

AGENDA

FOR THE 472ND RETIREMENT MEETING OF APRIL 18, 1988

1. Meeting will be called to order at 9:30 a.m., Promenade A Room, Hotel Nikko Chicago.
2. Approval of the Minutes of the 471st Meeting held March 21, 1988.
3. Report by Trustee.
4. Announcement of deaths reported since the last meeting.
5. Announcement of Pre-Retirement Surviving Spouse Allowances
6. Presentation of new retirement applications for approval.
7. Employees on Disability Retirement re-examined.
8. Presentation of Refunds of Contributions to be paid April 30, 1988.
9. Presentation of Bills and Remittances.
10. Death Benefits for approval.
11. Report by Secretary of Deposits, Disbursements and Investments.
 - a) Report on results of the asset allocation model.
12. Unfinished Business
 - a) Discussion of an International Equity Allocation.
 - b) Discussion of the real estate consultant proposals.
13. New Business
 - a) Juarez L. Goodrich revoked his application for disability retirement which was to have become effective on 04-01-88.
 - b) Thirteen month period to repay refund of contributions and interest expires -- recommendation that the following be granted a 30-day grace period.

Name & Badge No.	13 Month Period Expires	Entered Service Date	Amount Due
Charles Hawkins 8157	04-09-88	07-13-70	\$13,944.60
Nathaniel Hutton 13495	04-09-88	09-08-69	15,302.59

- c) Stanley M. Wright repaid his refund of contributions and interest totaling \$9,766.55 -- under Rule No. 21 Mr. Wright's original pension seniority date of 01-24-74 is reinstated.
- d) Report by Mr. Kevin Melich on the sale of Delaware Investment Advisors, Inc. to a private investor group.
- e) Pension Section personnel matters.

14. Adjournment

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 472nd Meeting of the Retirement Allowance Committee was held Monday, April 18, 1988 at 9:30 A.M., in the Promenade Room A, Hotel Nikko. The following were in attendance:

Mr. E. Gresham, Chairman	Ms. J. Hughes
Mr. A. Kasmer, Jr.	Mr. G. Nagle, Secretary
Mr. C. Knox	Mr. D. Perk, Vice Chairman
Mr. I. Thomas	Ms. V. Wendorf

Alternate W. Buetow sat in W. Clark's stead. Alternate H. Reed sat in W. Black's stead. Alternates L. Brown, H. Williams, L. Morris, A. Curtis and H. Hegarty were in attendance. Mr. Morris sat in Mr. Thomas' stead during the presentation of agenda items: 12(b) & 13(a), (b), (c) & (e). Mr. R. Pirovano and Ms. P. Williams of the Pension Office staff were present. Ms. S. Luthy of the Harris Trust and Savings Bank was present. Mr. J. Baratka of the Wyatt Company was also present. Messrs. K. Melich and T. Riddle of Delaware Investment Advisors, Inc. were also in attendance. Mr. R. Burke, the Plan Attorney was present. Mr. B. Scholz, pensioner representative was also present.

(1) The Chairman called the meeting to order at 9:43 A.M. The Secretary informed the Committee that he had received written notification from Local 308 that Mr. Clarence Knox would replace Mr. Elwood Flowers as the Retirement Allowance Committee

Member. Mr. Hugh Hegarty would continue to serve as the alternate.

(2) On the call for approval of the Minutes of the 471st meeting, held March 21, 1988, Mr. Brown made a motion for approval, Mr. Perk seconded the motion, and the Committee unanimously approved.

(3) Ms. S. Luthy of the Harris Trust and Savings Bank presented a report on the activity in the markets over the last 30 days and year to date.

(4) The Secretary made the Announcement of Deaths since the last meeting, as per the attached list.

(5) The Secretary reported that there was one Pre-Retirement Surviving Spouse Allowance effective April 1, 1988.

(6) The Secretary presented twenty-seven (27) Retirement Applications for approval, including three (3) disability applications for J. Wells, S. Clark and D. Boyd whose applications are pending medical evaluation. On a motion by Mr. Perk, seconded by Mr. Kasmer, the Committee unanimously approved the Retirement Applications as presented.

(7) The Secretary informed the Committee that five (5) employees who are presently receiving Disability Retirement Benefits were examined or had their files reviewed.

(8) The Secretary presented twenty-seven (27) Refunds of Contributions totaling \$59,296.70 for approval. On a motion by Mr. Kasmer, seconded by Mr. Perk, the Committee unanimously approved the Refunds of Contributions to be paid April 30, 1988.

(9) The Secretary presented for approval one (1) Chicago Transit Authority Bill, totaling \$38,049.72, nineteen (19) Operating Bills, totaling \$177,846.85, nine (9) Remittances, totaling \$482,838.57 and the FIT Deposit, totaling \$198,573.87. On a motion by Mr. Kasmer, seconded by Mr. Reed, the Committee unanimously approved the Bills and Remittances, totaling \$897,309.01.

(10) The Secretary presented for approval twenty-nine (29) Death Benefits, totaling \$67,500.00. On a motion by Mr. Perk, seconded by Mr. Kasmer, the Committee unanimously approved the Death Benefits to be paid April 30, 1988.

(11) The Secretary turned the Committee's attention to the Report on Deposits, Disbursements and Investments in the Trustee Summary and noted that the March, 1988 performance for the Fund was -.49% and the market value of the total assets of the Plan as of March 31, 1988 was \$791.9 million.

At the request of the Secretary, Mr. Pirovano informed the Committee that a Mr. Morton Liebert, who was previously on a disability retirement, was inquiring about his retirement

benefits, and due to some unusual circumstances, a determination needed to be made. As a result of being on a disability retirement from 01/01/76 through 07/01/85, before returning to work in 1985, Mr. Liebert had only 2 years of pension earnings in the last 10 Plan years. He further noted that the Pension Office needed a ruling on how to calculate the average annual compensation as used in the retirement benefit formula. The Plan Attorney stated that because of the unusual circumstances of this particular case, the Committee would have the authority to consider including the two next most recent years of compensation in making the calculation. The Committee acted to defer this item in order that a review of Mr. Liebert's personnel record could be made.

(11a) The Secretary presented a report on the results of the asset allocation model which indicated that the inception to date (thru 3/31/88) value added by the Boston Company was 1.60%. The report also identified the asset allocation changes since inception and indicated that the market value of the Boston Company account was \$79,116,160.00 as of March 31, 1988.

(12a) The Plan Attorney reported that, as requested by the Committee, he inquired of the AFL-CIO in regard to their views on international investing in companies that may derive a portion of their sales from interest in South Africa. He indicated that their response was that there was no firm policy for or

against international investing, however, they offered a guideline which suggested that if the trustees saw fit to have an international allocation, that allocation not be a dominant part of the total fund. The Secretary noted that another question which had been posed in regard to international equities inquired as to the percent exposure in South Africa a 10% international equity allocation would actually have in terms of equity investments or share of sales. The Secretary noted that the Wellesley Group was still trying to find a source for that data. Ms. Hughes asked that the following information be obtained:

- Of those funds that have international equities, what percent of their allocation is international equities.
- What does an international equity allocation contribute to the bottom line.
- What percent of the EAFE index companies do business in South Africa.
- The South Africa free international equity performance data.

The Chairman asked that this item be deferred until the next meeting.

(12b) The Secretary recommended that the Committee narrow the field of prospective real estate consultants to the firms of Gernstetter Associates, Inc., J. H. Elwood & Associates, Inc., Institutional Property Consultants, Inc., and the Townsend Group. He noted that his recommendation was based on three criteria:

- 1) Whether or not the firm concentrates their resources on real estate consulting services exclusively.
- 2) Fees.
- 3) The Committee's apparent preference for a Chicago officed firm.

Ms. Hughes moved that the Committee invite the firms of Gernstetter Associates, J. H. Elwood & Associates and the Townsend Group to make one-half hour presentations to the Committee, Mr. Kasmer seconded and the Committee unanimously approved.

(13a) The Secretary noted that Juarez L. Goodrich revoked his application for disability retirement which was to have become effective on April 1, 1988.

(13b) The Secretary informed the Committee that the following employees' thirteen month period for repayment of contributions had expired and recommended that they be granted a 30-day grace period: Charles Hawkins and Nathaniel Hutton. On a motion by Mr. Nagle, seconded by Mr. Perk, the Committee unanimously approved.

(13c) The Secretary noted that Stanley M. Wright repaid his refund of contributions and interest totaling \$9,766.55 and under Rule No. 21 Mr. Wright's original pension seniority date of January 24, 1974 is reinstated.

(13d) Mr. Timothy Riddle of Delaware Investment Advisors

reported on the pending sale of the firm to the Rodney Group, Inc. Mr. Riddle indicated that the new owner would follow a "hands off" management style and accordingly signed 31 employees to contracts varying from one to seven years long. He emphasized that no change in investment style would be made and the same employees currently managing the Plan's account would continue to do so. Mr. Kevin Melich, also of Delaware Investment Advisors, presented a report on the investment results of the Plan's account, the high yield style employed by Delaware, and the investment outlook.

(13e) The Secretary made the following recommendations with regard to personnel matters in the Pension Section:

- 1) That the position of Retirement Record Clerk - Grade 5 be filled by Irma Muniz.
- 2) That the position of Retirement Clerk Typist - Grade 3 be upgraded to Grade 5 and be filled by Gail Baker.
- 3) That these changes be made effective March 1, 1988.

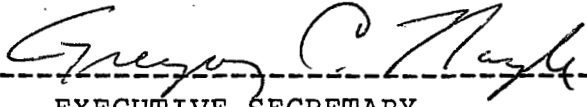
Mr. Perk moved that the recommendations of the Secretary with regard to filling the positions only (Item #1 and #2 above) be approved, Mr. Kasmer seconded, and the Committee unanimously approved.

Mr. Morris moved that the effective date for the two approved positions be made retroactive to March 1, 1988, Mr. Reed seconded, and the Committee approved. Mr. Buetow voted nay.


The Secretary recommended that Mr. Wayne Ross be given the

position of Pension Finance and Investment Officer at a 10% increase in his current pay which amounts to an increase of \$3,720.00 per year. Mr. Reed moved that Wayne Ross fill the position of Pension Finance and Investment Officer, Mr. Knox seconded, and the Committee approved. Mr. Perk abstained. Mr. Knox moved that Mr. Ross be given a salary increase of \$3,720.00 per year effective April 25, 1988, Mr. Brown seconded, and the Committee approved. Mr. Reed voted nay.

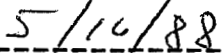
(14) There being no further business, on a motion by Mr. Kasmer, seconded by Mr. Brown, the Committee unanimously agreed to adjourn at 1:50 P.M.



EXECUTIVE SECRETARY
RETIREMENT ALLOWANCE COMMITTEE



CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE



DATE