

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 428th Meeting of the Retirement Allowance Committee was held on Monday, August 20, 1984, in the Board Room, Room 734, Merchandise Mart. The following were in attendance:

Mr. C. Andersen	Mr. A. Kasmer
Mr. R. Andrzejewski	Mr. P. Kole
Ms. W. Black	Mr. D. Perk
Mr. E. Flowers	Mr. I. Thomas
Mr. E. Gresham	

Messrs. J. Breckenridge, L. Brown, C. Hall, R. Bartkowicz, L. Morris, and R. O'Connor were present. Messrs. G. Nagle, J. Mullen and W. Ross were present. Ms. C. Cox and Ms. P. Williams were present. Mr. W. Ashley was also present. Mr. C. Coleman, Harris Trust & Savings Bank, was present. Mr. R. Burke, the Plan Attorney was present. Mr. B. Scholz, pensioner representative, was also present.

The Chairman called the meeting to order at 10:45 A.M.

The Assistant Secretary noted that Mr. Gallagher, a Committee Member representing management, was not in attendance and had not informed the Secretary's Office in writing as to who should sit in his stead. Therefore, in accordance with Article III, Section I of the By-Laws an Alternate Member representing management should be appointed by the Chairman with the approval of the Committee. The Chairman appointed Mr. R. O'Connor to sit in for Mr. Gallagher and the Committee approved.

The Chairman called for the approval of the Minutes of the 427th Meeting, held July 16, 1984. Mr. Thomas made a motion for approval of the Minutes noting a typographical error which showed

Wanda Black as Mr. instead as Ms.. The Assistant Secretary noted that the corrections would be made to the master copy of the Minutes which are on file in the Secretary's Office. Mr. Kole seconded the motion for approval of the Minutes with the correction, and the Committee unanimously approved the Minutes of the 427th Meeting with the correction.

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

The Assistant Secretary presented four (4) Survivorship Options for approval. On a motion by Mr. Kole, seconded by Messrs Perk, the Committee unanimously approved the Survivorship Options as presented.

The Assistant Secretary turned the Committee's attention to an insert in the meeting material which showed a recap of the survivorship benefit payments to date. He noted that since the Pre-Retirement Survivorship Options were now automatic and no longer required application by the employee or Committee approval they will be included in the monthly agenda only as they become effective.

The Assistant Secretary presented nineteen (19) Retirement Applications for approval which included a request for the August 1, 1984 retroactive disability retirement for Moises Rajczyk and Duane Thompson whose applications were held in abeyance at the last meeting pending the outcome of a medical evaluation from the Authority's Medical Department which had been received in the Secretary's Office. The Assistant Secretary also recommended that the approval of the Disability Retirement Application for Maxcel Nobles which was held in abeyance at the last meeting be held in abeyance until the next meeting pending the outcome of an evaluation which is scheduled for

August 24, 1984. On a motion by Mr. Kole, seconded by Mr. Thomas, the Committee unanimously approved the Retirement Applications including the August 1, 1984 retroactive disability retirement for Moises Rajczyk and Duane Thompson as well as the holding in abeyance of the approval of the Disability Retirement Application for Maxcel Nobles pending the outcome of the evaluation.

The Assistant Secretary reported that twenty-one (21) employees who are presently receiving Disability Retirement Benefits were examined or had their file reviewed.

The Assistant Secretary presented eighteen (18) Refunds of Contributions, totaling \$171,832.59 for approval. The comparison figures for the same period of time one year ago were eight (8) refunds, totaling \$59,428.53. On a motion by Mr. Kole, seconded by Messrs. Thomas and Perk, the Committee unanimously approved the Refunds of Contributions to be paid August 31, 1984.

The Assistant Secretary turned the Committee's attention to the Trustee Summary and presented the report of Deposits, Disbursements and Investments noting that the total portfolio has a market value of \$534,237,812.80 at a cost of \$525,488,864.72. He further noted that the \$110 million figure was the amount in the Harris Trust Short Term Investment Fund and not cash on hand as indicated in the report.

The Assistant Secretary reported that there was one (1) Chicago Transit Authority bill, totaling \$45,391.75; twenty (20) Operating bills, totaling \$171,977.49; nine (9) Remittances, totaling \$408,376.80; and the FIT Deposit, totaling \$98,333.14, to be approved for payment. On a motion by Mr. Kole, seconded by Mr. Flowers, the Committee unanimously approved payment of the bills,

totaling \$724,079.18, to be paid August 31, 1984.

The Assistant Secretary presented for approval thirty-two (32) Death Benefits, totaling \$88,000.00. The comparison figures for the same period of time one year ago were twenty-one (21) Death Benefits, totaling \$61,500.00. On a motion by Mr. Kole, seconded by Mr. Perk, the Committee unanimously approved payment of the Death Benefits.

The Assistant Secretary turned the Committee's attention to the Anthony Crumpton case which had been held in abeyance at the last meeting in order that the Plan Attorney and Mr. Ashley could review the case and make a determination as to whether this employee should be placed under Rule No. 21 or Rule No. 16. The Assistant Secretary then turned the Committee's attention to a report in the meeting material and asked the Plan Attorney to expound on the matter. The Plan Attorney explained the report and the circumstances involved in the case and recommended that Mr. Crumpton be treated as an employee under Rule No. 16 and be allowed to repay his refunded contributions according to the program which he has proposed, i.e., payment of approximately one-half of the monies he owed, \$1500.00 now and the remainder by the end of the year. Mr. Kole made a motion to accept the recommendation presented by the Plan Attorney that Mr. Crumpton be placed under Rule No. 16 and his repayment schedule of \$1500.00 now and the balance of \$1617.76 by year end be accepted. Mr. Thomas seconded the motion. On the question, Mr. Andersen asked for what period of time would Mr. Crumpton receive service credit. The Assistant Secretary responded that Mr. Crumpton would receive credit going back to his original entered service date of January 1979 up to and including the present. After a discussion between the Plan

Attorney and Committee Members, the Committee unanimously approved the motion.

The Assistant Secretary informed the Committee that Vernon Mitchell and Charles C. Jones, both of whom had been on the Disability Retirement rolls, had returned to duty.

The Assistant Secretary turned the Committee's attention to the next item on the agenda, a report by the Plan Attorney regarding the ownership of the Harris Trust & Savings Bank which had been requested by Mr. Thomas. The Plan Attorney asked that this matter be deferred to the next meeting to permit him to meet with representatives of Harris Trust. A discussion ensued during which Mr. Thomas requested that representatives from the Secretary's Office as well as Committee Members be involved in the meeting.

The Assistant Secretary turned the Committee's attention to the matter of the Real Estate Subcommittee membership and noted that as a result of the change in Committee Membership with respect to the Local 241 officers, the position on the Real Estate Subcommittee previously held by Mr. Weatherspoon should be filled and called for nominations. Mr. Thomas nominated Mr. Gresham to fill the vacancy, Mr. Kole seconded the nomination. There being no further nominations, the Committee unanimously approved.

The Assistant Secretary turned the Committee's attention to a letter in the meeting material from Mr. Robert Harrell of Lowry, Raclin, Harrell & Howerdd (a copy is attached to these Minutes) which recommended the revision of the equity investment restructure which was adopted at the June 18, 1984 Retirement Allowance Committee meeting. The Assistant Secretary explained the revision in the investment restructure as recommended by Mr. Harrell. A discussion

ensued between Committee Members after which Mr. Kole made a motion to accept Mr. Harrell's recommendation for the revision of the equity investment restructure. ~~Mr. Flowers seconded the motion, and the~~ Committee unanimously approved.

The Assistant Secretary turned the Committee's attention to and explained the 1985 Retirement Plan Budget which was being presented for approval by the Committee. A discussion ensued during which Mr. Andersen requested that the Committee Members be provided with a report which included the 1983 and 1984 budget figures as well in order that a comparison could be done. The Assistant Secretary noted that this could be done. Mr. Kole made a motion for approval of the 1985 Retirement Plan Budget as submitted by the Assistant Secretary, Mr. Kasmer seconded the motion, and the Committee unanimously approved.

Mr. Kole brought to the Committee's attention a proposal for the ex-Chairman of the Committee, Mr. John Weatherspoon, to become a Pension Coordinator-Liaison with the Retirement Plan. Mr. Kole stated that he would not serve in a full time capacity for the Committee, but that he would have other duties for the Authority in the Chairman's Office. He further noted that the Committee would contribute \$25,000 annually towards his compensation. The duties for the Committee would generally be to promote and provide educational information to retirees regarding both benefits and the financial status of the Plan. Mr. Kole made a motion to accept the proposal and Mr. Flowers seconded the motion which was subsequently revised. Mr. Kasmer inquired as to the length of the term. Mr. Thomas stated that he thought it would behoove the Committee to find out what duties Mr. Weatherspoon would be performing for the

Authority. A discussion ensued between Messrs. Thomas, Kasmer, Gresham, Kole, Breckenridge, O'Connor, Andersen and Burke during

which it was agreed that Mr. Weatherspoon's duties for the Authority would be made available to the Committee. Mr. Kole's motion was revised as follows: That the Committee retain Mr. John Weatherspoon as Pension Coordinator-Liaison, at the rate of \$25,000 per annum through December 31, 1985. Mr. Thomas amended the motion so that Mr. Weatherspoon's effective date of hire would be August 20, 1984. Mr. Kole stated that he accepted the amended motion. Mr. Flowers also accepted the revised and amended motion. The Committee approved the revised amended motion as follows: Messrs. Andersen, Andrzejewski, Flowers, Gresham, O'Connor, Kole, Perk, Thomas and Ms. Black voted yes. Mr. Kasmer voted no.

There being no further business, on a motion by Mr. Kole, seconded by Mr. Thomas, the Committee unanimously agreed to adjourn at 11:53 A.M.

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SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

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CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

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DATED SEPTEMBER 17, 1984