

RETIREMENT PLAN

FOR

CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 391st Meeting of the Retirement Allowance Committee was held on Monday, July 20, 1981, in the Board Room, Room 734, Merchandise Mart, and the following were in attendance:

Mr. S. Bianchi	Mr. P. Kole
Mr. C. Hall	Mr. I. Thomas
Mr. C. Knox	Mr. J. Weatherspoon

Mr. L. Brown alternate for Mr. A. Kasner was present.

Mr. J. DeFranco alternate for Mr. Kren was present. Messrs. J. Gallagher and W. Ashley were not present. Messrs. R. Goldman and H. Hegarty were present. Messrs. J. Bidwill, M. Brennan, G. Nagle, A. Schmidt, were present. Messrs. E. Hamilton, W. Leszinske, W. Sanford and Ms. K. Ford of Continental Bank were present. Mr. R. Burke, the Plan Attorney was also present.

Mr. Bianchi called the meeting to order at 10:54 A.M. and indicated that both the Chairman and the Secretary were absent and the first order of business should be to elect pro-tempore replacements.

On a motion by Mr. P. Kole, seconded by Mr. J. DeFranco, the Committee unanimously elected Mr. S. Bianchi as Secretary Pro-Tempore.

On a motion by Mr. J. Weatherspoon, seconded by Mr. C. Hall, the Committee unanimously elected Mr. P. Kole as Chairman Pro-Tempore.

Mr. W. Leszinske of the Continental Bank presented a "June Market Summary" dated July 15, 1981, a copy of which is attached to these minutes. During his presentation he indicated that Continental continued to feel that the economy is weak and that they anticipate a relatively slow

growth of the economy. This should provide a lowering of interest rates particularly in the short run. In response to a question by Mr. P. Kole concerning the rate of decline, Mr. Leszinske indicated that the Continental Bank was anticipating their prime rate to be in the area of 14%-15% in the fourth quarter of this year.

Mr. W. Leszinske, then introduced Mr. W. Sanford who spoke to the Committee concerning the Continental Bank's Securities Lending Program. Following Mr. Sanford's talk there ensued a discussion among the Committee members, Continental Bank, and Mr. R. Burke.

Mr. S. Bianchi motioned that the Retirement Committee adopt this program, subject to the approval of the Contract by Mr. Burke. Mr. J. DeFranco seconded the motion. There was further discussion among the Committee members.

At the conclusion of this, Mr. Bianchi amended his motion to be that the Secretary's Office would poll the Committee Members for their vote on whether or not the Plan should enter into the Securities Lending Program. This poll should be taken after the Members have had an opportunity to review the Contract, which will be supplied by Mr. R. Burke. There being no objection to the motion, the Committee voted unanimously to approve it as amended.

Mr. Weatherspoon, upon request of the Chairman, introduced the new member of the Retirement Allowance Committee representing the members of the Amalgamated Transit Union, Local #241, Mr. Isiah Thomas, Recording Secretary of Local 241. He further indicated that the Committee Members and alternates are:

<u>Member</u>	<u>Alternate</u>
Mr. John Weatherspoon	Mr. Richard Goldman
Mr. Charles Hall	Mr. Anthony Kemp
Mr. Isiah Thomas	(to be announced later)

The Chairman asked for approval of the Minutes of the 390th Meeting. On a motion by Mr. Weatherspoon, seconded by Mr. DeFranco, the Committee unanimously approved the Minutes of the 390th Meeting held June 17, 1981.

The Secretary presented the deaths reported since the last meeting as per the attached list.

The Secretary presented fifteen (15) Survivorship Options for approval. On a motion by Mr. Weatherspoon seconded by Mr. Hall, the Committee unanimously approved the Survivorship Options, as per the attached list.

The Secretary presented seven (7) Pre-Retirement Surviving Spouse Option elections for approval. On a motion by Mr. DeFranco, seconded by Mr. Weatherspoon, the Committee unanimously approved the seven (7) Pre-Retirement Surviving Spouse Option elections, as per the attached list.

The Secretary presented thirteen (13) Applications for Retirement for approval. On a motion by Mr. Hall seconded by Mr. Weatherspoon the Committee unanimously approved the thirteen (13) Applications as per the attached list. The Secretary also indicated that Loyce R. Wright had applied for Disability Retirement but due to the fact that Mr. Wright did not arrive for a scheduled medical appointment, the Secretary's Office was unable to certify that Mr. Wright met the medical requirements of the Plan for Disability Retirement. The Secretary recommended, and the Committee concurred, that action be deferred until the August meeting at which time the required medical

evidence would be available.

The Secretary reported that eight (8) employees, who are receiving Disability Retirement Benefits, were examined or their files were reviewed.

The Secretary presented thirty-four (34) refunds for approval. On a motion by Mr. Weatherspoon, seconded by Mr. Hall, the Committee unanimously approved the payment of the thirty-four (34) refunds of contributions and interest in the amount of \$321,556.76 as per the attached list.

The Secretary presented the Report of Deposits, Disbursements and Investments, stating that as of June 30, 1981, the total cash and investments were \$447,500,763.70.

Mr. Knox pointed out that there were no Employer contributions recorded in this report and suggested Mr. Burke report to the Committee, the status of the pending litigation.

Mr. Burke reported that the motion for the Retirement Plan to intervene in the litigation against the Chicago Transit Authority pressing for payment of Retirement Plan Contributions was granted by the court on July 7, 1981. He further indicated that the litigation also requested recovery for loss of income sustained by the Plan due to the delay in the payment of the contributions. Finally, the Authority on July 7, 1981, filed a petition for the suit to be dismissed. The court instructed the Authority to file a brief in support of its position by July 27th. It is Mr. Burke's intention to resist their motion to dismiss.

The Secretary presented two (2) Chicago Transit Authority Bills totaling \$59,854.18, four (4) Operating Bills totaling \$10,423.75 and seven (7) remittances totaling \$217,271.82. On a motion by Mr. DeFranco seconded by Mr. Weatherspoon the Committee unanimously approved the thirteen (13) bills for \$287,549.75 as per the attached list.

The Secretary presented thirty-one (31) Death Benefits totaling \$70,500.00. On a motion by Mr. Thomas seconded by Mr. Brown the Committee unanimously approved the Death Benefits as per the attached list.

The Secretary then informed the Committee that the Court had taken action concerning Mr. John Curtis a Disability Retiree residing at the Bayview Pavilion Nursing Home and asked Mr. Burke to inform the Committee about it.

Mr. Burke indicated that pursuant to the prior direction of the Committee his firm had requested direction from the Court as to the payment of the Monthly Retirement Allowance. On June 15, 1981 Judge Dowdle had directed the Retirement Plan to pay the monthly allowance directly to Bayview Pavilion and not to Lillian Curtis, the conservator of the estate and person of John Henry Curtis.

The Secretary then informed the Committee that Mr. Donnie Montgomery had elected a Deferred Vested Old-Age Retirement in lieu of a refund of Contributions and Interest.

The Secretary informed the Committee that Patrick M. O'Connor had withdrawn his election of the $\frac{1}{2}$ B Option approved at the 379th Meeting held July 21, 1980.

The Secretary informed the Committee that Mr. Lewis H. Beaver had withdrawn his election of the Pre-Retirement Surviving Spouse Option elected in September of 1978.

The Secretary informed the Committee that: Mr. Chris Jackson (D-2102) who had retired 8-1-79 on a Disability Retirement returned to duty 6-24-81; Mr. Walter J. Anderson (D-2078) who had retired 3-1-80 on a Disability Retirement returned to duty 6-1-81; Mr. Micheli Ferrantelli (D-2108) who had

retired 10-1-80 on a Disability Retirement returned to duty 7-2-81; and
Mr. Joseph J. Kasper (D-2138) who had retired 5-1-81 on a Disability Retirement returned to duty 6-30-81.

The Secretary informed the Committee that Mr. Lawrence D. Latham had returned to Disability Retirement from a temporary assignment.

There being no further business, on a motion by Mr. Weatherspoon, seconded by Mr. Brown the Committee unanimously voted to adjourn at 12:04 P.M.

SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATE _____