

AGENDA

FOR THE 538TH RETIREMENT MEETING OF NOVEMBER 23, 1993

1. Meeting will be called to order at 10:30 a.m., Harris Trust & Savings Bank, 111 West Monroe Street, Executive Dining Rooms - 37th floor.
2. Roll call.
3. Approval of the Minutes of the 537th Meeting held October 26, 1993.
4. Investment Subcommittee report.
5. Real Estate Subcommittee report.
6. Subcommittee on General Administration.
 - a) Announcement of deaths reported since the last meeting.
 - b) Presentation of Pre-Retirement Surviving Spouse Allowances for approval.
 - c) Presentation of new retirement applications for approval.
 - (i) John Palaggi - #07053 - request for retroactivity to 11/01/93.
 - d) Presentation of Death Benefits for approval.
 - e) Presentation of Refunds of Contributions for approval.
 - f) Presentation of Bills and Remittances for approval.
 - g) Sarah Ketter - #1883 - Disability allowance approved for 9/1/93 - requesting retroactivity to 8/1/93.
 - h) Rena McDonald - #8616 - Disability allowance approved for 7/1/91 - requesting retroactivity from 10/1/89 to 6/30/91.
 - i) Dominic DePalma - #5123 - returned to duty on 11/08/93.
 - j) Ray Johnson - #3350 - returned to duty on 11/08/93.
7. Old business.
 - a) Pension Office space discussion.
 - b) Compensation - Exempt Pension Office Personnel.

c) Evelyn Stewart - found fit to return to duty on 9/27/93.

8. Report by Executive Director.

9. Adjournment.

11/16/93

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 538th Meeting of the Retirement Allowance Committee was held on Tuesday, November 23, 1993 at the Harris Trust and Savings Bank, 111 West Monroe Street, Executive Dining Rooms - 37th floor. The following were in attendance:

Mr. I. Thomas, Vice Chairman
J. Forte
T. Collins

Mr. E. Hill, Chairman
W. Buetow
T. Stevens

Mr. D. Perk, Executive Director was in attendance. Mr. C. Lang sat in C. Burrus stead. Mr. M. Caffery sat in L. Brown's stead. Mr. R. Schultz sat in M. Holzman's stead. Alternates B. Rayford and P. Beavers were also in attendance. Messrs. R. Pirovano, W. Ross and Ms. P. Williams of the Pension Office staff were present. Mr. B. Baker of the Harris Trust and Savings Bank was present. Mr. N. Joachimi of the Wellesley Group was in attendance. Messrs. B. Scholz, R. Goldman and J. Henderson, pensioner representatives were also present. Mr. R. Burke of Burke, Warren & MacKay was present.

- (1) The meeting was called to order at 10:15 A.M.
- (2) A roll call was taken which indicated that a quorum of Committee members was present.
- (3) On a motion by Mr. Thomas, seconded by Mr. Forte, the Committee unanimously approved the Minutes of the 537th Meeting held October 26, 1993.
- (4) Mr. W. Buetow, Chairman of the Investment Subcommittee reported on the meeting held on November 23, 1993 noting that the subcommittee members that were in attendance were I. Thomas, T. Stevens, E. Hill and himself (copy of Meeting Minutes attached.) He then indicated that the consultant made the recommendation that the two firms that should be considered for selection for approval by the full Committee are the Bank of Ireland and Morgan Stanley. He also indicated that the consultant would like to research the possibility in the Fund's involvement in global bonds sometimes in the very near future. Mr. Buetow then made the motion that the Bank of Ireland and Morgan Stanley be retained by the Retirement Fund as its international equity managers. The motion was seconded by Mr. Collins and the Committee unanimously approved.
- (5) Mr. Stevens, Chairman of the Real Estate Subcommittee reported that there was no meeting held to report on.

(6) Mr. Collins, Chairman of the General Administration Subcommittee reported on the meeting of Thursday, November 18, 1993.

Mr. Collins turned the Committee's attention to the issue of the search for office space for the Pension Office. He indicated that some members of the subcommittee met with the consultant for the search, Diana Jenkins, and instructed her to compile a piece of correspondence to the Lurie Company where the Pension Department is presently located informing them that the office is ready to vacate the building because she indicated that if this step is taken there is the possibility of a rental rate reduction at another site in the building. There was also a request made to the consultant to expand the area that she is presently searching for office space in other buildings. Mr. Collins then indicated that agenda item 7 (b) should be held over for discussion for an Executive Session.

With regards to agenda Item 7(c), Mr. Collins reiterated what the consensus of the Committee was the prior month with regards to the resolution of this matter. The Plan Attorney then noted that he has not heard any new developments with regards to the attainment of a position of employment from the Authority for Evelyn Stewart who was found fit to return to duty on 9/27/93, but he indicated that technically, under the provisions of the Retirement Plan, her benefits would cease because the employee has been found fit to return to work and the prior month the Committee decided to allow her a grace period in order that a position could be found for this employee. He indicated that if it is the Committee's pleasure her benefit could be extended for another month, but in his opinion, he does not think that this month to month benefit should be continued too much longer because of what the Plan dictates and this is only an accomodation for the employee in order that she will not be without benefits. It was then noted by Mr. Stevens that he has been in contact with T. Czech of the Personnel Department regarding this matter as recently as November 18th and there is still no position available for this employee. He indicated that they are still looking into this matter over at the Authority. Also, Mr. Lang indicated that he has spoken with Mr. Czech who informed him that a similar case has happened in the past and the resolution of the issue was the cessation of benefits from the Pension Fund and he also indicated that his concern would be that this would be setting a precedent if there would be a continuation of benefits to this employee or that there would possibly be some liabilities from employees who have been discontinued from receiving benefits from the Fund in the past. Chairman Thomas then stated his position, insofar, as he indicated that he does not see justification in discontinuing an employee's benefit unless the Authority has a position for the employee. After further discussion, Mr. Collins then made the motion that the

Committee extend the benefit for Evelyn Stewart for one additional month, the motion was seconded by Mr. Buetow and the Committee unanimously approved. Mr. Thomas then stated that due to the fact that there has been dialogue between Committee members and the Personnel Department regarding the resolution of finding a suitable position for this employee he requested that this scenario be researched to find out if other employees have been found fit to return to duty, but as in this case, no job was available from the Authority. He indicated that he would either like to know if this case would set a precedent for future cases or if this scenario has occurred in the past. Mr. Thomas then indicated that he would like to make a motion that based upon the information that was received by Mr. Lang he requests that the personnel records be scrutinized to see if this case would set a precedent for future individuals or whether this has occurred in the past. Mr. Forte seconded the motion and the Committee unanimously approved.

Mr. Collins then requested Committee approval for agenda items 6 (a) - (j). On a motion by Mr. Thomas, seconded by Mr. Buetow, the Committee unanimously approved agenda items 6 (a) - (j).

The Committee's attention was then turned to the case of Ramona Bolden and the Plan Attorney then reviewed the case. He indicated that this employee had in excess of five years of employment with the Authority and was subsequently injured claiming the injury was work related. The Authority disputed this allegation in regards to the context of Worker's Compensation and Ms. Bolden requested to received disability benefits. The Plan Attorney indicated that there was a dispute in the contract language which created some ambiguity among the Committee members in deciphering this case under the provisions of the Retirement Plan since there was adoption of some new language in 1990 with regards to "employment status" in this employee's arbitration award. The Attorney noted that he has been in contact with Arbitrator Healy regarding this case and indicated that this matter of contract and Retirement Plan language interpretation with respect to this case would be resolved by the Arbitration Board on December 4th. The Plan Attorney recommended that this issue be continued in exactly the same status that it is now until there is a resolution by the Arbitration Board in clearing up the language. On a motion by Mr. Stevens, seconded by Mr. Forte, the Committee unanimously agreed to defer action on Ramona Bolden's eligibility for a disability retirement until there is a revision of the language in her arbitration agreement by the Arbitration Board.

(7) The Executive Director then turned the Committee's attention to the Report of Deposits, Disbursements and Investments in the Trustee Summary and noted that for the month of October, 1993 the performance for the total Fund was 0.89% and the value of the total

assets of the Plan as of October 31, 1993 amounted to \$1,236,912,144, and the value of the account as of September 30, 1993 amounted to \$1,228,216,695. With regards to the Pan Agora account it was noted that as of September 30, 1993, the account was valued at \$78,427,265 as of October 31st, the account was valued at \$83,007,335, and as of November 22, 1993 the account was valued at \$82,617,173.33. He also indicated that Pan Agora had the Fund invested 90% in stocks and 10% in bonds.

The Executive Director then updated the Committee on the search for Pension Office space indicating that on this afternoon, additional space will be viewed at 200 North LaSalle Street and 211 West Wacker. He also indicated that the consultant for the search, Diana Jenkins has written to the office of the building at the Lurie Company requesting what their final costs would be now that they know that the Pension Department will be vacating the premise. Mr. Perk then reviewed with the Committee the most current projections done by the consultant indicating that out of the four pieces of property looked at the most expensive space was 221 N. LaSalle, the second most expensive was 225 Wacker, the third was 228 So. Wabash and the least expensive was the Merchandise Mart. Mr. Thomas then stated that he has a document noting that the least expensive space was located at 228 So. Wabash, whereby Mr. Perk informed him that more current and final numbers indicated that the Merchandise Mart was the least expensive. Mr. Perk also indicated that per the request of Tom Stevens, he requested the consultant to do an analysis of categories of buildings: A, B and C type buildings. This denotation represents the quality of the buildings, "A" being of the highest quality, followed by "B" and "C" being of the lowest quality and it was determined that 228 So. Wabash is a "C" building.

There being no further business, the Committee unanimously agreed to adjourn to an Executive Session at 10:55 a.m.

The discussion in the Executive Session focused on the relationship and unity among Retirement Allowance Committee members including a discussion of the salary structure for exempt pension staff members. There was also a general discussion of individual contracts and relationships amongst members of the Retirement Allowance Committee.

EXECUTIVE DIRECTOR,
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN,
RETIREMENT ALLOWANCE COMMITTEE

DATED