AGENDA

FOR THE 586^{H} RETIREMENT MEETING OF NOVEMBER 25, 1997

1. Meeting will be called to order at 11:30 A.M., Northern Trust Company, 50 South LaSalle Street, Directors Dining Room - 6th Floor.

2. Roll call.

3. Approval of the Minutes of the 585th Meeting held October 21, 1997.

4. Investment Subcommittee report.

   a) Financial 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) Jose A. Maldonado - #36458 - request for retro-activity to 11-01-97.

   d) Presentation of Death Benefits for approval.

   e) Presentation of Refunds of Contributions for approval.

   f) Presentation of Bills and Remittances for approval.

   g) Jerome Pace - #17237 - returned to duty - 11-03-97.

7. Old Business

8. New Business

9. Executive Session

10. Adjournment

RETIREMENT PLAN FOR CTA EMPLOYEES
10 SOUTH RIVERSIDE PLAZA
SUITE 1625
CHICAGO, ILLINOIS 60606

(312) 441-9694

RETIREMENT ALLOWANCE COMMITTEE MEMBERS AND ALTERNATES

THIS IS TO ANNOUNCE THAT THE MEETING OF THE SUBCOMMITTEE ON GENERAL ADMINISTRATION WILL BE HELD TUESDAY, NOVEMBER 25, 1997, AT 8:30 A.M.

THIS WILL BE FOLLOWED BY THE INVESTMENT SUBCOMMITTEE AT 9:30 A.M., THE REAL ESTATE SUBCOMMITTEE AT 10:30 A.M., AND THE RETIREMENT ALLOWANCE COMMITTEE MEETING AT 11:30 A.M.

THE MEETINGS WILL BE HELD AT THE NORTHERN TRUST COMPANY, **50 S. LA SALLE STREET**, IN THE DIRECTORS' DINING ROOM ON THE 6TH FLOOR.

notice.mtg: January 7, 1998

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY

The 586th Meeting of the Retirement Allowance Committee was held on Tuesday, November 25, 1997, at the Northern Trust Company, 50 South LaSalle, 6th Floor. The following were in attendance:

Mr. E. Hill, Chairman	Mr. I. Thomas, Vice Chairman
Mr. W. Buetow	Mr. T. Collins
Mr. D. Anosike	Mr. J. Williams, Sr.
Ms. S. Leonis	Ms. W. Black

Mr. Sanford sat in Ms. Green's stead and Mr. Caffrey sat in Mr. Brown's stead. Alternates also present were L. Morris, R. Baughn, D. Washington, P. Beavers and J. Kallianis. J. Forte, W. Ross and A. Dungan of the Pension Office Staff were in attendance. Ms. P. Newton of Northern Trust Company was present. Mr. R. Burke of Burke, Warren, MacKay & Serritella was present. Messrs. J. Guerrero, C. Spears and J. Henderson were also in attendance.

1. The Chairman called the meeting to order at 11:45 A. M.

2. A roll call was taken which indicated that a quorum of Committee members was present.

3. On a motion by Mr. Collins, seconded by Mr. Williams, the Committee approved the Minutes of the 585th Meeting.

4. Mr. William Buetow, Chairman of the Investment Subcommittee, reported on the meeting held this date at 7:30 A.M.

   Mr. Joachimi and the subcommittee discussed his letter dated November 18, 1997 regarding the performance numbers of existing aggressive growth and growth equity managers. He discussed how 20th Century was to be replaced. Their funds have to be liquidated. They discussed the 1, 3 and 5 year numbers for various managers.

   Mr. Joachimi discussed the various managers. Kenwood does not have many assets. It is a minority manager. The Committee did not give any sizeable amount of money to them until the they managed money for at least 2-1/2 of the 7-1/2 years they have been managing money but the Committee should know they are not performing up to our standards. Mr. Buetow asked if Kenwood was still in the emerging category. Mr. Joachimi said they were not. They have 5 years and have $200 plus million. Ark is the only one in the emerging category.

Mr. Hill said if Kenwood is out of the emerging category have they ever been brought in by Harris or Northern and upgraded into the standing category.
Mr. Hill felt they have never been in a category other than emerging manager. He asked Northern to look at this. Mr. Thomas stated would it really make any difference if they were put in a certain category -- if they perform that is what counts. He felt that if a manager is hired and in 3 years is not doing well, do we have to keep them for 5 years. He did not feel that is the way to go. If you are doing the job, stay. If they are not doing the job, replace them.

Mr. Hill said the way he understands it since the time Kenwood has been with the Plan, they have added value of almost 20% to the Fund. As he understands it, our measuring stick for these managers with a track record is contingent upon having this track record and managing enough money so they can compete with their peers. Kenwood started with approximately $500,000. With that sum of money they could not compete with their peer group according to Mr. Joachimi at that time so that if over a period of time they are successful in adding value and growing and building to a point where they have a track record where they can now move in with their peer group, then they should be measured with the same group that they are in. He did agree with Mr. Thomas that an emerging firm or any type of firm that is losing money for us or adding nothing, then they should go. Mr. Hill did not feel this was the case here. He stated Kenwood is slightly below what their peer group, who have been much larger firms and started with larger amounts of money, are. If they are now in the right category, we should start looking at them and let them know what we expect.

Mr. Joachimi spoke about Kenwood and now that they are not considered an emerging manager would we consider them. He said probably not but there are other reasons for keeping Kenwood but if they ask him based on these records if I would recommend Kenwood to the Massachusetts Bay Transit Authority, he answered no.

Next, NCM who has $66 million was discussed. Mr. Joachimi had no problem in replacing NCM and Chicago Corp.

$10 million has been taken away from Weiss, Peck & Greer, and they have made changes.

Mr. Joachimi discussed fixed income and commented that both of the longer term managers and one of the intermediate term managers just have not lived up to expectations. They are Weiss, Peck & Greer, Bear Stearns, and NCM.
Mr. Joachimi would have no problem replacing them and looking at, for example, some good Chicago managers to replace that group. That basically is what Mr. Joachimi recommended in his letter of November 18, 1997.

Kenwood would move to the value area in the report according to Mr. Joachimi.

The Committee voted on each money manager, whether to keep them or replace them.

ARIEL CAPITAL

Mr. Thomas made a motion which was seconded by Mr. Collins to take $45 million from Ariel Capital and bring Ariel before the Committee. The Committee voted as follows: Also, Mr. Williams wanted to be on record that he would like to take action again any manager that is not doing his job including Ariel Capital.

Isiah Thomas	Yes
Wanda Black	Yes
Tom Collins	Yes
Michael Caffrey	Yes
Jerry Williams	Yes
Susan Leonis	Present
Louis Sanford	No
Dennis Anosike	No
William Buetow	No
Elonzo Hill	Present

The motion was defeated. The union voted 100% for the motion.

There was a discussion about the index and Ariel Capital and from information Mr. Anosike received he felt he had to vote no.

Mr. Joachimi explained about the indexes. He said Wellesley always looks at the S&P. The Russell 2000 is listed for small caps but Mr. Joachimi said if they only hired managers that could beat the Russell 2000, the Plan would be underperforming all the time. It is the easiest index to beat.

CHICAGO CORP.

Ms. Leonis made a motion to suspend the Plan's relationship with Chicago Corp. which was seconded by Mr. Williams. The Committee voted as follows:

Isiah Thomas	No
Wanda Black	No
Tom Collins	No
Michael Caffrey	No
Jerry Williams	Yes

Susan Leonis	Yes
Louis Sanford	Yes
Dennis Anosike	Yes
William Buetow	Yes
Elonzo Hill	Present

The motion was defeated.

Mr. Collins amended the motion to take one-third of the money that Chicago Corp. is holding and bring them before the Committee and let them know the Committee is dissatisfied with their performance. This was seconded by Mr. Thomas.

Ms. Leonis stated that consistently the Committee has talked about Chicago Corp. and she could not understand why the Committee would want to just give them a slap on the wrist. The Committee has been debating this for months. Mr. Collins then made the comment that the Committee has spoken about Ariel for a long time as well. If the Committee was going to start something, they should have started at the top. Mr. Collins said there has not been a worst performance than Ariel. Mr. Collins felt if we are going to eliminate bad performers, we should start with the worst which is Ariel. Ms. Leonis discussed how Ariel Capital had outperformed recently. Ms. Leonis said the Committee made a decision to call in various money managers and given them a second chance. She thought that was a mistake. She felt they should be gone if they were not performing. Mr. Thomas felt Mr. Joachimi should just come out and tell the Committee who should be replaced and not come in and tell us they are doing better.

