

**AGENDA**  
**Of the 671<sup>th</sup> Retirement Allowance Committee Meeting of**  
**February 24, 2005**

1. Meeting will be called to order at 9:30 A.M. at the Amalgamated Bank, One West Monroe, on the 3<sup>rd</sup> floor, in the boardroom.
2. Roll call
3. Consideration of the Minutes of the 670<sup>th</sup> meetings.
4. General Administration Subcommittee Issues
  - a.) Announcements of deaths reported since last meeting
  - b.) Presentation of pre-retirement allowances for approval
  - c.) Presentation of new retirement applications for approval
  - d.) Request for retroactive benefits
  - e.) Returned to work from disability
  - f.) Request for substitution of pension earnings of pension earnings
  - g.) List of retirement applications that were revoked
  - h.) Presentation of death benefits for approval
  - i.) Presentation of refunds of contributions for approval
  - j.) Presentation of bills and remittances
  - k.) Benefits for James Christman
5. Investment Subcommittee Issues
  - a.) Large Cap Domestic Equity
  - b.) Private Equity
  - c.) Alternative Investments
  - d.) WPG III Fund Proposal
6. Real Estate Subcommittee Issues
  - a.) Intercontinental Real Estate Presentation
7. Old Business
  - a.) Part-time union board members
  - b.) Proposed Rule on Reinstatements

**AGENDA**  
**Of the 671<sup>th</sup> Retirement Allowance Committee Meeting of**  
**February 24, 2005**

**Page 2 of 2**

- 8.) New Business
  - a.) Plan Counsel Hourly Rates
  - b.) Dependent Healthcare Premiums
- 9.) Executive Session
- 10) Adjournment

# **The 670<sup>th</sup> Meeting of the Retirement Allowance Committee of the Retirement Plan for Chicago Transit Authority Employees**

## **Meeting Minutes**

A regular meeting of the Retirement Allowance Committee was held on January 27, 2005 at Amalgamated Bank. The Chairman and the Executive Director were present.

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

Dennis Anosike

Willie Means as an alternate for Marcellus Barnes (M. Barnes joined the meeting in progress)

Hector Flores as an alternate for Ethel Carter

Paul Fish as an alternate for Dorval Carter

Carl Lingenfelter (joined the meeting in progress)

Leon London

Rodney Richmond

Lynn Sapyta

Richard Winston

On a motion by Ms. Sapyta, the Committee approved the minutes of the 668<sup>th</sup> and 669<sup>th</sup> meeting of the Retirement Allowance Committee.

## **Investment Subcommittee Items**

Mr. Mark Rosenberg and Mr. Jim Tomeo from SSARIS Advisors gave the Committee an update on the investment with SSARIS. Mr. Rosenberg related the history of the investment to the Committee and indicated that there were a number of changes to the structure of the investment from the time it was originally proposed until the time SSARIS was hired. He indicated that the guaranteed return portion of the investment had gone from 1% to 3% at the request of the Committee and that the results for the investment would have been different had they had the lower guarantee. Mr. Rosenberg also indicated that they had approximately \$1.9M in a STIF account at Northern Trust and said he would present a proposal to the Plan to invest this money.

There was then discussion among the Committee regarding the history of the investment. The RAC asked Mr. Day about the appropriateness of the investment and asked Mr. Kallianis to look into the statement of Mr. Rosenberg about the \$1.9M in the STIF account at Northern Trust.

The Committee then discussed the status of the Alternatives asset class within portfolio. The Committee directed Mr. Day to explore the possibility of adding hedge funds to the mix

of the alternative asset space. Mr. Day suggested that education of the Committee on hedge funds would be an appropriate course of action.

Mr. Winston then read from the FCS report the summary of investments, indicating that the fund's total value at the end of 2004 was \$1,292,457,000.

### **Real Estate Subcommittee Items**

There was nothing on the agenda regarding Real Estate Issues.

### **General Administration Subcommittee Items**

Mr. Barnes presented for approval items 4a through 4i including the pre-retirement surviving spouse allowances, the regular retirements, revoking of applications, disability allowances, 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 \$7,775,814.08

Item 4d., the request for retroactive benefits, was left on the agenda, but no policy decision had been made. Also, within item 4e. regarding people found fit to return to work with no job available there was no policy decision made on this item.

Mr. Kallianis pointed out to the Committee that the HMO rates included in the bills were adjusted rates to reflect the premium rates charged to the CTA by HMO IL and Unicare. Mr. Kallianis indicated that the incremental increase in rates on the HMO's will have the Plan absorbing an additional \$170,000 per month.

After some additional discussion regarding the overall cost of healthcare to the Plan and the desire to provide open-enrollment to the retirees, the Committee agreed that they would have a special meeting to discuss healthcare costs. Also included in the discussion would be the costs related to dependents that are currently being subsidized by the Plan.

Mr. Kallianis then informed the Committee that the benefits for Ms. Joyce Crump had been recalculated to reflect her actual date of separation from the CTA, rather than the end date of the arbitration award.

Mr. Virgil then gave the Committee an update on two cases involving the Plan. He explained that the Stamelos case had been settled for \$32,000. He also indicated that the Quinshell Brown case was proceeding at the state level awaiting assignment to a judge. The federal case was proceeding after Ms. Brown's deposition and that there would be a motion to dismiss the case presented.

The Committee then discussed the benefits related to Ms. Lenora Townsen. Mr. Kallianis gave a brief history of the application of Ms. Townsen. Ms. Townsen provided inaccurate information on her application for retirement and her retirement was approved at the December 15, 2004 meeting. Ms. Townsen had failed to repay a refund of

contributions and did not indicate her pension seniority date had changed on her application.

After some discussion regarding Ms. Townsen's case Ms. Sapyta made a motion to rescind the prior approval of benefits and have Ms. Townsen return to work for the appropriate period. The motion was seconded by Mr. Fish. There was a roll call vote. Sapyta-yes, Fish-yes, Lingenfelter-yes, Winston-yes, London-no, Flores-no, Barnes-no. The motion did not pass.

After some additional discussion, on a motion by Mr. Anosike, the Committee approved a direction to Ms. Townsen to repay the refund with 5% interest compounded annually and then she would be eligible to retire.

On a motion by Mr. Winston, the report of the General Administration Subcommittee was approved.

### **Old Business Issues**

Regarding Item 7a., Mr. Collins then gave the Committee an update the project to pay retroactive increases to surviving spouses and beneficiaries.

Regarding Item 7b., Mr. Richmond indicated that the two parties had come to an agreement with regard to Part-Time Union Board members and that he expected an agreement to be signed shortly.

There was then discussion by the Committee on Item 7c. regarding a proposed rule on reinstatements. Mr. Virgil indicated that the Committee had passed something at the prior meeting that overstepped its authority and that some of what was passed should have been included in collective bargaining. Mr. Kallianis distributed a new proposed rule that would address the issues that the RAC could address and leave several items to be addressed during collective bargaining. The Committee indicated that the issue could be addressed at the next meeting.

On Item 7d, the Committee heard an update from Corvel regarding disability management. The committee heard a summary which included a cost to the Plan to this point of \$62,000 and savings of \$3,000,000. Mr. Kallianis pointed out that the \$3,000,000 figure may be high as it represented the amount the Plan would have paid out until each of the people who had returned to work was 65.

Mr. Flores and Mr. London had some issues regarding the customer service aspects of Corvel's process and Ms. Mannon from Corvel said that if they could provide specifics, she would be happy to follow-up with her representatives.

Mr. Kallianis pointed out to the Committee that the Plan had returned as many people to work with Corvel in the last 6 months as returned to work in the three year period prior to hiring Corvel.

Mr. Kallianis then explained to the Committee the handouts regarding the changes in procedure for the application process. From this point forward, each application would be reviewed by Mr. Collins after it was taken and he would notify the applicant whether or not the application was ready to proceed to the RAC.

### **New Business**

On a motion by Mr. Richmond, the Committee approved the election of Mr. Anosike as the Chair of the Committee.

On a motion by Mr. Anosike, the Committee approved the election of Mr. Richmond as the Vice Chairman.

On motion by Mr. Lingenfelter, the Committee voted to allow Mr. Anosike and Mr. Richmond to form the Subcommittees including appointing the Chair and Vice Chair of each.

### **Executive Session**

The Committee entered Executive Session on a motion by Mr. Winston to discuss specifics related to disability cases.

When the Committee came back to the regular meeting, on motion by Mr. London, the Committee approved adjournment.

**AGENDA**  
**Of the 671<sup>th</sup> Retirement Allowance Committee Meeting of**  
**February 24, 2005**

1. Meeting will be called to order at 9:30 A.M. at the Amalgamated Bank, One West Monroe, on the 3<sup>rd</sup> floor, in the boardroom.
2. Roll call
3. Consideration of the Minutes of the 670<sup>th</sup> meetings.
4. General Administration Subcommittee Issues
  - a.) Announcements of deaths reported since last meeting
  - b.) Presentation of pre-retirement allowances for approval
  - c.) Presentation of new retirement applications for approval
  - d.) Request for retroactive benefits
  - e.) Returned to work from disability
  - f.) Request for substitution of pension earnings of pension earnings
  - g.) List of retirement applications that were revoked
  - h.) Presentation of death benefits for approval
  - i.) Presentation of refunds of contributions for approval
  - j.) Presentation of bills and remittances
  - k.) Benefits for James Christman
5. Investment Subcommittee Issues
  - a.) Large Cap Domestic Equity
  - b.) Private Equity
  - c.) Alternative Investments
  - d.) WPG III Fund Proposal
6. Real Estate Subcommittee Issues
  - a.) Intercontinental Real Estate Presentation
7. Old Business
  - a.) Part-time union board members
  - b.) Proposed Rule on Reinstatements

**AGENDA**  
**Of the 671<sup>th</sup> Retirement Allowance Committee Meeting of**  
**February 24, 2005**

**Page 2 of 2**

- 8.) New Business
  - a.) Plan Counsel Hourly Rates
  - b.) Dependent Healthcare Premiums
- 9.) Executive Session
- 10) Adjournment