


Retirement Plan for CTA Employees

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TO: Retirement Allowance Committee Members and Alternates

FROM:



John V. Kallianis

DATE: July 15, 2004

RE: Retirement Allowance Committee Meeting

This is to announce that the meetings listed below will be held Thursday, July 22, 2004 at the LaSalle Bank, 135 S. LaSalle, on the 43rd floor, in the ABC Room. 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, please call me at (312) 463-0350.

JVK:gmb

AGENDA
For the 665th Retirement Allowance Committee Meeting of
July 22, 2004

1. Meeting will be called to order at 8:30 A.M. at the LaSalle Bank, 135 S. LaSalle, 43rd floor, ABC room.
2. Roll call
3. Approval of the Minutes of the 664th meeting.
4. Investment Subcommittee
 - a.) Trustee Seminars
5. Real Estate Subcommittee
 - a.) First Quarter Report
6. Subcommittee on General Administration
 - a.) Announcements of deaths reported since last meeting.
 - b.) Presentation of pre-retirement surviving spouse allowances for approval.
 - c.) Presentation of new retirement applications for approval.
 - d.) Request for retroactive benefits.
 - e.) List of retirement applications that were revoked.
 - f.) Presentation of death benefits for approval.
 - g.) Presentation of refunds of contributions for approval.
 - h.) Presentation of bills and remittances.
7. Old Business
 - a.) Administration of Arbitration Award/MOA
 - b.) Part-time union board members
 - c.) Fiduciary Liability Insurance
 - d.) Daryl Jones Disability Allowance
8. New Business
 - a.) 01-01-04 Actuarial Assessment
9. Executive Session
10. Adjournment

The 664th Meeting of the Retirement Plan for Chicago Transit Authority Employees

I. Full Meeting Minutes

A regular meeting of the Retirement Allowance Committee was held on June 24, 2004 at LaSalle Bank. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at approximately 8:50 a.m.

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

Dennis Anosike
Willie Means as an alternate for Marcellus Barnes
John Burkard
Hector Flores as an alternate for Ethel Carter
Carl Lingenfelter
Leon London
Rodney Richmond
Lynn Sapyta
Richard Winston

On a motion by Ms. Sapyta, the Committee approved the minutes of the 663rd meeting of the RAC.

Investment Subcommittee Report

There was no business scheduled for the Investment Subcommittee.

General Administration Subcommittee Report

A brief report was given by Ms. Sapyta on the General Administration Subcommittee Meeting. The report of the Subcommittee, including items 6a through 6h was approved by the Subcommittee on a motion by Mr. Winston.

Real Estate Subcommittee Report

There was no business scheduled for the Real Estate Subcommittee. Mr. London did indicate that Steve Burns from the Townsend Group would be at the July meeting for a report on the first quarter of 2004.

Old Business

There was discussion on item 7 b. regarding the administration of benefits following the arbitration award issued last November. Mr. Kallianis and Mr. Burke indicated that the two parties to the agreement had to provide some clarifications with regard to some of the

items in the award. Mr. Richmond indicated that progress was being made on that item and that the two sides were moving towards resolution of this issue.

There was a follow-up presentation by Alex Rivera and Andy Plautz from Gabriel Roeder Smith. The Committee had asked Mr. Rivera to come back to the June meeting with recommendations on how to reverse the trend of declining funded ratios. Mr. Rivera and Mr. Plautz spoke to the Committee about three different scenarios, all including increased contributions by the CTA and employees, changes to retirement benefits and changes to health care benefits and premiums.

There was then discussion by the Committee regarding Mr. Daryl Jones' request to have his disability benefits reinstated. Mr. Jones' benefits were terminated in 2002 for repeated failure to make himself available for physician's examinations. After some further discussion, the Committee voted, on a motion by Mr. Flores, to send Mr. Jones to the physicians with Corvel for a re-examination. The results of the re-examination would be presented to the Committee in July for consideration by the Committee.

There was lengthy discussion regarding the part-time union board member issue. Both sides had made proposals that were unacceptable to the other side and there was no agreement reached on the issue.

Mr. Anosike indicated that the item would remain on the agenda and encouraged the people previously involved in the meetings to continue their dialogue.

New Business

There was no new business scheduled.

Executive Session

There was no business to discuss in Executive Session.

II. General Administration Subcommittee Minutes

A regular meeting of the General Administration Subcommittee was held on June 24, 2004 at the offices of LaSalle Bank. The Vice-Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at 8:30 am.

Ms. Sapyta presented for approval items 6a through 6h, including the pre-retirement surviving spouse allowances, the regular retirements, revoking of applications, disability allowances, death benefits, refunds of contributions, payment of bills and remittances. Mr. Barnes stated that the total of bills and remittances for the month was \$7,157,459.75.

There was discussion on Mr. John Woods II. Local 241 had reached a settlement agreement with Mr. Woods to reinstate Mr. Woods for the purpose of allowing him to retire. Mr. Richmond asked that Mr. Woods be placed on the July agenda for consideration.

On a motion by Mr. Winston, the Subcommittee voted to accept the report and approve the items on the agenda for the General Administration Subcommittee.

III. Investment Subcommittee Minutes

There was no scheduled business for the Investment Subcommittee. However, Mr. Winston asked Mr. Ross to present the FCS-compiled results for the year to date.

Mr. Ross then gave the Subcommittee an update on the status of the Fund from the Financial Control Systems report. The Fund earned .51% in May of 2004. Year to date, the fund had earned 1.46%. The market value of the Fund at the close of business from the prior day was approximately \$1.313 Billion.

IV. Real Estate Subcommittee Minutes

There was no scheduled business for the Real Estate Subcommittee.

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