

Retirement Plan for CTA Employees

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NOTICE

TO: Retirement Allowance Committee Members and Alternates

FROM:



John V. Kallianis
Executive Director

DATE: June 19, 2000

RE: RETIREMENT ALLOWANCE COMMITTEE MEETING

This is to announce that the meetings listed below will be held Monday, June 26, 2000, at the Northern Trust Company, 50 S. LaSalle Street, in the Director's Dining Room on the 3rd floor. The agenda for the full Retirement Allowance Committee Meeting is attached.

- The Subcommittee on General Administration at 8:30 A.M.
- The Investment Subcommittee at 9:30 A.M.
- The Real Estate Subcommittee at 10:30 A.M.
- The Retirement Allowance Committee Meeting at 11:30 A.M.

If you have any questions on the Agenda, please call me at (312) 463-0350.

JVK:gmb

AGENDA

For the 617th Retirement Allowance Committee Meeting of June 26, 2000

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1. Meeting will be called to order at 8:30 A.M., Northern Trust Company, 50 South LaSalle Street, Directors Dining Room, 3rd floor.
2. Roll Call
3. Approval of the Minutes of the 616th meeting held May 23, 2000.
4. Investment Subcommittee report
 - a.) Upcoming Subcommittee Schedule
 - b.) Consideration of Investment Policy
 - c.) Proxy Voting
5. Real Estate Subcommittee report
 - a.) The Realty Associates Fund V (Value)
 - b.) Core Search
6. Subcommittee on General Administration
 - a.) Announcement of deaths reported since last meeting.
 - b.) Presentation of Pre-Retirement Surviving Spouse Allowances for approval.
 - c.) Presentation of new retirement applications for approval.
 - i.) Ivan R. Rodez - #13817, Henry G. Terry - #4129 - retroactive to 06-01-00.
 - ii.) Patricia Reed - D-3492 - request for retroactive payment - 07-01-98 to 02-01-00.
 - iii.) Linda S. Price - # 1723 - retroactive to 08-01-99.
 - iv.) Charles McWhorter II - #21601 - retroactive To 06-01-00.
 - v.) Carlotta Myers - D-3447 - returned to work on 06-12-00.
 - vi.) John Palermo - D-3340 - returned to Work on 05-17-00.

AGENDA
For the 617th Retirement Allowance Committee Meeting of
June 26, 2000

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- d.) **Presentation of Death Benefits for approval.**
- e.) **Presentation of Refunds of Contributions for approval.**
- f.) **Presentation of Bills and Remittances for approval.**

7. Old Business

8. New Business

9. Executive Session

10. Adjournment

The 617th Retirement Allowance Committee Meeting for the Retirement Plan for Chicago Transit Authority Employees.

I. Full Meeting Minutes

A regular meeting of the Retirement Allowance Committee was held on June 26, 2000 at The Northern Trust. The Chairman and the Secretary (Executive Director) were present. A quorum being present, the meeting was called to order at approximately 10:45 a.m..

A roll call was taken indicating that the following members were present:

Marcel Acosta
Dennis Anosike
Marcellus Barnes
Wanda Black
Susan Leonis
Claudette Ogletree
Lynn Sypata
Rick Harris as an Alternate for Jerry Williams
Robert Smith as an Alternate for Richard Winston

On a motion by Ms. Ogletree, the minutes of the 616th meeting were approved as amended.

On a motion made by Mr. Barnes, Lynn Sypata was approved as a member of the Retirement Allowance Committee and Kevin Thompson was approved as an Alternate to the Retirement Allowance Committee.

General Administration Report

A brief report was given by Mr. Barnes on the General Administration Subcommittee Meeting. The report on the Subcommittee was approved on a motion by Mr. Harris.

Investment Report

In the absence of Mr. Williams a brief report was given by Mr. Kallianis on the Investment Subcommittee Meeting. The report on the Subcommittee meeting was approved on a motion by Ms. Black.

Real Estate Report

A brief report was given by Mr. Acosta on the Real Estate Subcommittee Meeting, including the Subcommittee's nomination of TA Fund V to receive \$15 million to invest on behalf of the Fund. The report on the Subcommittee meeting was approved on a motion by Ms. Ogletree.

