninety (90) days of his return to work. Unless and until such refund is actually repaid to the Fund within the ninety (90) day period, the employee's rights under the Plan shall be only as a new employee from the date of return to work."

The Secretary referred this question to Mr. Wool, who responded by indicating that this agreement between the Labor Relations Department and Mr. Sanders was made prior to the Committee approving the amended Rule 21. Mr. Wool indicated that the Labor Relations Department would allow Mr. Sanders an additional thirty (30) days to reimburse the Retirement Fund of withdrawn accumulated contributions and earned interest.

There being no further business, on a motion by Mr. Tiffy, seconded by Mr. Touhy, the Committee unanimously agreed to adjourn at 9:35 A.M.


SECRETARY
RETIREMENT ALLOWANCE COMMITTEE


CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED DEC 19 1977