Mr. Joachimi answered that after the last meeting he said I would fire Ariel Capital, we have already fired Twentieth Century.

Mr. Joachimi felt that everything he told the Committee before should stand. John Rogers has gotten back into the decision making.

Mr. Joachimi felt he had not changed his thinking. At the last meeting he told who he would release. He gave a little flexibility to Kenwood, Weiss Peck & Greer because of things we had gone through before and to Ariel but he did recommend that the Committee would not let Ariel off the hook without slapping their hand. There are several things the Committee can do: Fire them. Mr. Joachimi said he would not have a problem with this. He was a firm believer in John Rogers. They were the best performer for awhile but the last 5 years have been mediocre. John Rogers has made a change. He felt it was worth consideration but he certainly would not leave him with $133 million. Mr. Joachimi did not want to give the Committee the idea he is "dancing" because that is the one thing we cannot do. Mr. Joachimi informed the Committee regarding Kenwood and it is because they started with $500,000 and it probably means they have not had a larger amount of money for 5 years. Mr. Joachimi said that for the amount of time that they qualified, they could not continue to be one of the Plan's managers if they continue to under-perform the market consistently. So far, they have been very consistent in under-performing the market.

Mr. Thomas wants the record to show the Committee should explore an alternative because he felt the Committee could not function any longer as fiduciary.
Mr. Thomas felt Mr. Joachimi gave out mixed signals. He told Mr. Joachimi if a money manager should be replaced, just tell us straight out they must go.

Ms. Leonis felt it was a mistake that money managers were given a chance the first time and Ariel is one of those cases. She did not have a problem in revisiting them again to see how they are doing again in 6 months and give them a benchmark that is realistic to shoot for and if they do not make, they are out.

Mr. Buetow said for the record that he thought we should call in Ariel for the next meeting and at that time we would make a decision on what should be done. His own problem with this is Mr. Joachimi's one year number and also
Mr. Joachimi's letter of November 18, 1997 indicates that Mr. Rogers is personally taking over some of the items and Mr. Rogers is on everyone's gold list for stocks, and the reason he is that his performance right now for one year is in excess of 45%. That was Mr. Buetow's concern from a professional standpoint. Going along with Mr. Joachimi's letter he wished to make a motion that we would call in Ariel the next time if we were not satisfied. There are lot of things changing in the market and he understood what Mr. Collins was saying but its performance over a year is by far one of the best in the industry. We are saying let us call him in next time. If there is a discomfort with the situation at the next meeting, then, of course, we can have a decision to take money away.

Mr. Williams felt that it was time to make a move and the first motion of Chicago Corp. failed and now we are talking about taking some money away from Chicago Corp. He felt that to take some money away is like a little slap on the wrist but it is not helping our Plan.

Mr. Joachimi stated that the Plan's managers who did not do as well as the average still are beating historic numbers by a lot, and the fact that the Fund is in good shape is because of the market. Mr. Joachimi stated he is worried about when the market is normal. The Committee has to have the ability to make some decisions if you have given money managers enough time and that is why we are the ones who insist on 5 year time frame. That is why these managers were hired because they had a good 5 year record. What the Committee has to do is not let personal friendships, contacts, etc. enter into the management of the Fund because this Fund is your money and you should get the best you can regardless of who the managers are.

Ms. Leonis asked Mr. Joachimi what his recommendation would be regarding Ariel. He said take a substantial amount of money away and that will send the message we are not happy with the last 5 years.

CHICAGO CORP.

After a long discussion about Ariel, the motion to take one third of the assets away from Chicago Corp. and bring them before the Committee to let them know we are concerned about the numbers was voted on.

Isiah Thomas	Yes
Wanda Black	Yes
Tom Collins	Yes
Michael Caffrey	Yes
Jerry Williams	Yes
Susan Leonis	No
Louis Sanford	No
Dennis Anosike	No
William Buetow	No
Elonzo Hill	Yes

The motion was defeated.

WEISS, PECK & GREER

Mr. Joachimi told the Committee that he was disappointed with Weiss, Peck Greer's numbers. They were going to change and get a completely new management team. The Plan took away $10 million in the second quarter of 1995 and gave them a period of time to get things rolling. They have made progress. Progress was made and his recommendation is to let them know they are still being watched. For the longer record, they are not performing above the Index.

A motion by Mr. Williams, seconded by Mr. Collins, was made to bring Weiss, Peck & Greer before the Committee as recommended by Mr. Joachimi.

Isiah Thomas	Yes
Wanda Black	Yes
Tom Collins	Yes
Michael Caffrey	Yes
Jerry Williams	Yes
Susan Leonis	Yes
Louis Sanford	Yes
Dennis Anosike	Yes

William Buetow	Yes
Elonzo Hill	Yes

NCM CAPITAL - EQUITY

Mr. Joachimi's recommendation is to release them. Ms. Leonis made a motion, seconded by Ms. Black, to release NCM Capital.

Isiah Thomas	Yes
Wanda Black	Yes
Tom Collins	Yes
Michael Caffrey	Yes
Jerry Williams	Yes
Susan Leonis	Yes
Louis Sanford	Yes
Dennis Anosike	Yes
William Buetow	Yes
Elonzo Hill	Yes

KENWOOD

Mr. Joachimi said first of all their numbers are not up to the average for the 5 years or the 7-1/2 years. They were a fund that was very small for approximately the first 2-1/2 years. Mr. Joachimi's recommendation is that the Committee not fire them but let them know the Committee is not pleased with their numbers regardless of size. They are now of a size they can be in with the regular managers, perhaps move them to the value group. Let them know they are on watch.

Ms. Leonis made a motion to bring Kenwood before the Committee and let them know they are on watch list, seconded by Mr. Thomas.

Isiah Thomas	Yes
Wanda Black	Yes
Tom Collins	Yes
Michael Caffrey	Yes
Jerry Williams	Yes
Susan Leonis	Yes
Louis Sanford	Yes
Dennis Anosike	Yes
William Buetow	Yes
Elonzo Hill	Yes

Mr. Joachimi said the only long term fixed income managers are Bear Stearns and

Weiss, Peck & Greer, and we are recommending releasing them. They have under-performed their index.

BEAR STEARNS

Ms. Leonis made a motion to release Bear Stearns. It was seconded by Mr. Collins.

Isiah Thomas	Yes
Wanda Black	Yes
Tom Collins	Yes
Michael Caffrey	Yes
Jerry Williams	Yes
Susan Leonis	Yes
Louis Sanford	Yes
Dennis Anosike	Yes
William Buetow	Yes
Elonzo Hill	Yes

WEISS, PECK & GREER (Fixed)

Mr. Joachimi recommended releasing Weiss, Peck & Greer (Fixed).

Ms. Leonis made a motion, seconded by Mr. Collins, to release Weiss, Peck & Greer.

Isiah Thomas	Yes
Wanda Black	Yes
Tom Collins	Yes
Michael Caffrey	
Jerry Williams	Yes
Susan Leonis	Yes
Louis Sanford	Yes
Dennis Anosike	Yes
William Buetow	Yes
Elonzo Hill	Yes

NCM CAPITAL (INTERMEDIATE FIXED)

Mr. Joachimi recommended releasing NCM Capital (Intermediate Fixed).

Mr. Collins made a motion, seconded by Mr. Williams, to release NCM Capital.

Isiah Thomas	Yes
Wanda Black	Yes
Tom Collins	Yes
Michael Caffrey	Yes
Jerry Williams	Yes
Susan Leonis	Yes
Louis Sanford	Yes
Dennis Anosike	Yes
William Buetow	Yes
Elonzo Hill	Yes

Mr. Thomas asked Mr. Joachimi about Chicago Title and Trust. Mr. Joachimi said they are now called Chicago Trust. Their numbers are right on the index. When the Committee changed the investment grades, their numbers went up as did Goldman Sachs.

Mr. Joachimi told the Committee when they do release these money managers, they will have to park the money. He felt they should put some money with Chicago Trust and Amalgamated and they should be told this money will be taken out and invested somewhere else eventually. There was a discussion about where to put the money. Mr. Joachimi thought it would be wise to show the portfolio to these people and let them tell the Committee what they can or cannot do.

Mr. Thomas asked what is the difference between giving Amalgamated the money and indexing the money. In fixed income you do not have that index capability. On the equity side you do have that index capability while you are picking and choosing managers. That is what was done with American National Bank.

Mr. Hill did not want these two companies to think that this is the amount of money to be allocated to them on a permanent basis and whatever the negotiations are if it represents anything less than what these funds are currently doing, the money should be left exactly where it is.

Mr. Thomas wanted the record to show that he excused himself from voting on the Amalgamated Bank recommendation.

On a motion by Mr. Buetow, seconded by Mr. Collins, the Committee approved the motion that the money from the three managers that were discharged would be looked at by the two remaining firms Amalgamated (Goldman Sachs) and Chicago Trust to see if they can manage the money for the Plan with the understanding that it is not on a permanent basis.

On a motion by Mr. Thomas, seconded by Ms. Leonis, the Committee approve the motion that the equity money be put into an index fund until it is decided what to do with it.

Mr. Joachimi stressed that this money cannot be used to pay bills.

Mr. Thomas asked why we did not use Northern. The Plan Attorney said Northern is not a manager approved for handling of the Fund. Who would pass upon Northern's capabilities because Northern passes upon the capabilities of the managers we handle and they cannot pass upon their own capabilities. The Plan Attorney was asked whether Mr. Joachimi could make that sort of judgement call. Mr. Burke said Mr. Joachimi's only authorization under the investment management agreement is to handle the transition of funds from one manager to another. Mr. Thomas asked if the Committee could give him a position of power on this particular issue. The Plan Attorney answered that Northern felt that Mr. Joachimi did not have a history of managing funds. This was with Mr. Joachimi's concurrence so he does not fall into the category of investment manager except for a transition period. There was also a discussion what to do with the money until the Committee decides what to do. There was a discussion of putting the money in the index fund of American National Bank.

The Plan Attorney said the effectiveness of the motion to terminate NCM and 20th Century would not be today but pending further action by the Committee and the money would be left at those institutions at the moment. Mr. Hill said the decision has been made but when we make the transition we then would identify replacement managers.

There was a discussion about who the Committee would be interested in speaking to. Mr. Joachimi spoke about the 5 year performance records of different money managers. He gave out a book listing managers and their performance record.

The Plan Attorney discussed Mentor and how there was a change in ownership. It will be 80% owned by First Union Corp. with Everen Securities retaining its current 20% ownership interest. Two issues have come forth:

1. The comfort level from the Consultant, if possible, that this change of ownership does not change the comfort level with the qualification of the manager and the investment philosophy.

2. Northern Trust has to be comfortable before the document is executed. The Plan Attorney asked Mr. Joachimi if he could address the issue as to the comfort level with the change of ownership and then we will start the process of moving it through Northern Trust.

Mr. Joachimi said representatives from Mentor had been in his office. Everen is

Mr. Joachimi said representatives from Mentor had been in his office. Everen is keeping their 20% ownership of Mentor. The rest of the ownership is going to First Union Corporation. The Bank and Mentor have assured that nothing has changed. The same people will be working there, and all the decisions will be made by Mentor group. Mr. Joachimi felt comfortable with that change and will write a letter to the Plan Attorney, Northern and members of the Committee stating this.

The Plan Attorney discussed the Disclosure Statement from Mentor which was to be signed by the Retirement Allowance Committee which advises the Committee that on this placement of $25 million to Mentor, Mentor is now advising the Committee that they are going to pay Everen Securities 25% of the compensation which Mentor would receive in handling the funds.

On a motion by Ms. Leonis, seconded by Mr. Collins, the Committee unanimously approved Mentor's Disclosure Statement.

Oppenheimer has been bought by Pimco, a fixed income manager. The Plan Attorney stated the same inquiry process would be followed as in the case of changes of ownership of Mentor. Mr. Joachimi and Northern Trust will pass upon the request of Oppenheimer for the Plan's approval of the changes of ownership to Pimco.

