

RETIREMENT PLAN

FOR

CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 399th Meeting of the Retirement Allowance Committee was held on Monday, March 15, 1982, in the Board Room, Room 734, Merchandise Mart. The following were in attendance:

Mr. W. Ashley	Mr. A. Kasmer
Mr. R. Fleming	Mr. P. Kole
Mr. E. Flowers	Mr. D. Perk
Mr. J. Gallagher	Mr. I. Thomas

Mr. R. Goldman, alternate for Mr. J. Weatherspoon, was present. Mr. A. Kemp, alternate for Mr. C. Hall, was present. Messrs. L. Brown, R. Bartkowicz, R. O'Connor, L. Morris and H. Hegarty were present. Messrs. D. Lemm, G. Nagle and Ms. C. Cox were present. Messrs. E. Hamilton, W. Leszinske and Ms. K. Ford of Continental Bank were also present. Mr. J. Baratka of The Wyatt Company was present. Mr. B. Scholz, Pensioner, was present.

The Chairman called the meeting to order at 10:39 A.M.

In response to the Chairman's request for the Trustee's Report, Mr. Hamilton asked that this matter be deferred until later in the meeting as Mr. Leszinske and Ms. Ford would be tardy.

The Chairman asked for approval of the Minutes of the 398th Meeting, held February 16, 1982. On a motion by Mr. Goldman, seconded by Mr. Kole, the Committee unanimously approved the Minutes of the 398th Meeting, held February 16, 1982.

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

The Secretary presented nine (9) Survivorship Options

for approval. On a motion by Mr. Kole, seconded by Mr. Kemp, the Committee unanimously approved the Survivorship Options.

The Secretary presented four (4) Pre-Retirement Surviving Spouse Options for approval. On a motion by Mr. Kole, seconded by Mr. Kasmer, the Committee unanimously approved the Pre-Retirement Surviving Spouse Options.

The Secretary presented twenty-eight (28) Applications for Retirement. On a motion by Mr. Kole, seconded by Mr. Kasmer, the Committee unanimously approved the twenty-eight (28) applications.

The Secretary informed the Committee that three (3) employees who are receiving Disability Retirement Benefits were examined or had their file reviewed.

The Secretary presented sixty (60) refunds, totaling \$441,855.79 for approval. Mr. Kole made a motion for approval of the payment of refunds of contributions and Mr. Kemp seconded the motion. Mr. Kole asked if there were any "discontinued" Security Personnel included in this report. The Secretary stated that he was not sure but noted that a report on the refunds to Security Personnel would be presented later in the meeting. Mr. Kole asked if the number of refunds was not larger than usual. The Secretary responded in the affirmative. Mr. Kole asked if it would be possible to have included in the monthly report the number of refunds presented for the same period of time during the previous year. The Secretary stated that this was possible.

The Secretary presented eight (8) operating bills, one (1) Chicago Transit Authority bill and eight (8) remittances for approval.

A motion was made by Mr. Kole and seconded by Mr. Fleming for approval of payment of the bills and remittances totaling \$321,749.85.

Mr. Kole asked if the monies owed the Authority which was being withheld by the Plan would be released for payment since the new contract agreement had been approved. The Chairman asked for a new motion which would include the release and payment of the monies owed the Authority which was being withheld by the Plan. A motion for the payment of current bills and remittances and the release of monies being withheld from the Authority by the Plan was made by Mr. Kole, seconded by Mr. Kemp, and unanimously approved by the Committee.

The Secretary presented for approval twenty-five (25) Death Benefits, totaling \$58,500.00. On a motion by Mr. Kole, seconded by Mr. Thomas, the Committee unanimously approved payment of the Death Benefits. In response to a request by the Chairman, the Secretary explained the different categories of the Death Benefits to the new Committee Members and Alternates.

In response to a request made at the last meeting, the Secretary informed the Committee that there had been eighty-one (81) refunds of contributions, totaling \$842,246.99, made to "Discontinued" Security Personnel.

The Secretary turned the Committee's attention to a report regarding the comparison of fees for services rendered by Lowry, Raclin, Harrell and Howerdd and asked Mr. Greg Nagle to explain the report. (A copy of which is attached to these minutes). Mr. Nagle explained the report to the Committee and compared the fees charged from the first year up to and including the proposed fee increase being asked for by Lowry and Associates. A discussion ensued bet-

ween Committee Members during which the Chairman suggested that the Plan Attorney be asked to review the actual agreement with Lowry, Raclin, Harrell & Howerdd and report back to the Committee. The Secretary stated that his office would provide the Committee and the Plan Attorney with documentation on the agreement for discussion at the next meeting. Mr. Kole stated that he was inclined to approve the fee schedule as presented for 1982 and then take each year separately. In response to a request for a motion, Mr. Kole made a motion that the 1982 fee schedule from Lowry, Raclin, Harrell & Howerdd be approved as presented. Mr. Thomas seconded the motion. After further discussion, the motion and second to approved the 1982 fee schedule from Lowry, Raclin, Harrell & Howerdd was withdrawn. A new motion was made by Mr. Kasmer that the approval of the fee schedule be held in abeyance until a report from the Plan Attorney and Bob Harrell could be presented at the next meeting. Mr. Thomas seconded the motion and the Committee unanimously approved.

The Secretary informed the Committee that William Washington, who was reinstated on February 2, 1981, had failed to reimburse the Retirement Fund the amount of \$7,017.59 within the 90 day period as provided in Rule 21 which states that the employee be given a new Retirement Plan seniority date. A discussion ensued between Committee Members during which the Chairman asked for a motion for approval of a new Retirement Plan seniority date for William Washington due to his not complying with the provisions set forth in Rule 21. On a motion by Mr. Kole, seconded by Mr. Kasmer, the Committee unanimously approved the new Retirement Plan seniority date for William Washington and the procedures set forth in Rule 21.

As points of information, the Secretary informed the Committee that Marvin W. Henderson had withdrawn his retirement application which had been approved at the February 16, 1982 Meeting for retirement on March 1, 1982 and reapplied for retirement on April 1, 1982. The Secretary also informed the Committee that John Flanagan had revoked his Pre-Retirement Option Application which had been in effect since November 1, 1980.

The Secretary informed the Committee that his office was in receipt of a favorable Determination Letter from the IRS for the last amendments in the Retirement Plan.

The Secretary also informed the Committee that based on the changes brought about by the new extension agreement a draft of the Plan language had been sent to Messrs. Burke and Baratka for their perusal in order that the Supplemental Agreements could be prepared.

The Secretary informed the Committee that his office had implemented the changes brought about by the new agreement in the March 1, 1982 retirements.

The Secretary also informed the Committee that a letter regarding the changes in hospital premiums was being sent to all retirees.

Mr. Leszinske of Continental Bank presented to all Committee Members a copy of a letter, dated March 10, 1982, regarding the fixed income markets. (A copy is attached to these minutes). Mr. Leszinske noted that even though the fixed income rates closed at lower yield levels than at the end of January

they were still above the levels at year end 1981. Mr. Leszinske stated that the rates were still extremely volatile and had continued to fluctuate during the past several months. Mr. Leszinske also noted that there had been a rise in the consumer price index and the high levels of unemployment would continue and probably increase.

The Chairman asked Mr. Leszinske what the Fund's position was in the fixed income market. Mr. Leszinske stated that the Fund was involved in a long term fixed income fund and a short term cash and equivalent fund and explained the level of the Fund's involvement in each as well as the functions of both types of funds.

The Chairman asked Mr. Kole to give the Committee a brief report on the conference he attended with Lowry, Raclin, Harrell & Howerdd. Mr. Kole stated that basically the conference reinforced the long term investment approach and recommended that this philosophy continue to be reinforced even though the investment situation might be a little uncomfortable at the present time.

The Chairman stated that it might be a good idea to ask Mr. Harrell to give a short seminar for the newly appointed Members and Alternates to help them understand the fundamentals and terminology of investments.

The Secretary turned the Committee's attention to a letter submitted by Mr. Baratka outlining the latest actuarial assumption based on the changes set forth in the new extension agreement. Mr. Baratka explained the letter and the changes brought about by the new agreement and the effect it would have on the Plan. (A copy of the letter is attached to these minutes).

The Secretary introduced the newly appointed Committee Members and Alternates to all present.

The Secretary informed the Committee that there would be a luncheon meeting immediately following the regular meeting at which time reports would be presented by E. W. Axe, Putnam Advisory and Delaware Investments.

On a motion by Mr. Goldman, seconded by Mr. Fleming, the Committee unanimously agreed to adjourn at 11:48 A.M.

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SECRETARY  
RETIREMENT ALLOWANCE COMMITTEE

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CHAIRMAN  
RETIREMENT ALLOWANCE COMMITTEE

DATED \_\_\_\_\_