

A G E N D A

FOR THE 441ST RETIREMENT MEETING OF SEPTEMBER 16, 1985

1. Meeting will be called to order at 10:30 A.M., Western Stage Room, 14th floor, Holiday Inn Mart Plaza.
2. Approval of the Minutes of the 440th Meeting held August 16, 1985.
3. Report by Trustee.
4. Second Quarter 1985 Real Estate report by Dr. Zerbst.
5. Second Quarter 1985 Merrill Lynch Report -- Robert Moseson and Les Golembo.
6. Announcements of Deaths Reported since last Meeting.
7. Presentation of Survivorship Options.
8. Announcements of Pre-Retirement Surviving Spouse Allowances.
9. Presentation of new applications for approval.
10. Employees on Disability Retirement re-examined.
11. Presentation of Refunds of Contributions to be paid September 30, 1985.
12. 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.
13. Presentation of Bills and Remittances.
14. Death Benefits for approval.
15. Unfinished Business.
 - a.) Status report on the Investment Consultant Search.
 - b.) Assignment of New Pension Seniority Dates as a result of the non-payment of Contribution refunds within a 13 month period as provided in Rule 21.

NAME	REINSTATEMENT DATE	ENTERED SERVICE DATE	AMOUNT OWED
John J. Adams	11-21-83	06-17-77	\$ 4,535.64
Albert A. Armes	02-06-84	01-05-78	4,305.07
Mike Batista	04-09-84	01-16-75	8,450.05
Michael G. Boyk	05-14-84	07-12-71	11,147.56
Gloria J. Cage	03-12-84	05-16-77	4,266.98
Joyce A. Carbins- Sayles	03-28-84	03-02-79	2,154.57
Fred Gandy	01-19-84	02-06-80	1,676.28
Roscoe R. Jasper	03-19-84	03-21-68	11,750.09
Barbara C. Johnson	07-26-84	01-23-78	2,598.17
Curtis V. Johnson	08-31-83	01-18-74	7,234.75
Loistine Johnson	04-09-84	10-10-77	2,660.70
Alexander Larkin	01-17-84	02-07-80	1,955.94
Eumura Miller	01-23-84	12-10-79	2,036.59
Randy B. Roberts	01-17-84	05-07-80	1,446.40
Vera M. Tucker	01-17-84	10-23-75	3,579.15
Warren E. Tyson	05-07-84	02-13-69	12,852.72
Sylvia T. Walker	02-06-84	12-13-79	1,815.43
Booker T. Washington	01-19-84	04-30-80	1,439.33

c.) 1986 Retirement Plan Budget.

16. New Business.

- a.) Ralph V. Green - reinstated 01-26-85 -- repaid refund of \$1,454.46 on 08-16-85 -- pension seniority date restored to original entered service date of 05-08-80.
- b.) George Rivera - D-2273 -- retired 07-01-84 -- returned to duty 08-30-85.
- c.) Samuel Highsmith - D-2259 -- retired 03-01-84 -- returned to duty 09-01-85.
- d.) Michael Caffrey - approved for 09-01-85 retirement at 08-16-85 Retirement Allowance Committee Meeting -- returned to duty 08-22-85.
- e.) John J. Lenore - deceased active employee -- report by Plan Attorney on designated beneficiary.

16. Update report on ex-security department employees who have not worked since 09-29-81 and who are eligible to vest or retire. Status report on litigation brought by these employees. Report by Plan Attorney.

17. Adjournment.

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 441st Meeting of the Retirement Allowance Committee was held Monday, September 16, 1985, at 10:30 A.M.. in the Western Stage Room, 14th Floor, Holiday Inn Mart Plaza. The following were in attendance:

Mr. C. Andersen	Mr. G. Nagle
Ms. W. Black	Mr. D. Perk
Mr. E. Flowers	Mr. I. Thomas
Mr. A. Kasmer, Jr.	

The Secretary noted that in the absence of the Chairman and Vice Chairman it was necessary to appoint a Chairman Pro Tempore. On a motion by Ms. Black, seconded by Mr. Kasmer, the Committee unanimously appointed Mr. E. Flowers as Chairman Pro Tempore. Mr. L. Morris, alternate for Mr. E. Gresham, was present. The Chairman appointed Mr. O'Connor to sit in Mr. Gallagher's stead. Mr. Jania was appointed to sit in Mr. Andrzejewski's stead. Messrs. L. Brown, H. Reed, H. Hegarty, H. Reddrick, and H. Williams were also present. Messrs. J. Mullen, W. Ross, and Ms. C. Cox were present. Messrs. W. Ashley and J. Weatherspoon were present. Messrs. G. Schedler and C. Coleman of the Harris Trust & Savings Bank were present. Mr. R. Burke, the Plan Attorney, was present. Dr. R. Zerbst of Piedmont Realty Advisors, Inc. was present.

Messrs. R. Moseson and L. Golembo of Merrill, Lynch were present. Mr. B. Scholz, pensioner representative, was also present.

The Chairman Pro Tempore called the Meeting to order at 10:45 A.M.

Mr. Thomas turned the Committee's attention to and distributed a letter, dated September 10, 1985, which outlined changes in the Alternate Committee Members who represent Local 241. (A copy is on file in the Secretary's Office).

The Chairman Pro Tempore called for approval of the Minutes of the 440th Meeting, held August 16, 1985. On a motion by Mr. Perk, seconded by Mr. Andersen, the Committee unanimously approved the Minutes of the 440th Meeting.

Mr. G. Schedler of the Harris Trust & Savings Bank distributed copies of and explained to the Committee a report on the activity in the market for the last 30-day period.

Dr. Zerbst of Piedmont Realty Advisors presented the June 30, 1985 Operating Report for the Direct Real Estate investments. He noted that the direct investments will be appraised by independent, third party appraisers retained by the Trustee and performed in the fourth quarter of each year. He also informed the Committee that with respect to the 3660 N. Lake Shore Drive mortgage, the borrower has obtained permanent and construction financing noting that on September 4, 1985 notice was given to us that the note will be repaid. Dr. Zerbst further noted that the Plan has the option to take a 10 per cent interest in profits on phases 2 and 3, and must exercise this op-

tion by October 6, 1985. The Plan Attorney indicated that the necessary papers will be drawn up by Dr. Zerbst and recommendation will be made to the Harris Bank to accept the option. Dr. Zerbst then briefly reviewed the second quarter Real Estate Portfolio report and responded to various questions from the Committee Members.

Messrs. R. Moseson and L. Golembo presented the second quarter Merrill, Lynch report to the Committee.

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

The Secretary informed the Committee that there were three (3) Survivorship Options for approval. The Secretary requested that the option for Earlie L. Bryant be approved pending receipt of a statement from his attending physician and approval by the Authority's Medical Department. On a motion by Mr. Perk, seconded by Mr. Andersen, the Committee unanimously approved the Survivorship Options, including the option for Mr. Bryant pending receipt of the necessary documentation and approval by the Authority's Medical Department.

The Secretary informed the Committee that there were no Pre-Retirement Surviving Spouse Allowances to report.

The Secretary presented eleven (11) new Retirement Applications for approval. On a motion by Ms. Black, seconded by Mr. Nagle, the Committee unanimously approved the Applications for Retirement.

The Secretary reported that four (4) employees

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

The Secretary presented fifteen (15) Refunds of Contributions for approval, totaling \$118,953.69. The comparison figures for the same period of time one year ago were twelve (12) refunds, totaling \$91,562.55. On a motion by Mr. Perk, seconded by Ms. Black, the Committee unanimously approved the Refunds of Contributions to be paid September 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 \$628,479,766.54 at a cost of \$577,769,215.49.

The Secretary turned the Committee's attention to the report on the payment on the Certificate of Indebtedness and asked Mr. J. Mullen to expound. Mr. Mullen informed the Committee that a payment of \$705,829.38 had been received on August 2, 1985.

The Secretary informed the Committee that the Price to Book ratio of the S & P 400 stood at 1.59 which requires the Plan to be at a 60 per cent equity exposure which is where the Plan is at the present time.

The Secretary reported that there was one (1) Chicago Transit Authority bill, totaling \$33,476.29. The Secretary further informed the Committee that the Chicago Transit Authority invoice for \$33,476.29 was being fully credited by the Authority as a result of his negotiations with the Authority for

recovery of fringe benefit overcharges on the labor portion of the bill for the pension expenses. He further noted that these charges dated back to January 1983 and total \$37,251.29 and relate to the method that the CTA is required to bill for its numerous job orders; specifically, an amount for pension contributions was incorrectly included in the CTA overhead rate of 43.0 per cent for 1983 and 46.5 per cent for 1984 and is now being refunded to the Plan. The remaining credit due of \$3,775.00 will be deducted from the next invoice. The Secretary informed the Committee that there were eighteen (18) Operating bills, totaling \$100,220.44; nine (9) Remittances, totaling \$416,271.72, and the FIT Deposit, totaling \$116,045.45, for approval. On a motion by Mr. O'Connor, seconded by Ms. Black, the Committee unanimously approved payment of the bills and remittances, totaling \$632,507.61, to be paid September 30, 1985.

The Secretary presented for approval twenty-three (23) Death Benefits, totaling \$66,500. The comparison figures for the same period of time one year ago were eighteen (18) Death Benefits, totaling \$38,000. On a motion by Ms. Black, seconded by Mr. Nagle, the Committee unanimously approved the Death Benefits.

The Secretary moved that in the absence of the Chairman and Vice Chairman, who were both members of the Investment Search Subcommittee, the report on the Investment Consultant Search be held over for a possible meeting of the subcommittee prior to reporting back to the full Committee at the next

meeting. A discussion ensued during which Mr. Perk asked a question about how the matter of Lowry's inclusion of real estate monitoring, which is now performed by Dr. Zerbst, was resolved as he was unable to attend the last subcommittee meeting. The Secretary indicated that letters from the Plan Attorney confirming his telephone conversations with Mr. Robert Harrell and Mr. Ned Joachimi would address the issue of the fee schedules. (A copy of these letters are attached to these minutes). After further discussion between the Chairman Pro Tempore, Mr. Perk, the Secretary, and the Plan Attorney, the Secretary's original motion was seconded by Mr. Thomas, and unanimously approved by the Committee.

The Secretary turned the Committee's attention to the next item on the agenda, the assignment of new pension seniority dates as a result of the non-payment of contribution refunds within a 13 month period as provided in Rule No. 21. The Secretary noted that the names on the list had been presented to the Committee at their previous meeting at which time the Committee felt that it would be appropriate to give these individuals a one month extension period. He further noted that some of the Committee Members had expressed a desire to contact some of the individuals on the list. The Secretary further noted that he had sent correspondence to all of the individuals indicating that they had 30 days for repayment, and no response had been received from any of the individuals. A discussion ensued between the Committee Members during which the Secretary

noted that each individual on the list had been sent correspondence on four different occasions informing them of the provisions of Rule No. 21. The Secretary noted that there was one individual whose name was on the list last month who has repaid his refund as indicated under Item 16(c) on the agenda. The Secretary then asked those Committee Members who had expressed a desire to contact certain individuals for any feedback.

Mr. Thomas stated that he was unsuccessful in his attempt to reach the individuals he was to contact. The Chairman Pro Tempore noted that he had contacted two of the four individuals but they were unable to adhere to the repayment schedule as outlined under Rule No. 21. After further discussion, the Secretary made a motion that new pension seniority dates be assigned to those individuals whose names appear on the list, Ms. Black seconded the motion. On the question, Mr. Kasmer expressed his concern about the pension rights of a Mr. Peter Flynn. After a discussion between the Plan Attorney and Committee Members, the Plan Attorney stated that he would review Mr. Flynn's file as well as that of Mr. James LaFollette as requested by Mr. Thomas. The Committee unanimously approved the assignment of a new pension seniority date for the following individuals:

Name	New Pension Seniority Date
John J. Adams	11-21-83
Albert A. Armes	02-06-84
Mike Batista	04-09-84

Continued:

