

RETIREMENT PLAN  
FOR  
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 362nd Meeting of the Retirement Allowance Committee was held on Friday, January 19, 1979, in the Executive Director's Office, Room 734, Merchandise Mart, and the following were in attendance:

Mr. W. Ashley	Mr. W. Spears
Mr. R. Goldman	Mr. J. Weatherspoon
Mr. P. Kole	

Mr. J. Edwards, alternate for Mr. T. O'Mahony, Mr. T. Hill, alternate for Mr. S. Bianchi, Mr. A. Kasmer, alternate for Mr. E. Langosch, Mr. F. Mullen, alternate for Mr. S. Miller, and Mr. L. Wool, alternate for Mr. E. Brabec, were also present. Messrs. C. Heatter, H. Hegarty, J. Bidwill and H. Sykora were also present. Messrs. E. Hamilton and W. Leszinske of Continental Bank were also present. Mr. Richard W. Burke, the Plan Attorney, was also present.

The Chairman called the meeting to order at 10:05 A.M.

The Chairman advised that it was necessary to reschedule the meeting to January 19, 1979 from January 15, 1979 because a quorum was not available due to the severe storm conditions in the City of Chicago.

The Chairman asked for the approval of the Minutes of the 361st Meeting, held December 18, 1978.

Mr. Hegarty questioned the January 1, 1979 retirement of Mr. Lewis Reed. Mr. Hegarty indicated that it was his understanding that Mr. Reed returned to duty, fell under a train and as a result lost his leg. Mr. Hegarty asked if the above situation was factual whether Mr. Reed would qualify for another twenty-six (26) weeks of insurance benefits.

The Secretary responded by indicating that according to the medical reports Mr. Reed did not return to work, and does not qualify for another twenty-six (26) weeks of insurance benefits. The Secretary indicated that he will investigate this matter to ensure Mr. Reed did not in fact return to work and report back to the Committee at next meeting. Mr. Edwards asked if Mr. Reed was eligible for hospitalization benefits during twenty-six (26) weeks of insurance benefits and up to date of retirement. The Secretary responded in the affirmative.

On a motion by Mr. Kole, seconded by Mr. Edwards, the Committee unanimously approved the Minutes of the 361st Meeting, held December 18, 1978.

The Secretary made the announcement of deaths reported since the last meeting, as per the attached list.

The Secretary submitted three (3) Survivorship Options for approval. On a motion by Mr. Kole, seconded by Mr. Edwards, the Survivorship Options, as submitted, were unanimously approved.

The Secretary advised that there were twenty-four (24) Applications for Retirement submitted for approval.

On a motion by Mr. Kole, seconded by Mr. Spears, the Committee unanimously approved the twenty-four (24) Applications for Retirement.

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 thirty-three (33) refunds, totaling \$218,280.41, for approval at this meeting.

On a motion by Mr. Kole, seconded by Mr. Spears, the refunds to be paid on January 31, 1979, as per the attached statement, were unanimously approved.

The Secretary presented a report of Deposits, Disbursements and Investments for the month of December.

The Secretary presented the Chicago Transit Authority Bills, totaling \$17,051.00, and other bills, totaling \$146,282.51, for approval.

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

The Secretary presented for payment on January 31, 1979, Death Benefits numbering twenty (20) and amounting to \$27,000.00. On a motion by Mr. Kole, seconded by Mr. Spears, the Committee unanimously approved the Death Benefits, as per the attached list.

The Secretary called each Committee Member's attention to the draft of the Statement of Financial Position. He indicated that the Plan Auditor revised the first draft and recommended the changes as presented.

Mr. Hill recommended that the Committee's Alternate Members be included on the Statement. Mr. Kole recommended we put the Committee Members in alphabetical order. Mr. Spears indicated that he would like to see the union officers remain grouped by local. Mr. Hill also recommended that the staff also be listed and Continental provide some input in the statement.

The Secretary responded by indicating that the Committee take the statement and make recommendations at the next Retirement Meeting as to the contents of the statement. He also asked Mr. Hamilton to provide some input from Continental Bank.

The Secretary made a motion to appoint Mr. Kole to sign the Certification Letter of Payment in the absence of the Chairman. Mr. Hill seconded the motion. The Committee unanimously appointed Mr. Kole to sign the Letter of Payment when the Chairman is not available.

The Secretary reported that, on December 26, 1978, his office received a request from Mr. J. Replinger, Manager of Maintenance, to withdraw Mr. Richard Palazzo's January 1, 1979 Retirement Application. Mr. Palazzo's reason was that his wife recently passed away and he felt that it would be better if he worked as he was despondent and felt the activity of work will help at this time.

The Secretary recommended that the meeting date of the Retirement Allowance Committee Meeting for the month of February be changed from February 19th to February 20th due to the fact that the General Offices have been traditionally closed on Washington's Brithday, which falls on February 19, 1979.

On a motion by Mr. Kole, seconded by Mr. Kasmer, the Committee unanimously approved the change of meeting date from February 19th to February 20th.

The Secretary reported that Mr. David M. Curry, approved for Total and Permanent Disability, effective December 1, 1978, had returned to duty on December 21, 1978.

The Secretary reported that, in accordance with Section 12 of the Retirement Plan, Mr. Thears Judkins, Jr., D-1895, was removed from the disability retirement rolls due to the fact that he refused to atcept work offered by the Authority, which he was found fit to perform.

The Secretary reported that Mr. Robert L. Huff failed to reimburse the Retirement Fund of contributions withdrawn, as required by Rule 21 of the Retirement Plan. The Secretary pointed out that Mr. Huff's rights under the Plan will be only as a new employee.

The Secretary reported that Mr. Henry L. Taylor was reinstated on December 27, 1978 and, to date, has not reimbursed the Retirement Fund of contributions withdrawn at the time of his discharge.

The Secretary pointed out to each Committee Member that the new booklet, "Retirement Plan for Chicago Transit Authority Employees" was in each Committee Member's pass out material.

The Secretary also referred each Committee Member to the reports from T. Rowe Price Associates, Inc., dated December 31, 1978 and asked each Committee Member to review the reports.

Mr. Hegarty asked if Mr. Burke contacted Mr. Martin Burns, 308's Attorney, relative to changing the mandatory retirement age from 65 to 70. Mr. Burke responded by indicating that he has attempted to contact Mr. Burns to no avail. Mr. Burke indicated he will attempt to contact Mr. Burns again.

Mr. Burke reported that a Cook County Circuit Court Judge entered a judgment in favor of employee benefit trusts in the Illinois suit that challenged their tax-exempt status.

The judgment states that the revenue statute exempting the trusts from personal property taxes was validly enacted by the General Assembly under the Illinois Constitution.

Mr. Burke did not believe an appeal of this judgment would be pursued.

Mr. Hegarty indicated that he heard Penn Central was supposedly back in business and doing well.

Mr. Heatter responded by indicating that he recently read an article in a financial magazine which indicated the original Penn Central filed bankruptcy and that a new corporation had been formed and supposedly is doing well.

Mr. Burke indicated he would review the Penn Central file and follow-up on the court action and report back to the Committee.

Mr. Edwards brought up the question of Reciprocity of Pension Credits between Governmental Agencies.

Mr. Burke responded to Mr. Edwards indicating there is no reciprocity in pension credits when an individual is employed with the Authority after working with another governmental agency. Mr. Burke indicated the Retirement Plan does not provide for reciprocity.

The Chairman asked for the Report of the Trustee.

Mr. Hamilton reported that in accordance with Mr. Robert Harrell's recommendation, the Continental Bank will allocate the net future contributions as follows:

30%	Fixed Income
70%	Equity
33.3%	E. W. Axe & Company
33.3%	T. Rowe Price
33.3%	Putnam Advisory

Mr. Hamilton also reported that in accordance with the Retirement Allowance Committee's suggestion, the bank, as fiduciary, informed Putnam Advisory Company, E. W. Axe & Company and Capital Guardian Trust Company that their nine month performance is significantly different than the performance of their commingled fund and, that the bank will be closely comparing the results of the CTA Fund with that of the commingled fund for calendar year 1978.

Mr. Leszinske circulated a report on the Fixed Income

Portion of the Fund to each Committee Member and reviewed the report. He indicated that Continental continues to hold a large amount of money in short term investments with 10% interest rates until an investment decision is made.

The Secretary indicated that the Committee Members will meet at Continental Bank immediately after adjournment for a luncheon meeting with the T. Rowe Price and Associates, Inc., one of the Retirement Fund's investment advisors.

There being no further business, on a motion by Mr. Spears, seconded by Mr. Wool, the Committee unanimously agreed to adjourn at 10:58 A.M.

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SECRETARY  
RETIREMENT ALLOWANCE COMMITTEE

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CHAIRMAN  
RETIREMENT ALLOWANCE COMMITTEE

DATED \_\_\_\_\_