

A G E N D A

FOR THE 434TH RETIREMENT MEETING OF FEBRUARY 19, 1985

1. Meeting will be called to order at 10:30 A.M., in the Board Room, Room 734, Merchandise Mart.
2. Approval of Minutes of the 433rd Meeting held January 21, 1985.
3. Report by Trustee.
4. Announcements of Deaths Reported since last meeting.
5. Presentation of Survivorship Options.
6. Announcements of Pre-Retirement Surviving Spouse Allowances.
7. Presentation of New Applications for approval.
8. Employees on Disability Retirement re-examined.
9. Presentation of Refunds of Contributions to be paid February 28, 1985.
10. Report by Secretary of Deposits, Disbursements and Investments.
11. Presentation of Bills and Remittances.
12. Death Benefits for Approval.
13. Unfinished Business.
 - a.) Renewal of contract with Piedmont Realty Advisors.
14. New Business.
 - a.) Robert Hicks - D-1907 - retired 09-01-76 - returned to duty 01-21-85.
 - b.) Maxcel Nobles - D-2279 - retired 08-01-84 - returned to duty 01-21-85.
 - c.) W. Kinnish - B-1/2 Survivorship Option approved at the meeting of July 16, 1984 - revoked.
 - d.) Donald Burton - bridge of service request - report by Plan Attorney.
 - e.) Report on Securities Lending Income generated by Capital Advisors.
 - f.) Report on payment of Retirement Plan share of pensioner health insurance premium as of 01-01-85.
 - g.) Report on lawsuit involving Mr. D. Mulvihill naming the Retirement Plan as garnishee.
15. Adjournment.

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 434th Meeting of the Retirement Allowance Committee was held on Tuesday, February 19, 1985, in the Law Department Conference Room, Room 440, Merchandise Mart. The following were in attendance:

Ms. W. Black	Mr. P. Kole
Mr. E. Flowers	Mr. D. Perk
Mr. J. Gallagher	Mr. I. Thomas
Mr. E. Gresham	

Mr. L. Brown, alternate for Mr. A. Kasmer, was present.

The Assistant Secretary noted that Mr. R. Andrzejewski had requested that Mr. R. Jania sit in his stead. The Assistant Secretary further noted that it was necessary that a management alternate be appointed to sit in for Mr. Andersen. The Chairman appointed Ms. A. Curtis to sit in for Mr. Andersen, and the Committee approved. Messrs. L. Morris, J. Breckenridge, H. Hegarty, R. O'Connor and R. Bartkowicz were also present. Messrs. G. Nagle, J. Mullen and Ms. C. Cox were present. Messrs. W. Ashley and J. Weatherspoon were present. Mr. J. Baratka of The Wyatt Company was present. Messrs. G. Schedler and F. Duda of the Harris Trust & Savings Bank were present. Mr. R. Burke, the Plan Attorney, was present. Dr. R. Zerbst of Piedmont Realty Advisors, Inc. was present. Mr. B. Scholz, pensioner representative, was also present.

The Chairman called the meeting to order at 10:50 A.M.

The Chairman informed the Committee that he wished to veer from the agenda as there was a matter of importance to be presented. The Chairman then noted that due to Mr. Kole's resignation from the Authority he could no longer be a part of the Committee. Mr. Kole then presented

his verbal resignation as a Member and as Secretary of the Committee. Mr. Gresham then made a motion that Mr. Kole's resignation be accepted, Mr. Brown seconded the motion, and the Committee unanimously approved. The Chairman appointed Mr. Bartkowicz to sit in on the meeting in Mr. Kole's stead. The Chairman then noted that due to Mr. Kole's resignation there was a vacancy for a Member and the Office of Secretary and called for nominations. Mr. Gresham nominated Mr. Gregory Nagle as Secretary. The Chairman then noted that whoever held the office of Secretary had to be a Member of the Committee and, therefore, had to be appointed by the Transit Board. He further noted that an understanding had been reached with members of the Board whereby Mr. Nagle was to be appointed as a Member of the Committee at the next Transit Board Meeting. The Plan Attorney noted that the By-Laws state that the Chairman and Secretary of the Committee are elected by the Committee and if a vote was taken today to elect Mr. Nagle as Secretary it could be reflected in the Minutes but he could not serve in that capacity until his appointment as a Member was made by the Transit Board. After further discussion, there being no further nominations, a voice vote was taken with the following individuals voting in the affirmative: J. Gallagher, R. Jania, D. Perk, E. Flowers, E. Gresham, L. Brown, W. Black, I. Thomas, A. Curtis, and R. Bartkowicz, which resulted in the unanimous election of Mr. G. Nagle as Secretary.

The Chairman called for approval of the Minutes of the 433rd Meeting, held January 21, 1985. The Assistant Secretary noted that there was a revision made to page 3 of the Minutes, which would be distributed to all Members for their information. The Plan Attorney

also noted that the first paragraph on page 5 should be corrected to state that the note is to be modified, the unpaid interest which was to be payable in January will earn interest at 18%, and the balance of the note which did not mature will continue to earn interest at 14%. The Chairman suggested that the meeting continue according to the agenda and the approval of the Minutes be handled when the copies of the revised page 3 had been distributed and perused by the Committee.

Mr. Schedler then introduced Mr. F. Duda of the Harris Trust & Savings Bank who passed out a copy of the Trustee Report which he explained to the Committee.

The revised page 3 of the Minutes was passed out and perused by the Committee after which Mr. Perk made a motion for approval of the Minutes of the 433rd Meeting as revised, Mr. Jania seconded the motion, and the Committee unanimously approved.

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

The Assistant Secretary informed the Committee that there were seven (7) Survivorship Options to be approved, including the following pending receipt of medical approval from the CTA Medical Department: Vincent Ecter, Joseph Motyka, Frank Andrek, and Henry Siuba. On a motion by Mr. Brown, seconded by Ms. Curtis, the Committee unanimously approved the Survivorship Options including those pending receipt of medical approval from the CTA Medical Department.

The Assistant Secretary informed the Committee that there were no Pre-Retirement Surviving Spouse Allowances to report at this Meeting.

The Assistant Secretary presented twenty-four (24) Retirement Applications for approval. On a motion by Mr. Perk, seconded by

Mr. Jania, the Committee unanimously approved the Retirement Applications.

The Assistant Secretary reported that four (4) employees who are presently receiving Disability Retirement Benefits were examined or had their file reviewed.

The Assistant Secretary presented sixteen (16) Refunds of Contributions, totaling \$130,145.79, for approval. The comparison figures for the same period of time one year ago were twenty-one (21) refunds, totaling \$182,983.18. On a motion by Ms. Black, seconded by Mr. Flowers, the Committee unanimously approved the Refunds of Contributions to be paid February 28, 1985.

The Assistant Secretary turned the Committee's attention to the Trustee Summary and presented the report of Deposits, Disbursements and Investments noting that the total portfolio has a market value of \$603,377,645.16 at a cost of \$548,561,902.56.

The Assistant Secretary reported that there was one (1) Chicago Transit Authority bill, totaling \$54,723.61; seventeen (17) Operating bills, totaling \$84,806.81; nine (9) Remittances, totaling \$420,149.92; and the FIT Deposit, totaling \$100,092.11, to be approved for payment. On the question, Mr. Breckenridge asked if the Authority had made any payments on the \$26,000,000 they owed the Plan. The Assistant Secretary noted that an installment payment of approximately \$700,000 reduced to \$540,000 by a previous interest payment had been made by the Authority and further noted that future payments are to be made on a monthly basis. A discussion ensued during which the Chairman requested that the Minutes reflect that a monthly report of the Authority's repayment of the Certificate of Indebtedness be made by the Secretary at the Committee Meeting. On a motion by

Ms. Black, seconded by Mr. Gresham, the Committee unanimously approved the bills and remittances to be paid February 28, 1985.

The Assistant Secretary presented for approval twenty-five (25) Death Benefits, totaling \$73,000.00. The comparison figures for the same period of time one year ago were thirty-six (36) Death Benefits, totaling \$76,500.00. On a motion by Mr. Thomas, seconded by Ms. Black, the Committee unanimously approved payment of the Death Benefits.

The Chairman brought to the Committee's attention the renewal of the contract with Piedmont Realty Advisors, Inc. and asked Dr. Zerbst to give a brief explanation of the report on real estate investments which had been included in the pass-out material. Dr. Zerbst presented a brief update on the direct investment properties at 3660 N. Lake Shore Drive, Woodfield Business Center, and 711 Jorie. The Chairman asked Dr. Zerbst to leave the room in order for the Committee to discuss the matter of his contract renewal. After comments by Mr. Kole and a review of a letter prepared by the Plan Attorney regarding the terms of the contract, Mr. Gresham made a motion for renewal of the contract with Piedmont Realty Advisors, Inc., Mr. Flowers seconded the motion. On the question, Mr. Hegarty asked if the proposed program which would allow employees to secure loans for buying housing was still being considered. The Chairman noted that a policy decision had been made regarding this matter, however, there were still some questions which had not been answered. He suggested that the Plan Attorney present a report on the matter at the next meeting in order that it could be resolved one way or another. The Chairman asked Messrs. Gresham, Flowers, Perk and Nagle to be a part of a Sub-Committee to look into the matter and report back to the

full Committee. The Committee unanimously approved the renewal of the contract with Piedmont Realty Advisors, Inc. commencing January 1, 1985 in accordance with the terms outlined in Mr. Burke's letter. (Copy attached). Mr. Brown noted that the By-Laws state that only Members of the Committee can serve on a Sub-Committee, therefore, Mr. Nagle was not eligible to do so. The Chairman stated that he would serve on the Sub-Committee.

The Assistant Secretary informed the Committee that Messrs. Robert Hicks and Maxcel Nobles, who were on Disability Retirement, had returned to duty.

The Assistant Secretary further reported that W. Kinnish revoked his B-1/2 Survivorship Option, which had been approved at the July 16, 1984 Meeting.

The Assistant Secretary turned the Committee's attention to a request by Mr. Donald Burton for the bridging of his service and asked Mr. Perk to expound on the matter. Mr. Perk informed the Committee that he had met with Messrs. Ashley, Nagle and the Plan Attorney and after reviewing Mr. Burton's records it was found that he did not qualify, and Mr. Perk recommended that his request be denied.

The Chairman turned the Committee's attention to the report on the Securities Lending Income generated by Capital Advisors. The Assistant Secretary called upon Mr. J. Mullen, who explained the report to the Committee.

The Assistant Secretary informed the Committee that the group payment to the health insurance carrier for that portion of the retirees' basic premium, which represents the increase which went into effect on January 1, 1985, is being held in arrears. He noted that the amount for January totals \$16,585.00 and February is \$16,773.00. The Assistant

Secretary further noted that the insurance premiums were raised on January 1, 1985, however, there would be no raise in the rates to the retirees until the labor contract is resolved.

The Chairman informed the Committee of a visit he made to the Pension Office and expressed his displeasure with several areas therein. He further noted that the Assistant Secretary and other staff have been conferring with the building management to have some changes made and asked the Assistant Secretary to expound on the matter. The Assistant Secretary noted that arrangements have been made with building management to replace the present sign with one that is more suitable; replace the present door with a glass door, install a buzzer system on the door through which one enters the office proper, install an alarm system on the rear emergency exit door, and pay up to to \$2600 for the above installations. The Chairman noted that prior to the problems arising he had thought about the possibility of securing additional space adjacent to the present office for use as a conference/meeting room in order that the Committee could have a permanent meeting place. The Chairman asked for a decision from the Committee as to whether or not the matter should be pursued. After discussion, Mr. Gresham made a motion that the Chairman be given approval to pursue the possibility of securing space for a conference/meeting room. Mr. Flowers seconded the motion, and the Committee unanimously approved.

The Chairman directed the Committee's attention to a lawsuit naming the Retirement Plan as garnishee and asked the Plan Attorney to expound on the matter. The Plan Attorney noted that the suit had been brought by the Authority against Mr. Daniel Mulvihill regarding a claim by the Authority for some money due and owing. The Plan Attorney stated that we are taking the same position in this litigation

as we do in others, that is, under Section 17 of the Plan retirement monies are free from the reach of all creditors. Therefore, we will honor a beneficiary designation made by the employee or a request for a refund of contributions to the employee. What happens to the funds once they are in Mr. Mulvihill's hands in so far as the court is concerned is Mr. Mulvihill's concern. The Plan Attorney stated that Mr. Mulvihill's refund of contributions should be processed in the usual manner. On a motion by Mr. Perk, seconded by Mr. Flowers, the Committee unanimously approved the processing of a refund of contributions for Mr. Daniel Mulvihill.

The Assistant Secretary informed the Committee that there were copies of the newly printed Retirement Plan booklet available for them to take with them.

The Assistant Secretary informed the Committee that as of January 1985 the monthly retirement benefit checks were being sent to retirees by the Harris Bank.

There being no further business, on a motion by Mr. Perk, seconded by Mr. Jania, the Committee unanimously agreed to adjourn at 12:15 P.M.

SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED