

AGENDA
For the 628th Retirement Allowance Committee Meeting of
May 22, 2001

1. Meeting will be called to order at 8:30 A.M., Northern Trust Co., 50 South LaSalle Street, Directors' Dining Room, 6th floor.
2. Roll call
3. Approval of the Minutes of the 627th meeting held April 24, 2001.
4. Investment Subcommittee
 - a.) Private Equity Investment Policy
5. Real Estate Subcommittee
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.

Emory L. Brown #26312 applied for disability allowance effective 06-01-01 and is requesting retroactivity to 05-01-01.
Lynn N. Davis #3712 applied for disability allowance effective 06-01-01 and is requesting retroactivity to 12-01-00.
Gregory Williams #21581 applied for disability allowance effective 06-01-01 and is requesting retroactivity to 05-01-01.
 - d.) Presentation of death benefits for approval.
 - e.) Presentation of refunds of contributions for approval.
 - f.) Presentation of bills and remittances for approval.
 - g.) **Patricia Rhoden #23393** returned to work from disability on 01-29-01
7. Old Business
 - a.) Part-time union officials

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8. New Business
 - a.) Amendment of Rule 14
9. Executive Session
10. Adjournment

Rule No. 14

Effective ~~{for Plan Years subsequent to 1990}~~ [May 22, 2001], the term "total earnings" as it appears in Section 3, Paragraph 3.9 shall mean the amount reported as wages and other compensation subject to federal income tax on the Form W-2 Wage and Tax Statements or comparable forms issued to participating employees by the Authority, the Committee or the Association; provided that:

- (i) the amount so reported as wages and other compensation shall be reduced by amounts included therein attributable to the reimbursement of moving expenses or similar items of payment which, as determined by the Committee, do not constitute amounts regularly paid to employees by the Authority as compensation in consideration for personal services rendered; provided that such determinations by the Committee shall be made on a uniform basis treating all similarly situated employees in a similar manner for purposes of this Rule; and
- (ii) the amount so reported ~~{was}~~ [as] wages shall be increased by amounts of wages subject to elections by employees under programs sponsored by the Authority as provided for by Sections 125[, 132(f), 401(k)] and 457 of the Internal Revenue Code of 1986.

Pursuant to the definition of "compensation" included in Section 3, Paragraph 3.9 with respect to individuals who on or after December 1, 1989 occupy a full-time or part-time position with the Association or with the local office of any other bargaining agent representing employees of the Authority, contributions shall be made for such individuals under Section 7 based on such compensation for service with the Association or with the local office of any other bargaining agent representing employees of the Authority to be taken into account under the Plan. With respect to periods of service prior to the amendment of this Rule which are to be taken into account under the Plan, the contributions required hereunder with respect to such service, as determined after offset for contributions previously made, shall be made within one hundred eighty (180) days after the amendment of this Rule.

The 628th 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 May 22, 2001 at The Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at approximately 10:00 a.m..

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

Linda Fuller as an Alternate for Marcel Acosta
Dennis Anosike
Marcellus Barnes
Wanda Black
Loid Brown
Claudette Ogletree
Lynn Sapyta
Jerry Williams
Richard Winston

On a request by Ms. Black, consideration of the minutes of the 627th meeting was moved to the June, 2001 meeting.

General Administration Subcommittee Report

A brief report was given by Mr. Means on the General Administration Subcommittee Meeting. The report of the Subcommittee, including items 6a through 6g on the subcommittee agenda, which dealt with various benefits, bills and remittances was approved on a motion by Mr. Brown.

Investment Subcommittee Report

Mr. Winston gave a brief report on the issues addressed at the Investment Subcommittee Meeting. Mr. Winston also indicated that he would call a special meeting of the Investment Subcommittee between now and the next meeting to discuss the Private Equity Investment Policy. The report on the Subcommittee meeting was approved on a motion by Mr. London.

Real Estate Subcommittee Report

Ms. Fuller indicated that there was no business on the Real Estate Subcommittee agenda, but that there may be a report on the first quarter of 2001 at the June, 2001 meeting.

Old Business

The Part- Time Union Official Issue was discussed. The Committee requested that Mr. Kallianis set up a meeting to include RAC members from the Management and Labor and Mr. Burke suggested that his office work with the Retirement Plan office to come up with a proposed resolution to the issue.

New Business

There was no new Business.

The Retirement Allowance Committee meeting was adjourned at approximately 10:45 a.m. on a motion made by Mr. Williams.

II. General Administration Subcommittee Minutes

A regular meeting of the General Administration Subcommittee was held on May 22, 2001 at The Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at 8:45 a.m..

Mr. Barnes presented for approval items 6a through 6g, including 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 \$4,686,813.45.

On a motion by Mr. Williams, the various benefits, bills and remittances including items 6a through 6g were approved for payment by the Subcommittee.

There was also brief discussion on a proposed amendment to Rule 14 to allow certain benefits to be counted in "total compensation", but the proposed amendment was moved to the June, 2001 agenda at the request of Ms. Black.

The Subcommittee on General Administration was adjourned on a motion made by Mr. Anosike.

III. Investment Subcommittee Minutes

A regular meeting of the Investment Subcommittee was held on May 22, 2001 at The Northern Trust. The Chairman of the Subcommittee and The Executive Director were present. A quorum being present, the meeting was called to order at 9:15 a.m..

The Committee then heard a brief presentation from Larry Gray and Gwelda Swilley-Burke from Gray and Co. ("Gray") on the performance of the Fund through the first quarter of 2001.

Marco and Gray advised the Committee on the different types of private equity investments and some of the risks associated with each. They further advised that the

Committee should work towards a policy for Private Equity that included a core allocation to "Fund of Funds" and some Direct Investment Funds to round out our allocation. As we have all Direct Investments now, we should focus on Fund of Funds. Ivory Day then walked the Committee through a two-paged, proposed private equity policy.

There was some additional discussion on the allocation to Private Equity and Mr. Winston indicated that he would like to have Mr. Kallianis call a special meeting of the Investment Subcommittee before the June meeting to come up with a policy for Private Equity.

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

IV. Real Estate Subcommittee Minutes

There was no meeting of the Real Estate Subcommittee as there was no business to discuss.

Executive Director

Chairman