Name	New Pension Seniority Date
Michael G. Boyk	05-14-84
Gloria J. Cage	03-12-84
Joyce A. Carbins-Sayles	03-28-84
Fred Gandy	01-19-84
Roscoe R. Jasper	03-19-84
Barbara C. Johnson	07-26-84
Curtis V. Johnson	08-31-83
Loistine Johnson	04-09-84
Alexander Larkin	01-17-84
Eumura Miller	01-23-84
Randy B. Roberts	01-17-84
Vera M. Tucker	01-17-84
Warren E. Tyson	05-07-84
Sylvia T. Walker	02-06-84
Booker T. Washington	01-19-84

The Secretary turned the Committee's attention to the 1986 Retirement Plan Budget, a copy of which was included in the meeting material, and asked Mr. J. Mullen to expound. Mr. Mullen explained the budget figures to the Committee. Mr. Perk interjected that he has waited the better part of 5 months for a decision as to whether or not the Fund is going to pay for him to attend the International Employee Benefit Plan Seminar in Hawaii. A discussion ensued between Committee Members during which Messrs. Andersen and Kasmer noted that they too had submitted a request to attend the seminar and had not received a response. The Secretary noted that all requests had been forwarded to the Chairman of the Committee as soon as they were received, however, he had not received a response from the Chairman either. Mr. Perk made a motion that the Members who had requested attending the seminar, himself, Mr. Andersen, and

Mr. Kasmer either be approved or disapproved by the Committee at this time. Mr. O'Connor seconded the motion. Mr. Perk requested that his motion be altered to read that the request for attendance at the seminar in Hawaii be placed before the Committee for approval at this time. Mr. O'Connor seconded the motion, and the Committee unanimously approved.

Mr. Mullen then completed the report on the 1986 Retirement Plan Budget. Mr. Nagle made a motion that the budget be accepted as presented, Mr. Thomas seconded the motion, and the Committee unanimously approved.

The Secretary informed the Committee that Ralph V. Green, who was reinstated, had repaid his refunded contributions, and his pension seniority date was restored to his original entered service date of May 8, 1980.

The Secretary informed the Committee that Samuel Highsmith and George Rivera, who were on disability retirement, had returned to duty. He further noted that Michael Caffrey, who had been approved for a September 1, 1985 disability retirement at the August 16, 1985 meeting, had returned to duty.

The Secretary brought before the Committee the case of John J. Lenore, a deceased active employee, noting that there were some questions posed by the spouse of the deceased regarding the designated beneficiary. The Secretary then asked the Plan Attorney to expound. The Plan Attorney stated that Mr. J. Lenore died on June 20, 1985 and under the standard form

of beneficiary designation he had identified as his beneficiary, Bobbye Jean Lenore, who he identified as his wife. Subsequent to the time of that beneficiary designation, he was divorced from Bobbye Jean Lenore and married a lady by the name of Betty. Upon his death, Betty Lenore's attorney contacted the Secretary's Office and made claim to the benefits. Subsequently, another attorney contacted the office seeking the benefit for an individual claiming she is the mother of a child fathered by Mr. Lenore. The Plan Attorney recommended that the Committee resolve to disburse benefits pursuant to the beneficiary designation on file in the Secretary's Office unless litigation is initiated by another claimant in which event the Committee will withhold disbursement pending a court order designating a recipient or a court order requiring deposit of the benefit with the Clerk of the Circuit Court for disbursement by the court. Mr. Thomas turned the Plan Attorney's recommendation into a motion, Mr. Kasmer seconded the motion, and the Committee unanimously approved.

The Secretary turned the Committee's attention to the next item on the agenda, an update on ex-Security Department employees who have not worked since 1981 and are eligible to vest or retire and the litigation brought by these employees, and asked the Plan Attorney to expound. The Plan Attorney noted that he did not have information regarding the current status of the litigation and asked that the matter be deferred and placed on the agenda for next month's meeting. After a brief discussion,

it was agreed that this matter be deferred and placed on the agenda for next month's meeting.

There being no further business, on a motion by Mr. Kasmer, seconded by Mr. Thomas, the Committee unanimously agreed to adjourn at 1:11 P.M.

SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED _____