

R E V I S E D

A G E N D A

FOR THE 425TH RETIREMENT MEETING OF MAY 21, 1984

1. Meeting will be called to order at 8:30 A.M., in the M & M Club, 2nd Floor, Merchandise Mart.
- ~~2. Recommendation by Robert Harrell on restructuring of equity investments.~~
3. Report by Trustee.
4. Approval of minutes of the 424th meeting held April 16, 1984.
5. Announcements of Deaths Reported since last meeting.
6. Presentation of Survivorship Options.
7. Presentation of New Applications for approval.
8. Employees on Disability Retirement re-examined.
9. Presentation of Refunds of Contributions to be paid May 31, 1984.
10. Report of Secretary of Deposits, Disbursements and Investments.
11. Presentation of Bills and Remittances.
12. Death Benefits for approval.
13. Unfinished Business
 - a) Gustav Zehles-Disability case which was referred to the Plan Attorney for review and direction.
 - b) Jack Thompson-Request to buy back service.
 - c) Anthony T. Crumpton-Request for extension of contribution repayment under Rule 21.
14. New Business
 - a) Ralph V. Green - Request for extension of contribution repayment under Rule 21.
 - b) Sylvia T. Walker - Request for extension of contribution repayment under Rule 21.
 - c) Eumura Miller - Request for extension of contribution under repayment under Rule 21.
 - d) Proposed amendment to Rule 21.
 - e) Update on 20 North Michigan Avenue project.
 - f) Arthur Young Report
 - g) Request to review file of Mr. Donald Burton for possible buy back of service.
 - h) New pension office location.
 - i) Report by Subcommittee on Trust Relations.
15. Adjournment.

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 425th Meeting of the Retirement Allowance Committee was held on Monday, May 21, 1984, at 8:30 A.M., in the M & M Club, 2nd Floor, Merchandise Mart. The following were in attendance:

Mr. C. Andersen	Mr. P. Kole
Mr. R. Andrzejewski	Mr. D. Perk
Mr. E. Flowers	Mr. I. Thomas
Mr. C. Hall	

Mr. R. Bartkowicz, alternate for Mr. J. Gallagher, was present. Mr. L. Brown, alternate for Mr. A. Kasmer, was present. Mr. R. Goldman, alternate for Mr. J. Weatherspoon, was present. Messrs. A. Kemp, L. Morris, H. Hegarty, and R. Jania were present. Messrs. G. Nagle, J. Mullen, and Ms. C. Cox were present. Mr. W. Ashley was also present. Messrs. J. Fitzpatrick, W. Leszinske, and H. Rosenfeld of Continental Bank were present. Messrs. R. Harrell and C. Heatter of Lowry, Raclin, Harrell and Howerdd were present. Mr. J. Baratka, of The Wyatt Company, was present. Mr. R. Burke, the Plan Attorney, was present. Mr. B. Scholz, pensioner, was also present.

The Assistant Secretary informed the Committee that in the absence of the Chairman and Vice Chairman it would be necessary to appoint a Chairman Pro Tempore. On a motion by Mr. Kole, seconded by Mr. Kemp, the Committee unanimously approved the appointment of Mr. E. Flowers as Chairman Pro Tempore.

The Chairman called the meeting to order at 8:55 A.M.

Mr. Harrell presented a report on the proposed restructuring of equity investments and turned the Committee's attention to a list of present equity managers which outlined their present performance and the proposed restructurational changes.

The Plan Attorney requested that a memorandum be written by Mr. Harrell to the Committee explaining the reason for the recommendation changes. Mr. Harrell stated that he would provide such a letter.

After a discussion between Mr. Harrell and Committee Members regarding the restructuring of the equity investments, Mr. Harrell asked that he be given a decision by the full Committee. Mr. Kole made a motion to accept the recommendation of the Real Estate Subcommittee for approval of the restructuring. There being no second to the motion, the motion was withdrawn. After further discussion, Mr. Andersen made a motion that the matter be deferred until the next meeting, Mr. Thomas seconded the motion, and the Committee unanimously agreed.

Mr. Heater reviewed the regular quarterly report prepared by Lowry, Raclin, Harrell & Howerdd with the Committee.

The Chairman called for a recess at 10:30 A.M. in order that the meeting could be moved to the Board Room.

The meeting reconvened at 10:38 A.M. in the Board Room.

Mr. Leszinske turned the Committee's attention to a letter, dated May 15, 1984, entitled "April Market Summary," and noted that interest rates increased due to the rapid growth of the economy. Mr. Leszinske noted, however, that the forecast is for rates to moderate and, hopefully, decline in latter quarter of the year.

The Chairman called for approval of the Minutes of the 424th Meeting, held April 16, 1984. On a motion by Mr. Thomas, seconded by Mr. Kole, the Committee unanimously approved the Minutes of the 424th Meeting, held April 16, 1984.

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

The Assistant Secretary presented nine (9) Survivorship Options for approval, including an option for Michael J. Fahey pending receipt of a doctor's statement indicating good health. On a motion by Mr. Kole, seconded by Mr. Thomas, the Committee unanimously approved the Survivorship Options as presented.

The Assistant Secretary presented twenty-two (22) Retirement Applications for approval. On a motion by Mr. Kole, seconded by Mr. Perk, the Committee unanimously approved the Retirement Applications.

The Assistant Secretary reported that eight (8)

employees who are presently receiving Disability Retirement Benefits were examined or had their file reviewed.

The Assistant Secretary presented fourteen (14) Refunds of Contributions, totaling \$128,530.26, for approval. The comparison figures for the same period of time one year ago were twenty-five (25) Refunds, totaling \$162,437.12. On a motion by Mr. Kole, seconded by Mr. Hall, the Committee unanimously approved the Refunds of Contributions to be paid May 31, 1984.

The Assistant Secretary presented the report of Deposits, Disbursements and Investments noting that the total portfolio had a market value of \$548,348,559.87 at a cost of \$519,424,757.60, as of April 30, 1984.

The Assistant Secretary reported that there was one Chicago Transit Authority bill, totaling \$57,959.82; eighteen (18) Operating bills, totaling \$135,241.11; ten (10) Remittances, totaling \$404,786.38; and, the FIT Deposit, totaling \$87,789.32, to be approved for payment. On a motion by Mr. Kole, seconded by Mr. Perk, the Committee unanimously approved payment of the bills, totaling \$635,776.63, to be paid May 31, 1984.

The Assistant Secretary presented for approval fifty (50) Death Benefits, totaling \$11,500. The comparison figures for the same period of time one year ago were thirty-two (32) Death Benefits, totaling \$86,000. On a motion by Mr. Hall, seconded by Mr. Kole, the Committee unanimously approved payment of the Death Benefits.

The Assistant Secretary turned the Committee's attention to the Gustav Zehles case and asked the Plan Attorney to expound on the matter. The Plan Attorney explained the facts surrounding the case and recommended that the Secretary's Office be directed to set up a reserve account in which Mr. Zehles' monthly benefits will be accrued. Further, the Secretary's Office should contact Mr. Zehles from time to time to see if he will accept the funds at some time in the future. Mr. Hall made a motion that Committee accept the Plan Attorney's recommendation, Mr. Thomas seconded the motion, and the Committee unanimously agreed.

The Assistant Secretary turned the Committee's attention to a request to buy back service by Jack Thompson and Donald Burton and asked the Plan Attorney to expound on the matter. The Plan Attorney informed the Committee that the Plan, as presently written, does not allow the buying back of service by an employee; therefore, the Committee does not have the power to grant such a request. He further noted that the Plan can be amended to permit the buying back of service, however, it must be done through the collective bargaining process. A discussion ensued between the Plan Attorney, Mr. Ashley, and Committee Members during which Mr. Ashley noted that similar cases have been brought before the Committee on several occasions in the past and the answer has always been the same - employees have never been permitted to buy back service. Mr. Andersen asked if he could review all records pertaining to Donald Burton. The

The Assistant Secretary responded in the affirmative.

Mr. Hall made a motion that the Committee accept the Plan Attorney's recommendation that the request to buy back service by Mr. Thompson and Mr. Burton be denied, Mr. Thomas seconded the motion. On the call by the Chairman for a show of hands vote; Messrs. Goldman, Hall, Thomas and Flowers voted for denial of requests. Messrs. Andersen, Perk and Andrzejewski voted against denial of the requests. As a result of the tie vote, the motion failed.

The Assistant Secretary asked that items 13(c) under Unfinished Business and items 14 (a) through (e) under New Business on the Agenda be held in abeyance until the next meeting. On a motion by Mr. Kole, seconded by Mr. Hall, the Committee unanimously agreed to hold the aforementioned Agenda items in abeyance until the next meeting.

The Assistant Secretary turned the Committee's attention to the meeting material and the 1983 Annual Report from Arthur Young & Company, the Plan Auditor. He further noted that the condensed version was distributed to active employees with their paycheck and the pensioners would receive theirs by mail some time this week.

The Assistant Secretary informed the Committee that the Secretary's Office had been relocated to 440 N. Wells, Suite 600.

The Vice Chairman passed out to Committee Members a copy of a report from a meeting with representatives of Continental Bank and the Subcommittee which had been appointed

by the Chairman at the last meeting and directed to hold the meeting and report back to the Committee. The Vice Chairman noted that the meeting was held due to concerns being expressed by various members of the Plan due to redent negative publicity regarding Continental Bank. The Vice Chairman presented his report and referred to the Plan Attorney for further explanation. The Plan Attorney noted that the statutes require that Trust assets be segregated and further, that the FDIC had pledged that all depositors and other general creditors of the Continental Bank would be fully protected. The Vice Chairman then introduced Mr. Harvey Rosenfeld, head of the Employee Benefit Plans area at Continental Bank. Mr. Rosenfeld explained that the Plan's assets were very secure, especially in light of the pledge by the FDIC as outlined by the Plan Attorney.

There being no further business, on a motion by Messrs. Thomas & Goldman, seconded by Mr. Hall, the Committee unanimously agreed to adjourn at 11:36 A.M.

SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED _____