

A G E N D A

FOR THE 445TH RETIREMENT MEETING OF JANUARY 21, 1986

1. Meeting will be called to order at 10:30 A.M., Steamboat Room, 14th floor, Holiday Inn Mart Plaza.
2. Approval of the Minutes of the 444th Meeting held December 16, 1985.
3. Introduction to venture capital investment - presentation by John Hancock Venture Capital.
4. Report by Trustee.
5. Presentation of January 1, 1986 retirement applications for approval.
 - a.) Robert Boldon - approved for 12-01-85 disability retirement at the November 25, 1985 meeting. Request that this retirement be made retroactive to 11-01-85.
 - b.) Herman Johnson - request for retroactive disability pension to 11-01-85.
 - c.) Hazel S. Love - request for retroactive disability pension to 12-01-85.
 - d.) Ronald B. Donnelly - request for retroactive disability pension to 12-01-85.
6. Announcement of Deaths Reported since last Meeting.
7. Presentation of Survivorship Options.
8. Announcement 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 January 31, 1986.
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 date 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
Sterling E. Battle	12-12-84	08-09-74	\$ 7,893.82

- c.) Renewal of contract for consulting services of Mr. William Ashley -- current contract expires on 12-31-85.

16. New Business.

- a.) Frank J. Klekovich - revoked his application for retirement which was to have become effective 01-01-86.
- b.) Application of 3% interest on accumulated employee contributions in accordance with section 15.6(c) of Plan.
- c.) 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.
- d.) Set February, 1985 meeting date.

17. Adjournment.

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 445th Meeting of the Retirement Allowance Committee was held Tuesday, January 21, 1986, at 10:30 A.M., in the Steamboat Room, 14th Floor, Holiday Inn Mart Plaza. The following were in attendance:

Mr. C. Andersen
Mr. E. Flowers
Mr. E. Gresham

Mr. A. Kasmer
Mr. G. Nagle

The Secretary noted that Mr. R. Jania was sitting in Mr. Andrzejewski's stead; and Mr. R. O'Connor was sitting in Mr. Perk's stead. Mr. H. Reed, alternate for Ms. Black was present. Mr. L. Morris, alternate for Mr. Thomas, was present. Neither Mr. Gallagher nor his alternate was present. Messrs. L. Brown, H. Williams, and H. Hegarty were present. Mr. J. Mullen and Ms. C. Cox were present. Mr. W. Ashley was also present. Mr. G. Schedler of the Harris Trust and Savings Bank was present. Mr. F. Foster of the Plan Attorney's Office was present. Messrs. R. Troy and W. Johnston of John Hancock Venture Capital Management, Inc. were present. Mr. B. Scholz, pensioner representative, was also present.

In the absence of the Chairman, the Vice Chairman called the Meeting to order at 10:44 A.M.

The Vice Chairman called for approval of the

Minutes of the 444th Meeting, held December 16, 1985. On a motion by Mr. Flowers, seconded by Mr. O'Connor, the Committee unanimously approved the Minutes of the 444th Meeting, held December 16, 1985.

Messrs. W. Johnston and R. Troy of John Hancock Venture Capital Management, Inc. gave a slide presentation which introduced and explained to the Committee a form of investing known as venture capital noting the accomplishments in this area by John Hancock Venture Capital Management, Inc., which is a wholly-owned subsidiary of the John Hancock Company.

Mr. G. Schedler of the Harris Trust and Savings Bank presented the Trustee's Report on the activity in the market for the last 30-day period as well as the calendar year end.

The Secretary presented the January 1, 1986 retirement applications listing which had been approved for processing pending presentation of the list to the Committee at this meeting. The Secretary asked that Mr. Herman Johnson's name be removed as Mr. Johnson passed away on December 24, 1985. The Secretary further noted that the list included a request for a November 1, 1985 retroactive Disability Retirement for Robert Bolden; and requests for a December 1, 1985 retroactive Disability Retirement for Hazel S. Love and Ronald B. Donnelly. On a motion by Mr. O'Connor, seconded by Mr. Reed, the Committee unanimously approved the retirements as presented.

The Secretary made the Announcement of Deaths since the last Meeting, as per the attached list.

The Secretary informed the Committee that there

were two (2) Survivorship Options for approval; including an option for Leon T. LeRoy, Jr. pending receipt of proof of age of spouse and marriage certificate. On a motion by the Secretary, seconded by Messrs. Jania and Flowers, the Committee unanimously approved the Survivorship Options, including the option for Mr. LeRoy pending receipt of above-mentioned documents.

The Secretary informed the Committee that there was one (1) Pre-Retirement Surviving Spouse Allowance to report which became effective December 1, 1985.

The Secretary presented twenty-seven (27) new Retirement Applications for approval with a request that the disability retirement application for John F. Lowery be removed pending receipt of the results of medical tests, and if the employee qualified his retirement date would be retroactive to February 1, 1986; the disability retirement application for Gloria Danzie be approved pending receipt of approval from the CTA Medical Department; and a January 1, 1986 retroactive retirement for James Buford whose papers were received late due to no fault of the employee. A motion for approval was made by Mr. Flowers and seconded by Mr. Reed. On the question, Mr. Hegarty asked that a review of the file for Patrick O'Malley be made regarding this employee's years of service. A discussion ensued between Committee Members after which the motion was amended to include a review of the number of years of service on the retirement application for Patrick O'Malley. The Committee unanimously approved the amended motion.

The Secretary reported that two (2) employees

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

The Secretary presented twenty-one (21) Refunds of Contributions for approval, totaling \$160,065.16. The comparison figures for the same period of time one year ago were fifteen (15) Refunds, totaling \$129,904.27. On a motion by Mr. Morris, seconded by Mr. Reed, the Committee unanimously approved the Refunds of Contributions to be paid January 31, 1986.

The Secretary reported that there was one (1) Chicago Transit Authority bill, totaling \$38,285.11; twenty-three (23) Operating bills, totaling \$102,907.15; ten (10) Remittances, totaling \$442,191.71; and the FIT Deposit, totaling \$116,921.30, for approval. On a motion by Mr. Kasmer, seconded by Mr. Morris, the Committee unanimously approved payment of the Bills and Remittances, totaling \$700,305.27, to be paid January 31, 1986.

At the Secretary's request, Mr. J. Mullen presented a report on the payment of the Certificate of Indebtedness noting that a payment of \$705,829.38 had been remitted by the Authority. He further noted that a semi-annual interest payment in the amount of \$409,342.80 had been remitted. Mr. Mullen further informed the Committee that a payment of \$758,052.25 for 3% of employer contributions for the month of November had also been received.

The Secretary informed the Committee that on December 31, 1985 the Price to Book ratio stood at 1.75 which requires a 50% equity exposure level. He further noted that the reduction was two-thirds complete, that is, 57.1 million

dollars of a total of 86.2 million earmarked for reduction had been liquidated. The Secretary further informed the Committee that the reduction would be complete by January 31, 1986.

The Secretary presented for approval twenty (20) Death Benefits, totaling \$56,500. The comparison figures for the same period of time one (1) year ago were twenty-six (26) Death Benefits, totaling \$73,000. On a motion by Mr. Kasmer, seconded by Mr. Jania, the Committee unanimously approved.

In response to a request by the Vice Chairman for a status report on the Investment Consultant Search, the Secretary noted that no Subcommittee Meeting had been held regarding this matter. The Vice Chairman requested that the Secretary call a meeting of the Subcommittee as soon as possible.

The Secretary informed the Committee that Sterling E. Battle, who had been granted a 30-day extension for repayment of refunded contributions had not made payment and, therefore, it was his recommendation Mr. Battle be assigned a new pension seniority date of December 12, 1984. On a motion by Mr. Kasmer, seconded by Mr. Jania, the Committee unanimously approved.

The Vice Chairman turned the Committee's attention to the matter of the renewal of the consultant contract for Mr. William Ashley, which expired on December 31, 1985 and which had been held in abeyance at the last meeting. Mr. Flowers posed a question as to what formula would be used to determine what

Mr. Ashley's cost of living increases would be. A discussion ensued between Committee Members and Mr. Foster of the Plan Attorney's Office during which it was agreed that the portion of the contract regarding the cost of living would be rewritten and that 60% of the Chicago area consumer price index would be used to calculate Mr. Ashley's cost of living increases. Mr. Morris made a motion that Mr. Ashley's consultant contract be approved with the aforementioned revisions, Mr. Flowers seconded the motion, and the Committee unanimously approved.

The Secretary informed the Committee that Frank J. Klekovich revoked his January 1, 1986 application for retirement.

The Secretary noted that in accordance with Section 15.6(c) of the Plan, it was necessary to approve the application of interest on accumulated employee contributions. On a motion by the Secretary, seconded by Mr. Morris, the Committee unanimously approved the application of three (3) percent interest on accumulated employee contributions.

At the request of the Vice Chairman, Mr. Foster of the Plan Attorney's Office presented an update report on the ex-Security Department employees who were displaced in 1981 and are now eligible to vest or retire and had filed suit against the Authority. Mr. Foster informed the Committee that this matter was still unresolved and Mr. Burke would provide more information as soon as it was available.

The Secretary noted that due to the observance of Presidents' Day on Monday, February 17, 1986 it was necessary

that the Meeting be held on another day. After a brief discussion, the Secretary made a motion that the February Retirement Allowance Committee Meeting be held on Tuesday, February 18, Mr. Kasmer seconded the motion, and the Committee unanimously approved.

The Secretary informed the Committee that Melvin P. Drane had failed to repay his refunded contributions within the 13-month period allotted, however, to be consistent with recent past practices the Secretary made a motion that Mr. Drane be granted a 30-day repayment extension; Messrs. O'Connor and Morris seconded the motion, and the Committee unanimously approved.

There being no further business, on a motion by Messrs. O'Connor and Morris, seconded by Mr. Flowers, the Committee unanimously agreed to adjourn at 12:32 P.M.

Gregory C. Noyle
SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

Jean Sallyn

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED FEBRUARY 18, 1986