There was a discussion about the length the minutes should be. It was decided that usually they should be brief but Mr. Hill said that it sounded like Committee members wanted the minutes to reflect everything that was discussed.

Mr. Joachimi said that included in the booklet he gave the Committee is a list of good growth managers, small cap and emerging managers and Chicago fixed income in that order. Mr. Joachimi selected MacKay-Shields, Janus and Putnam, all managers who beat the average through September by a substantial amount. The Committee would be interested in these types of managers. There are no Chicago managers in that top group. He discussed small cap managers in our search. Several of the managers the Committee looked at before namely, Dreyfus and Stein Roe. Dreyfus still remains a very high performer. In fixed income, Mr. Joachimi only looked at Chicago managers; however, he did list managers from other parts of the country. This is one of the areas according to Mr. Joachimi where three managers are not needed to replace three managers. Size is more important.
There was a discussion about the different managers outlined in a report from Wellesley Group.

The Pension Office has received a communication from ABN AMRO LaSalle Bank in Chicago about transferring investment advisory business of Chicago Corp. to ABN Amro Asset Management USA. There is no problem with that according to Mr. Joachimi. He said everything is staying in place.

Mr. Joachimi said the key to the managers' search is hiring managers that fit the Fund, and that the Committee feel very comfortable about their performance.

Mr. Collins brought up the fact that a few weeks previous he had spoken to a group called Plexus who claim to have the ability to enhance performance with both managers and brokers. He would like to have them make a presentation

The Plan Attorney gave an update on RXR. He stated the Attorney General's Office for the State of Illinois has issued an opinion on the involvement of RXR and its subsidiary. The major portion of the portfolio would be a note backed up by U.S. Treasuries for $20 million. There would be $5 million of the portfolio in a trading account. Mr. Burke was advised by Northern Trust that they found the procedure outlined acceptable. The original program that was presented to the Committee by RXR is now in the position where it can go forward . The normal procedure would be to prepare a letter to Northern Trust from the Chairman authorizing the transfer of funds. There was a discussion about derivatives.
Mr. Thomas had a problem with both derivatives and the 3% return.
Mr. Joachimi said the way they are using derivatives is to replicate the market. They are not leveraging. Orange County, California leveraged and if something happened, you could owe more money than you put in and that is what happened in California. The performance levels were better than the 3% over the last few years but what they are saying is that if all else fails you will get 3% no matter what. The Plan will not lose money. RXR is guaranteeing that there will not be a negative amount when this is over with. The Plan would have 3% plus what is put in. Mr. Joachimi recommended the investment. Mr. Collins would like to bring RXR into the next meeting. Mr. Thomas and Mr. Williams were not comfortable with this so they would like to hear from RXR again. It was decided to bring them in for the next meeting.

For the record, Mr. Hill wanted to know if Ms. Newton had any comments on Northern's perspective. Ms. Newton said Northern was looking for documentation from outside counsel or the attorney general's office. RXR's attorneys were not ready to present an opinion, and they chose to go to the Attorney General's Office. Northern's Legal Department is satisfied and have signed off on it.

Mr. Ross reported on the Weiss, Peck & Greer Venture Fund III stock distribution of Galileo Technology. 11,800 shares were disposed of the first part of November. They distributed another 18,615 shares of Galileo Technology, which the Plan is selling.

Financial Report - Mr. Buetow then turned the Committee's attention to Report of Deposits, Disbursements and Investment in the Trustee Summary and noted that for the month of October, the performance for the total fund was -2.83%, and the value of total assets of the Plan as of October 31, 1997, amounted to $1,658,246,446.

On a motion by Mr. Thomas, seconded by Mr. Williams, the Committee unanimously approved the Investment Subcommittee Report.

5. Mr. Williams, Vice Chairman of the Real Estate Subcommittee, reported on the meeting held this date.

Mr. Grant Berlin of Townsend reported on the Plan's portfolio performance versus other indices as requested by Mr. Lang at the October meeting. The book showed the 1, 3 and 5 years and historical performance which means since the inception of the real estate portfolio which was in 1982. The portfolio has in general outperformed the NPI, which is the real estate index. He discussed how the REIT market had performed favorably as compared to the S&P. Townsend has an updated strategic and investment plan for the Plan and wants to help the Committee to implement it.

Right now the Plan has about $143.7 million allocated which includes the RREEF Venture Capital Investment, $25 million in Capital Associates and $15 million in Townsend - CNL.

The Lake County Industrials should close by the end of the year. Mr. Burke said Lake County Industrials has closed and the property Mr. Berlin was speaking of is the Woodfield Property. The Elk Grove Property should close within 60 to 90 days. Mr. Berlin suggested what to do with the money once in comes back into the Fund. He suggested that those proceeds be invested in the public REIT market. Townsend will work with the Real Estate Subcommittee and the Board to identify different REIT managers so the funds can be reinvested. Mr. Berlin would bring various REIT managers before the Committee.

Mr. Brian Rieger of RREEF asked for the Committee's permission concerning the sale of 711 Jorie Blvd. He has received the final and best offers. The bids range from $22.5 million to $25 million. The highest offer was $25 million from TA Associates. Mr. Rieger expected there would be some erosion off that price because the parking lot is not in good shape. Under the terms of the lease we have the obligation to replace the parking lot. The tenants have the obligation to repair it. He wanted approval to sell that asset at between $24.5 million and $25 million.

On a motion by Mr. Collins, seconded by Mr. Hill, the Committee unanimously approved the selling of 711 Jorie Blvd. at $24.5 million.

Remington will be closing in a few weeks, and they also have an offer on Elk Grove.

Mr. Anosike asked Mr. Rieger if there were any inquiries regarding 191 Wacker. Drive. Mr. Rieger said he gets a few calls a month inquiring if it is for sale.

The Plan Attorney brought up the fact that each year the properties that are in the portfolio are reviewed with the Real Estate Counsel to seek a real estate tax reduction. 191 Wacker, which is now a parking lot, needs to be appraised for 1997. The firm that was used before Vestor Realty has submitted a bid for $4,000. That sum will be lowered with succeeding years but each year that Real Estate Tax Counsel goes into the Assessor's Office they need a current appraisal.

There was a reduction of real estate taxes for 191 Wacker accomplished by the firm of Daley & George. The reduction was in the sum of $303,000. Daley & George's fee was $37,900. On a motion by Ms. Leonis, seconded by Mr. Collins, the Committee unanimously approved the bid of Vestor.

On a motion by Mr. Collins, seconded by Mr. Thomas, the Committee unanimously approved the Real Estate Subcommittee Report.

6. Mr. T. Collins, Chairman of the General Administration Subcommittee, reported on the meeting held this date.

Mr. Collins requested approval of items a through g.

The Plan Attorney brought up a matter from the October meeting regarding the cut off date for the second phase of the incentive program. It was decided the cutoff date is Saturday, February 28. The Authority will have an office open on that date It will not be extended to Monday, March 1, 1997. Letters will be sent to all participants. The Committee would like a return receipt. Mr. Burke said that will be difficult to do. It was also suggested a letter be enclosed with payroll checks plus sent through U.S. Mail. Mr. Morris felt there was a need that the letter be signed for. Mr. Collins told the Plan Attorney, according to what Mr. Sanford said if we get the letter to Mr. Czech, he can identify those who have not been given a date as of yet, and then we can start the process to get the letter to those people and receipt can be generated as they pick it up from their work location.

The Plan Attorney brought up the fact that the Retirement Allowance Committee was sued in the death of Robert Owens. Mr. Owens was married to Hazel Owens, mother of his 4 children. He subsequently divorced Hazel Owens. He then married Donna Pryor Owens. He designated Donna as his beneficiary of his retirement benefits. He was then subsequently divorced by Donna. In the divorce degree, a copy of which was in the records of the Retirement Office, it provides that Donna and Robert waive any claim to the property of the other and this included waiving any right to past, present or future pension, profit sharing or retirement benefits. Donna Owens, the second wife, filed a claim. The claim was paid by the office and she received $25,000, The children of his first marriage have filed a suit against the Authority claiming they are entitled to the money. Mr. Burke's suggestion was to go to Court and say that we think the second wife, Donna Owens, should be brought into the lawsuit. The children are already into the lawsuit and the Committee will say we have already paid and wait the further direction of the Court. Mr. Forte explained what happened and how two people overlooked it. Mr. Forte suggested stamping something on the outside of the file. Also, it was suggested it should be put in the computer.

According to the Plan Attorney the divorce took place in August of 1986 and he died in April of 1997. The check that went out to Donna is dated June 30, 1997.
He never did change his beneficiary.

Mr. Collins brought up the fact that CTA has not put its part of the pension money in the Fund for union officers. Mr. Williams said the CTA President okayed it and he wanted to know why the pension fund was not reimbursed. Mr. Forte said the reason was because of the arbitration regarding part time officers. They have not put any money in according to Mr. Forte since approximately 1995.
Mr. Thomas told Mr. Williams that the employee puts in 3% and CTA is to put in 6%. Since 1995 the CTA has refused to put in the 6%. Mr. Thomas understands that there is litigation but he felt it should be matched and whatever comes out of litigation should take care of itself. Mr. Thomas wants the Plan Attorney to sue to make CTA match funds for retired officers, regular officers and part time officers. They should not deny money because there is litigation. The union members felt that this should be honored by the CTA.

The Plan Attorney after going through the records of 241 full time officers told the President of the Authority that he was satisfied. The Plan Attorney then wrote Mr. Buetow asking that the money be paid. He moved it forward. This week, the Plan Attorney and Mr. Buetow both received a copy of a letter from Mr. Czech dated November 13, 1997. Mr. Hill thought there was no problem after the President signed the document as it relates to the full time officers and gave them the date they could retire, at that time that was all it would take for the Authority to release its funds and pay its obligation. Mr. Hill asked the Plan Attorney if he would have a conversation with either the Chairman or the General Attorney or both and see if he can resolve this before the next meeting. Mr. Williams would still like an explanation of why those orders were not carried out; who held them up and why.

After Mr. Burke received this letter on November 13, he called J. Stevens who referred him to Mr. Duncan Harris, General Attorney for CTA. The Plan Attorney will follow up on this and get back to the Committee.

Mr. Buetow read the letter from T. Czech. In this letter Mr. Czech stated no contributions had been sent to the Pension Office since 1994 because the Plan had not submitted sufficient documentation to the Authority to process the required contributions. Mr. Czech felt this issue had not been resolved. He suggested a meeting with Duncan Harris be set up to resolve this matter.

Mr. Collins brought up about a union member who on June 28 opted for the retirement incentive. The following Friday was July 4 and the offices were closed and he could not make an election. The next business day was Monday, July 7. He went to the Mart turned in the papers to revoke his request. He felt there were 7 days he should have been allowed and he actually ended up with 9 days and that his request to revoke 9 days later should not have been honored. Mr. Collins told him with the integrity of the Plan being the utmost concern of the Board, I would bring it before the Board to make a decision.

Plan Attorney said the man made the election and came back and withdrew it and is now saying he should not have been allowed to do that. Mr. Collins was told to tell him no.

Mr. Thomas said he knows there are people who are getting preferential treatment who are not essential to CTA. There are individuals in telephone operations, and the personnel dept. who are not essential to operate the CTA. It seems the union people are not kept and told they are not essential but non-union get preferential treatment. Mr. Sanford said they have been overly cautious to keep that from happening. They have allowed people to retire as soon as they could. More bus operators retired because there are more of them.

Mr. Collins brought to Mr. Ross' attention about how preparations are made to go to conferences. When we do finally elect to go, it is in the 11th hour. Accommodations are narrowed to a point selection is not as good as if we had moved a little sooner. Mr. Ross suggested discussing it with the Committee to find some authorization to move to schedule for these conferences when you know when the date is. As soon as the notifications comes out according to Mr. Hill, the Pension Office will make contacts so there is no problems getting rooms.

On a motion by Mr. Thomas, seconded by Ms. Leonis, the Committee unanimously approved the General Administration Report.

7. Old Business - None.

8. New Business - There was a discussion regarding an Executive Director for the Pension Office.

9. Executive Session - The Committee adjourned to an Executive Session at noon.

10. **Adjournment - The Committee reconvened after the Executive Session and adjourned at 12:35 P.M.**

James Forte

JAMES FORTE

Robert L Baughn

Chairman,
Retirement Allowance Committee
Dated: 12-23-97

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