

A G E N D A

FOR THE 436TH RETIREMENT MEETING OF APRIL 15, 1985

1. Meeting will be called to order at 10:30 A.M., Western Stage House, 14th floor, Holiday Inn Mart Plaza.
2. Approval of Minutes of the 435th Meeting held March 18, 1985.
3. Report by Trustee.
4. Announcements of Deaths Reported since last meeting.
5. Presentation of Survivorship Options.
6. Announcements of Pre-Retirement Surviving Spouse Allowances.
7. Presentation of New Applications for approval.
8. Employees on Disability Retirement re-examined.
9. Presentation of Refunds of Contributions to be paid April 30, 1985.
10. Report by Secretary of Deposits, Disbursements and Investments.
 - a.) Report on payment on the Certificate of Indebtedness for 1981 Employer Contributions.
 - b.) Report on Price to Book ratio of the S & P 400.
11. Presentation of Bills and Remittances.
12. Death Benefits for approval.
13. Unfinished Business.
 - a.) Report on cost of expansion of office space at 440 N. Wells to accommodate monthly Committee Meeting.
 - b.) Fiduciary Liability Insurance coverage for Retirement Allowance Committee - Report by Plan Attorney.
14. New Business.
 - a.) Mornar, John J. - retired 02/01/85 - Question regarding his selection of the normal form of benefit payment - Report by Plan Attorney.
 - b.) Capital Advisors, Inc. - One year term to perform securities lending ends 07/15/85.
 - c.) Report on results of telephone poll - re: expansion of facilities at Woodfield Business Center.

14. New Business (con't.)

d.) Report on closing of Country Lakes Apartments Commitment.

15. Adjournment.

The Secretary presented twelve (12) Refunds of Contributions for approval, totaling \$117,719.58. The comparison figures for the same period of time one year ago were ten (10) Refunds, totaling \$68,710.14. On a motion by Mr. Perk, seconded by Mr. Thomas, the Committee unanimously approved the Refunds of Contributions to be paid April 30, 1985.

The Secretary turned the Committee's attention to the Trustee Summary and presented the report of Deposits, Disbursements, and Investments noting that the total portfolio had a market value of \$602,929,252.92 at a cost of \$566,628,625.59.

The Secretary turned the Committee's attention to the matter of the Certificate of Indebtedness and asked Mr. Mullen to expound. Mr. Mullen noted that the 3rd installment of the 36 principal payments was made by the Authority on March 31, 1985 and received by the Harris Bank on April 1, 1985 which is why it was not shown in the report this month.

The Secretary informed the Committee that as of March 31, 1985 the S&P 400 Price to Book ratio stood at 1.55, which is virtually no change from February's level of 1.56.

The Secretary reported that there was one (1) Chicago Transit Authority bill, totaling \$44,489.29; twenty-two (22) Operating bills, totaling \$117,324.32; nine (9) Remittances, totaling \$419,577.33; and the FIT Deposit, totaling \$106,716.01, to be approved for payment. On a motion by Mr. Flowers, seconded by Mr. Perk, the Committee unanimously approved payment of the bills and remittances, totaling \$688,106.87, to be paid April 30, 1985.

The Secretary presented for approval twenty-eight (28)

Death Benefits, totaling \$74,500. The comparison figures for the same period of time one year ago were twenty-six (26) Death Benefits, totaling \$69,500. On a motion by Mr. Bartkowicz, seconded by Mr. Nagle, the Committee unanimously approved payment of the Death Benefits.

The Secretary turned the Committee's attention to the meeting material which included a cost analysis for the addition of a conference room at 440 N. Wells to accommodate the Committee's monthly and special meetings. The Secretary noted that representatives from 440 N. Wells had drawn up a plan for a room which would accommodate 30 people, a total of 419 square feet, at a cost of \$6,071 annually; he further noted that the cost for furniture was approximately \$3,300. The Secretary also noted that in contrast to this the cost of rental of space at the Holiday Inn was approximately \$154.00 per month. The Chairman asked the Committee if they wished to take any action on this matter at this time. A discussion ensued during which Mr. Thomas made a motion that the meetings continue to be held at the Holiday Inn, Mr. Reed seconded the motion. On the question, Mr. Andersen asked if all Committee Meetings would be held at the Holiday Inn; and, why we could not resume holding the meetings in the Board Room. The Chairman responded that Mr. Gallagher had expressed a desire to move the location of the meetings. After Mr. Bartkowicz stated that he felt it would be more appropriate to hold this matter in abeyance until Mr. Gallagher was present. The Chairman stated that it was important that the Committee know where the monthly meetings were going to be held and that Mr. Gallagher could always bring the matter before the Committee again at a later

time. On a call by the Chairman for approval of the motion to continue to hold the meetings at the Holiday Inn, all Committee Members except Mr. Bartkowicz voted in the affirmative.

At the request of the Secretary for a report on the Fiduciary Liability Insurance, the Plan Attorney noted that it was brought out at the last meeting the Fiduciary Liability Insurance Policy will expire in mid-1985 and it was requested that the possibilities be explored for a replacement policy, with a cost breakdown if possible, for the Retirement Allowance Committee only as opposed to the present joint policy with the Authority. The Plan Attorney stated that the quotes had not been received as yet but would be brought to the Committee for action upon receipt, hopefully by the next meeting. The Secretary made a motion that the matter be held in abeyance until the next meeting, Mr. Flowers seconded the motion, and the Committee unanimously approved.

The Secretary brought to the Committee's attention a question regarding the selection of a normal form of benefit payment by John J. Mornar at the time of his retirement and asked the Plan Attorney to expound. The Plan Attorney stated that there was a question raised regarding Mr. Mornar, who retired February 1, 1985, and whose application for retirement was approved by the Committee in January. The Plan Attorney noted that under the benefit payment which Mr. Mornar selected there was no benefit for his spouse. Mr. Mornar has now raised a question about the circumstances of the benefit election and if it might be looked at by the Committee. The Plan Attorney further stated that he will look at Mr. Mornar's file and report back to the Committee at the next meeting.

The Secretary informed the Committee that the one year term for Capital Advisors, the firm which handles the Securities Lending Program, would expire on July 15, 1985. The Secretary gave a brief review of the firm's relationship with the Fund. The Secretary then asked Mr. Mullen to expound on the matter. Mr. Mullen turned the Committee's attention to a report in the meeting material which he explained to the Committee. A discussion ensued between Committee Members and Mr. Schedler during which Mr. Andersen asked if the Harris could perform a similar service and what the cost would be. Mr. Schedler responded that they could. The Chairman asked Mr. Schedler if he could present a report at the next meeting. Mr. Schedler stated that he would do so.

The Secretary informed the Committee that the recent telephone poll which he conducted regarding the expansion of facilities at Woodfield Business Center resulted in unanimous approval.

The Secretary turned the Committee's attention to the matter of the closing of the Country Lakes Apartments commitment and asked Mr. Mullen to explain. Mr. Mullen noted that the total commitment by the Fund was \$9 million, \$8.26 of which was transferred on April 1, 1985, the time of the initial funding. The Plan Attorney further explained the investment for the new Committee Members. The Secretary noted that Dr. Zerbst would be in attendance at the next Committee meeting to review the present state of all investments and to present the quarterly real estate report.

The Secretary informed the Committee of a request by Mr. Flowers to have the subject of the resumption of the payment of contributions to the Plan addressed by the Committee. Mr. Flowers

then read a letter, dated April 10, 1985, addressed to the Committee Members informing them that they would have before them a request that the Plan file suit against the Authority to compel them to honor the contribution obligation. A discussion ensued between the Committee Members and the Plan Attorney during which the Plan Attorney recommended that a letter from the Committee be sent to the Authority inquiring as to why payments of contributions were not being made to the Retirement Plan. The Plan Attorney further suggested that a 5-7 day period be given for receipt of a response before any other action is taken. After further discussion, Mr. Flowers made a motion that a letter be sent to the Authority, as outlined by the Plan Attorney, and that seven (7) days from the date of the letter is sent to the Authority a Special Meeting of the Committee be called whether a response was received or not to discuss any further action, Mr. Reed seconded the motion, and the Committee unanimously approved.

Mr. Flowers requested that the Secretary place on the Agenda for the May Committee Meeting the vote of the Transit Board Members at the April 5 Transit Board Meeting regarding the resumption of employer contribution payments. The Secretary asked for clarification of the request. Mr. Flowers stated that he would like an explanation as to why Mr. Gallagher voted against the resumption of the payments. The Secretary asked the Plan Attorney if this was an appropriate item to be placed on the agenda. The Plan Attorney stated that it was. Mr. Bartkowicz stated that he did not feel that it was an appropriate question to ask of Mr. Gallagher and further requested that the record show that he would vote against having an item of this nature placed on the agenda. The Chairman noted that any Committee Member could request that an item be placed on the agenda without a Committee vote.

There being no further business, on a motion by Mr. Flowers, seconded by Mr. Bartkowicz, the Committee unanimously agreed to adjourn at 11:54 A.M.

SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED _____