

RETIREMENT PLAN

FOR

CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 392nd Meeting of the Retirement Allowance Committee was held on Monday, August 17, 1981, in the Datacenter Conference Room, Room 450, Merchandise Mart. The following were in attendance:

Mr. W. Ashley	Mr. C. Knox
Mr. W. Bianchi	Mr. P. Kole
Mr. C. Hall	Mr. I. Thomas
Mr. A. Kasmer	Mr. J. Weatherspoon

Neither Mr. Gallagher nor his alternate was present.

Neither Mr. Kren nor his alternate was present.

Messrs. L. Brown, R. Goldman, H. Hegarty, A. Kemp and L. Morris were present. Messrs. M. Brennan, G. Nagle and Ms. C. Cox were present. Messrs. E. Hamilton, J. Holsteen and Mrs. K. Ford of Continental Bank were present. Mr. B. Scholz, Pensioner, was also present.

The Secretary called the meeting to order at 10:45 A.M. indicating that in the absence of the Chairman it would be necessary to appoint a Chairman Pro Tempore. On a motion by Mr. Hall, seconded by Mr. Kasmer, the Committee unanimously appointed Mr. Weatherspoon Chairman Pro Tempore.

Mr. J. Holsteen presented to the Committee a letter, dated August 10, 1981, titled "July Market Summary." (A copy is attached to these minutes).

Mr. Holsteen noted that interest rates rose during the month and there was a good deal of activity in the market. He also noted that rates would be declining in the future - probably in the early part of 1982.

Mr. Holsteen informed the Committee that short term rates are up around 17-1/2% and short term monies are earning a very good return. Mr. Holsteen stated that when interest rates come down, short term rates are expected to come down even faster.

Mr. Holsteen completed his report at 10:52 A.M. and he, Mr. Hamilton and Ms. Ford left the meeting.

The Chairman asked for approval of the Minutes of the 391st Meeting, held July 20, 1981. On a motion by Mr. Kole, seconded by Mr. Bianchi, the Committee unanimously approved the Minutes of the 391st Meeting, held July 20, 1981.

The Secretary made the announcements of deaths reported since the last meeting, as per the attached list.

The Secretary presented seven (7) Survivorship Options for approval. The Secretary informed the Committee that his office had been advised by Medical Department personnel that there was insufficient medical evidence of good health submitted with Mr. A. E. Brandt's Survivorship Option Application. Therefore, the Secretary asked that the Committee tentatively approved Mr. Brandt's application pending receipt of additional information which would be presented at the next meeting. On a motion by Mr. Knox, seconded by Mr. Kasmer, the Committee unanimously approved the Survivorship Options including

the application for Mr. A. E. Brandt contingent upon appropriate medical evidence.

The Secretary presented three (3) elections of the Pre-Retirement Surviving Spouse Options, as per the attached list. On a motion by Mr. Kole, seconded by Mr. Hall, the Committee unanimously approved the Pre-Retirement Surviving Spouse Options.

The Secretary presented twelve (12) Applications for Retirement. The Secretary informed the Committee that a retroactive application for Mr. Loyce Wright was included in the total. On a motion by Mr. Hall, seconded by Mr. Kole, the Committee unanimously approved the applications for retirement including the retroactive application for Mr. Loyce Wright.

The Secretary reported that six (6) employees who are receiving Disability Retirement Benefits, were examined or their files were reviewed.

The Secretary presented thirty (30) refunds, totaling \$244,293.37 for approval. On a motion by Mr. Kole, seconded by Mr. Thomas, the Committee unanimously approved the refunds of contributions to be paid August 31, 1981.

The Secretary presented the Report of Deposits, Disbursements and Investments noting that as of July 31, 1981 the total cash and investments was \$451,146,327.92. The Secretary called to the Committee's attention an error on the second page of the report: the Total Portfolio Line should be changed from 13.99 to -0.74; and, the figures under Annualized should be changed from 25.16 to -1.27.

Mr. Knox made an inquiry as to whether or not any of the Committee Members had heard anything regarding the reimbursement of delinquent contributions by the Authority and their intent. A discussion ensued during which Mr. Kole stated that the reason the Authority has not paid the contributions is because they do not have the money. He further explained that the City is supposed to give the Authority funds after the sale of some notes. Mr. Kole also stated that the Authority intends to reimburse the Fund as soon as there are available monies. Mr. Knox asked whether the interest lost on the money would also be reimbursed. Mr. Kole responded that he did not know. The Chairman suggested that the Secretary formally notify the Authority that the Committee expects to receive all interest due at the time the contributions are reimbursed.

Mr. Knox asked approximately how much money the Authority would be receiving from the new sales tax. Mr. Kole responded that there has been no specific amount set but it is possible that they could receive 14 to 15 million dollars per month.

The Secretary presented three (3) Operating Bills, totaling \$3,575.51 and seven (7) remittances totaling \$216,872.22. On a motion by Mr. Kole, seconded by Mr. Bianchi, the Committee unanimously approved payment of the bills and remittances totaling \$220,447.73.

The Secretary submitted for approval twenty-two (22) Death Benefits, totaling \$49,500.00 for payment August 31, 1981. On a motion by Mr. Kole, seconded by Mr. Hall, the Committee unanimously approved payment of the Death Benefits, as per the attached list.

The Secretary informed the Committee that Mr. Burke was unavailable to report on the Pension Realty Income Trust A and it would be held in abeyance until the next meeting.

The Secretary reported to the Committee, as a matter of keeping them informed, that the Fiduciary Insurance had been bound and he would keep them up-to-date on the matter.

The Secretary informed the Committee that there was an approved contract on the first segment of the Pension Computer System, however, the second and third segments might be in jeopardy. A discussion ensued during which Mr. Brennan explained that there are three possibilities for the implementation of the second and third phases of the system: totally in-house, outside consultants in conjunction with in-house personnel or use a totally remote location on a private firm's computer system. Mr. Brennan informed the Committee that he was awaiting an analysis from Mr. Bonner of the Datacenter Department regarding various possibilities for the implementation of phases two and three. Mr. Brennan stated that upon receipt of this report he would give it to the Secretary for transmittal to the Committee Members.

The Secretary informed the Committee that the Securities Lending Program was in place at Continental Bank. In response to a question by Mr. Kole, the Secretary stated that a monthly report would be received regarding this program.

The Secretary informed the Committee that Mr. Albert C.

Ohwat cancelled his Pre-Retirement Option Application.

The Secretary gave the Committee a brief synopsis of the situation regarding Louis Wade. He stated that Mr. Wade was extremely uncooperative when brought in to be tested for a Ticket Agent position and to undergo a medical examination. The Secretary stated that he recommended that Mr. Wade be taken off the Disability Retirement rolls and that no further disability benefits be paid. Mr. Knox asked the Secretary if there was information available from the Industrial Commission and, if so, would it be possible for him to receive a copy. Mr. Ashley stated that he would send him a copy of the Industrial Commission's Decision and Opinion. Mr. Knox asked if the Committee had any obligation to pay Mr. Wade any funds if he cooperated and there was no job available for him. A discussion ensued during which the Secretary stated that if this should happen it would be brought before the Committee at that time for proper action.

On a motion by Mr. Kole, seconded by Mr. Kasmer, the Committee unanimously agreed to withdraw the Retirement Benefits of Mr. Louis Wade, effective August 1, 1981.

On a motion by Mr. Kole, seconded by Mr. Kasmer, the Committee unanimously agreed to adjourn at 11:30 A.M.

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SECRETARY  
RETIREMENT ALLOWANCE COMMITTEE

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CHAIRMAN  
RETIREMENT ALLOWANCE COMMITTEE

DATED 

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