

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 372nd Meeting of the Retirement Allowance Committee was held on Monday, November 19, 1979, in the Board Room, Room 734, Merchandise Mart. The following were in attendance:

Mr. W. Ashley	Mr. S. Miller
Mr. S. Bianchi	Mr. T. O'Mahony
Mr. R. Goldman	Mr. W. Spears
Mr. P. Kole	

Mr. Hall, alternate for Mr. Weatherspoon, and Mr. Wool, alternate for Mr. Brabec, were also present. Neither Mr. Langosch nor Mr. Kasmer was present. Messrs. J. Bidwill, J. Edwards, C. Hall, H. Hegarty and L. Morris were also present. Mr. E. Hamilton and Mr. W. Leszinske were also present.

In the absence of the Chairman, the Secretary called the meeting to order at 10:41 A.M.

Mr. Ashley indicated that Mr. Weatherspoon would not be present at this meeting and recommended that a Chairman Pro Tempore be elected.

On a motion by Mr. Spears, seconded by Mr. Bianchi, the Committee unanimously elected Mr. Hall Chairman Pro Tempore.

Mr. Leszinske referred the Committee to a letter dated November 13, 1979 titled "October Market Summary" and reviewed the contents of the letter.

Mr. Leszinske indicated that during October, Continental Bank continued to sell long-term bonds to increase cash reserves. Given the widespread domestic and international political and economic uncertainties, it appears to Continental that interest rates will remain stable or move somewhat higher through year end. With yield curve sharply inverted, such an outlook suggests high levels of short term securities. Mr. Leszinske reviewed the following sales:

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<u>Par Amount</u>	<u>Security Description</u>	<u>Sale Price</u>	<u>Gain or (Loss)</u>	<u>Approximate Yield to Maturity</u>	<u>11/8/79 Price</u>
\$4,000,000	U.S. Treasury Bonds, 8 3/4% due 8/15/94	90 28/32	\$(346,960)	9.94%	85 20/32
\$1,500,000	U.S. Treasury Bonds, 9% due 2/15/94	93	(109,167)	9.92	87 5/32
\$4,150,000	U.S. Treasury Bonds, 9 1/8% due 5/15/09	89 28/32	(467,842)	10.22	87 22/32
\$6,450,000	U.S. Treasury Bonds, 9 1/8% due 5/15/09	89 15/32	(753,331)	10.26	87 22/32
\$1,750,000	Monsanto Debs, 9 1/8% due 7/1/00	86.228	(142,411)	10.80	85 1/8

Mr. T. O'Mahony and Mr. C. Hall indicated their concern over the amount of losses taken in the sale of the aforementioned securities.

Mr. T. O'Mahony asked Mr. Leszinske about the various characteristics of Bonds. Mr. Leszinske responded.

The Secretary's office indicated concern over the sales of securities and asked Mr. Leszinske to provide the Committee with the rationale and analysis utilized in making the decision to sell the securities. The Secretary's office asked if a break-even analysis could be presented. Mr. Leszinske indicated that this will be presented to the Committee in the future.

The Chairman asked for the approval of the Minutes of the 371st Meeting held on October 15, 1979

On a motion by Mr. Kole, seconded by Mr. Goldman, the Committee unanimously approved the Minutes of the 371st Meeting held October 15, 1979.

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

The Secretary submitted eight (8) Survivorship Options for approval.

On a motion by Mr. Kole, seconded by Mr. Spears, the Committee unanimously approved the Survivorship Options per the attached list.

The Secretary presented seven (7) Applications for Retirement.

On a motion by Mr. Kole, seconded by Mr. Spears, the Committee unanimously approved the Applications for Retirement as presented.

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

The Secretary called the Committee's attention to the procedure for the remittance of retirement contributions by employees occupying a position with the union. A discussion ensued by Committee members and the Plan Attorney. The Plan Attorney indicated that the procedure, as written, is in accordance with the provisions of the Plan.

Mr. Hegarty indicated that the procedure is not in accordance with the method Local 308 has been using to remit contributions over past years. The Secretary pointed out that he realizes that, and this procedure will provide both Locals with a method to remit contributions consistent with the provisions of the Plan. Mr. Hall indicated he would have to review the procedure with Local 241 Executive Board before he could accept the procedure.

Mr. Burke pointed out that if the Locals desire a change in the method by which contributions are to be remitted, this can be done in collective bargaining and/or a change in Rule 14.

The Secretary made a motion, seconded by Mr. Bianchi, that the procedure be adopted. After general discussion, on a motion by Mr. Spears, seconded by Mr. O'Mahony, it was agreed to table the motion to adopt, until Mr. Hall could confer with the 241 Executive Committee regarding contributions and with Division 308 regarding procedure.

The Secretary reported a request was forwarded to the Authority's Purchasing Department to sell the Pitney Bowes Mailing Machine, and as of this date, no further information is available to report.

The Secretary reported that a Survivorship Option Application B-One Half (1/2) for Mr. Peter Cleary approved at Meeting on June 18, 1979 was withdrawn by Mr. Cleary on October 15, 1979.

The Secretary reported that a Survivorship Option Application B-All for Mr. Thomas Yapelli approved at Meeting on July 16, 1979 was withdrawn by Mr. Yapelli on October 29, 1979.

The Secretary reported that Mr. John Dilworth approved for Disability Retirement July 1, 1979, returned to work on October 7, 1979.

The Secretary called the Committee's attention to the pass-out material, specifically to a letter that was to be circulated to all retired employees and dependents to advise them of an increase in Group Hospital, Medical, Major Medical and Dental Insurance Premiums effective December 1, 1979.

Mr. Kole asked if there was a Dental Plan for Employees over age 65; the Secretary responded by indicating there was not.

Mr. Miller pointed out that there was a very wide range of premiums. The Secretary responded by referring Mr. Miller and the Committee members to the opposite side of the letter and indicated that by adding rates, you can compute all premium rate combinations as reported on the front of letter.

Mr. Hegarty indicated that a Mr. Gill Bundley, Jr., retired at age 65, contends he was never advised that he could continue to work past age 65.

The Secretary responded by indicating that a letter was written to Mr. Bundley advising him that he could be reinstated if he desired and advised him to contact the Placement Department if so desired. Mr. Hegarty asked if Mr. Bundley would be reinstated with full seniority rights. The Secretary responded in the affirmative.

There being no further business, on a motion by Mr. Wool, seconded by Mr. Miller, the Committee unanimously agreed to adjourn at 11:22 A.M.

SECRETARY, RETIREMENT
ALLOWANCE COMMITTEE

CHAIRMAN, RETIREMENT
ALLOWANCE COMMITTEE

DATED _____