Old Business

On a motion by Mr. Acosta, the Committee approved the nomination of DN Partners Private Equity Fund to receive \$5 million to invest on behalf of the Fund.

At the request of Mr. Harris, a brief update was given by Mr. Kallianis on the status of the Part Time Union Official issue. Mr. Kallianis indicated that he had forwarded documents to Jim Daley, Lisa Moss and Dick Burke and that the CTA and the Association were trying to reach a resolution on the matter. Ms. Black requested that this issue be left in Old Business until it was resolved.

Mr. Kallianis also indicated that CTA Benefit Statements were sent out without information on Full Time Union Officials' Pension benefits and that he would work with the CTA to correct that.

Ms. Rayford gave an update on Allen Austin, who was applying for Disability Benefits under the Plan. She indicated that she was still waiting for an ADA letter regarding Mr. Austin. Ms. Black asked that this issue remain in Old Business until it was resolved.

New Business

There was no new business.

The Retirement Allowance Committee meeting was adjourned at approximately 11:00 a.m. on a motion made by Mr. Anosike.

II. General Administration Subcommittee Minutes

A regular meeting of the General Administration Subcommittee was held on June 26, 2000 at The Northern Trust. The Chairman and the Secretary(Executive Director) were present. A quorum being present, the meeting was called to order at 8:55 a.m..

Mr. Barnes presented for approval the pre-retirement surviving spouse allowances, the regular retirements, disability retirements, death benefits, refunds of contributions and payment of bills and remittances. Mr. Barnes stated that the total of bills and remittances for the month was \$4,180,061.03.

On a motion by Mr. Harris, the various benefits, bills and remittances were approved for payment by the Subcommittee.

The Subcommittee on General Administration was adjourned on a motion made by Ms. Black.

III. Investment Subcommittee Minutes

A regular meeting of the Investment Subcommittee was held on June 26, 2000 at The Northern Trust. The Chairman was not able to attend the meeting. The Secretary (Executive Director) were present. A quorum being present, the meeting was called to order at 9:25 a.m..

At the request of Mr. Kallianis, Dave Erfort and Ivory Day from Marco Consulting, along with Larry Gray and Gwelda Swilley-Burke from Gray & Co. gave the Committee an update on the progress made with respect to an Investment Policy and Asset Allocation for the Plan. The Subcommittee will reconvene prior to the July meeting to discuss the Investment Policy.

Larry Gray also gave an update on the re-categorization of certain managers within the Fund.

Dave Erfort indicated that he and another gentlemen from Marco would discuss the Proxy voting policy at the next Board meeting in July.

Mr. Ross gave a brief update on the financial status of the Plan. The market value for the Plan as indicated in the FCS report for April was \$1.914 billion. The return figure for the month of April, 2000 was -2.04%. The YTD return was 3.33%. *(This update was given during the Full Committee Meeting, but included in the Investment Subcommittee meeting minutes.)*

The Subcommittee on Investments was adjourned on a motion made by Mr. Smith.

IV. Real Estate Subcommittee Minutes

A regular meeting of the Real Estate Subcommittee was held on June 26, 2000 at The Northern Trust. The Chairman and the Secretary (Executive Director) were present. A quorum being present, the meeting was called to order at approximately 10:10 a.m..

Mr. Acosta asked Steve Burns from Townsend to give a quick update on the progress of the search for Enhanced, High Yield and Core Real Estate Funds. Mr. Burns indicated that the Plan has approximately \$26 million available in its allocation to fund Enhanced/High Yield funds and approximately \$66 million available in its allocation to fund Core investments.

Representatives from TA Associates gave a brief presentation on the TA Associates Fund V. Mr. Burns recommended that the Committee make an investment of at least \$15 million in TA's fund. On a motion by Mr. Anosike, the Committee approved the nomination of TA Fund V to receive \$15 million to manage on behalf of the Fund.

Mr. Burns also gave an update on the search for Core managers. He circulated a booklet containing brief descriptions of each of the seven funds that Townsend had "shortlisted". Mr. Acosta asked that the Subcommittee be given time to review the document and hold a meeting to interview the Core managers. Mr. Burns indicated the Townsend was recommending 2-3 investments in the Core area of approximately \$25-40 million dollars each.

The Real Estate Subcommittee was adjourned on the motion of Mr. Harris.

Executive Director

Chairman