

Retirement Plan for CTA Employees

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NOTICE

TO: Retirement Allowance Committee Members and Alternates

FROM:



John V. Kallianis
Executive Director

DATE: July 18, 2000

RE: RETIREMENT ALLOWANCE COMMITTEE MEETING

This is to announce that the meetings listed below will be held Tuesday, July 24, 2000 at the Northern Trust Company, 50 S. LaSalle Street, in the Director's Dining Room on the 6th 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 will immediately follow the Subcommittee on General Administration.
- The Real Estate Subcommittee will immediately follow the Investment Subcommittee.
- The Retirement Allowance Committee Meeting will immediately follow the Real Estate Subcommittee.

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

JVK:gmb

AGENDA

For the 618th Retirement Allowance Committee Meeting of July 24, 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, 6th floor.
2. Roll Call
3. Approval of the Minutes of the 617th meeting held June 26, 2000.
4. Investment Subcommittee report
 - a.) Update on Investment Policy
 - b.) Proxy Voting
5. Real Estate Subcommittee report
 - a.) 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.) Eddie Figueroa - #9971 - applied for disability retirement effective 07-01-00, D-3500 - requesting retroactive benefits to 06-01-00.
 - ii.) Johnnie D. Allen, #22141 - applied for regular retirement benefits effective 07-01-00, 01-22973 - requesting retroactive benefits to 06-01-00.
 - d.) Presentation of Death Benefits for approval.
 - e.) Presentation of Refunds of Contributions for approval.
 - f.) Presentation of Bills and Remittances for approval.
 - g.) Judnita Montgomery-Smith - I.D. #26335 - returned to work from disability on 06-14-00.
 - h.) Carlotta Myers - I.D. #9431 - returned to work from disability on 06-12-00.
 - i.) John Palermo - I.D. #23189 - returned to work from disability on 05-17-00.
 - j.) Cloratene F. Porter - I.D. #6848 - returned to work from disability on 06-19-00.

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JULY 24, 2000

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7. Old Business
 - a.) Allen Austin #17292 - request for disability benefits retroactive to 05-01-97.
 - b.) Part-time union officials.
8. New Business
9. Executive Session
10. Adjournment

The 618th 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 July 24, 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
Kevin Thompson as an Alternate for Susan Leonis
Claudette Ogletree
Lynn Sapyta
Jerry Williams

On a motion by Mr. Thompson, the minutes of the 617th meeting were approved as amended.

General Administration Report

A brief report was given by Mr. Barnes on the General Administration Subcommittee Meeting. The report on the Subcommittee, including the approval of the various benefits, bills and remittances was approved on a motion by Mr. Anosike.

Investment Report

Ms. Black gave a brief report on the Investment Subcommittee Meeting. (*Mr. Williams had to momentarily step out of the meeting.*) The report on the Subcommittee meeting, including the adoption of the proxy voting policy and the authorization for Marco Consulting to handle the Plan's proxy votes was approved on a motion by Mr. Acosta.

Real Estate Report

A brief report was given by Mr. Acosta on the Real Estate Subcommittee Meeting, including the Subcommittee's intent to have a meeting on August 9, 2000 to interview core Real Estate managers. The report on the Subcommittee meeting was approved on a motion by Ms. Sapyta.

Old Business

On a motion by Mr. Williams, the Committee approved the retroactive Disability Benefits for Mr. Allen Austin, going back to May 1, 1997.

Ms. Black indicated that there was no resolution reached on the issue of part time union official retirement pay. Ms. Black requested that this issue be left in Old Business until it was resolved.

Mr. Kallianis also indicated that Pension Benefit Statements would be sent out before the August, 2000 meeting for the Full Time Union Officials that did not receive information related to the pension in their CTA Benefits booklets.

New Business

There was no new business.

The Retirement Allowance Committee meeting was adjourned at 11:05 a.m. on a motion made by Mr. Barnes.

II. General Administration Subcommittee Minutes

A regular meeting of the General Administration Subcommittee was held on July 24, 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 9:00 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 \$4,345,583.39.

Ms. Mary Ware was also added to the agenda under the "returned to work from Disability" section of the agenda.

On a motion by Mr. Anosike, 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 Mr. Williams.

III. Investment Subcommittee Minutes

A regular meeting of the Investment Subcommittee was held on July 24, 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 9:10 a.m..

Dave Erfort from Marco Consulting, along with Gwelda Swilley-Burke from Gray & Co. gave the Committee an update on the progress made with respect to an Investment Policy and an Asset Allocation for the Plan. The decision was made by the Subcommittee to reconvene prior to the August meeting to finalize the Asset Allocation and the Investment Policy.

Gwelda Swilley-Burke also gave the Subcommittee a brief explanation of Stable Value contracts and Guaranteed Investment Contracts.

Greg Kinczewski from Marco Consulting gave the Subcommittee a short briefing on the Proxy voting program and the Proxy voting policy that Marco administers for other clients.

On a motion by Mr. Anosike, the Committee adopted the proxy voting policy of the Marco Consulting Group and authorized Marco Consulting to begin voting all of its proxy votes.

Mr. Kallianis gave a brief update on the financial status of the Plan. The market value for the Plan as indicated in the FCS report for June 30, 2000 was \$1.924 billion. The return figure for the month of June, 2000 was 2.30%. The YTD return was 4.96%.

On a motion by Mr. Acosta, the Committee accepted the Financial Report.

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

IV. Real Estate Subcommittee Minutes

A regular meeting of the Real Estate Subcommittee was held on July 24, 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 10:20 a.m..

Mr. Acosta asked Steve Burns from Townsend to give an update on the progress of the search for Core Real Estate Funds. Mr. Burns indicated that the Plan has approximately \$66 million available in its allocation to fund Core investments.

Mr. Burns circulated a booklet containing brief descriptions of each of the five funds that Townsend had short-listed, with the assistance of Mr. Acosta and Mr. Kallianis. Mr. Acosta asked that the Subcommittee meet at a date in the near future to interview the five potential core managers. Mr. Burns indicated that Townsend was recommending

a combination of 2-3 complimentary investments in the Core area of approximately \$25-40 million dollars each.

Mr. Burns also indicated that the Performance Management Report was completed for the 2nd quarter of 2000 and that the Fund had surpassed its return goals and that he would give a more detailed explanation of the performance at the next meeting when the members had gotten a chance to review the report.

Mr. Acosta asked that notice be sent out indicating that the Real Estate Subcommittee would meet on August 9, 2000 at 8:30 a.m. at The Northern Trust to interview the five Fund Managers recommended by the Townsend Group.

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

Executive Director

Chairman