

A G E N D A

FOR THE 464TH RETIREMENT MEETING OF AUGUST 17, 1987

1. Meeting will be called to order at 9:30 A.M., Mark Beaubien Room, 16th floor, Holiday Inn Mart Plaza.
2. Approval of the Minutes of the Special Meeting held July 16, 1987 and the Minutes of the 463rd Meeting held July 20, 1987.
3. Report by Trustee.
4. Report by the Wyatt Company on the 01-01-87 actuarial valuation.
5. Announcement of deaths reported since the last Meeting.
6. Presentation of Survivorship Options.
7. Announcement of Pre-Retirement Surviving Spouse Allowances.
8. Presentation of new retirement applications for approval.
  - a.) Dennis McFadden - retroactive to 08-01-87.
  - b.) Anthony Scardina - retroactive to 08-01-87.
9. Employees on Disability Retirement re-examined.
10. Presentation of Refunds of Contributions to be paid August 31, 1987.
11. Presentation of Bills and Remittances.
12. Death Benefits for approval.
13. Report by Secretary of Deposits, Disbursements and Investments.
  - a.) Report on payment on the Certificate of Indebtedness for 1981 Employer Contributions.
  - b.) Report on status equity restructuring.
14. Unfinished Business.
  - a.) Discussion of the selection of the Plan Actuary and Plan Auditor.
  - b.) John Crayton - question of eligibility for disability allowance.
  - c.) Discussion of the real estate allocation of 20% per the investment policy.

15. New Business.

- a.) Leo A. Stern - rescinded his revocation of B-All Survivorship Option.
- b.) Edwin Munro, deceased - recovery of amounts paid because death was not reported.
- c.) Matthew Torrence - repaid refund of \$5,914.69 under Rule 26. Original seniority date -- June 27, 1977.
- d.) Steve Mason - D-2360 - returned to duty 07-20-87.
- e.) Robert Walker - D-2321 - returned to duty 07-23-87.
- f.) Assignment of new pension seniority date for David Collins, Jr. Thirty day extension to repay refund of \$15,318.80 expired August 9, 1987. New seniority date for pension purposes only - June 9, 1986.
- g.) Retirement Plan Budget - report by Secretary.
- h.) Discussion of the acquisition of Furman Selz by Xerox Financial Services, Inc.
- i.) Rescheduling of the September 21, 1987 Retirement Allowance Committee meeting.

16. Adjournment.

RETIREMENT PLAN  
FOR  
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 464th Meeting of the Retirement Allowance Committee was held Monday, August 17, 1987 at 9:30 A.M., in the Mark Beaubien Room, 16th floor, Holiday Inn Mart Plaza. The following Committee Members were in attendance:

Ms. W. Black	Ms. J. Hughes
Mr. E. Flowers	Mr. G. Nagle
Mr. E. Gresham	Ms. V. Wendorf
Mr. A. Kasmer, Jr.	
Mr. I. Thomas	

Alternates W. Buetow, L. Brown, L. Morris and H. Hegarty were present. Mr. Buetow sat in Mr. Perk's stead. Messrs. J. Mullen, R. Pirovano, W. Ross and Ms. P. Williams of the Pension Office staff were present. Mrs. G. Chevere was present. Ms. S. Luthy and Mr. C. Coleman of the Harris Trust and 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 9:43 A.M.

On the call for approval of the Minutes of the Special Meeting held July 16, 1987 and the Minutes of the 463rd Meeting held July 20, 1987, Mr. Thomas made a motion for approval, Mr. Morris seconded the motion, and the Committee un-animously approved. Ms. V. Wendorf noted that there should be a correction made in the Minutes of the 463rd Meeting on page

4, fourth paragraph, last sentence. The word "not" should be deleted and the Secretary stated that the Minutes would reflect this correction.

Ms. S. Luthy of the Harris Trust and Savings Bank presented the Trustee Report noting the activity in the market for the last 30 days and year to date.

Mr. J. Baratka of the Wyatt Company presented to the Committee a report dated June 30, 1987 on the Plan actuarial valuation.

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

The Secretary presented seven (7) Survivorship Options for approval, including a (B)-All option for Jack E. Thomas pending receipt of a physician's statement, CTA Medical Department opinion and receipt of proof of spouse's name change. The (A)-2/3 Option for Anthony Scardina is pending receipt of proof of age for spouse, marriage certificate and physician's statement. The Secretary noted that the option for Scardina could be approved without the Committee's ruling on the retirement application and requested a motion for approval. On a motion by Ms. Black, seconded by Mr. Morris, the Committee unanimously approved the Survivorship Options.

The Secretary announced that there was one (1) Pre-Retirement Surviving Spouse Allowance, as per the attached documentation.

The Secretary presented sixteen (16) Retirement Applications for approval. The Secretary noted that this total included two retirement applications submitted for Dennis McFadden and Anthony Scardina with requests for retroactivity to 8/1/87. He explained that these two employees were discharged on 7/27/87 and had filed proper retirement applications. He further noted that he was not in receipt of any information from the Authority which would preclude their qualification for retirement under the provision of Section 10.1 identifying the basis for the discharge as conduct constituting a felony. He therefore recommended that these applications be approved. A discussion ensued between Committee members regarding these two employee's applications and Mr. Thomas stated that he would like to have an explanation of why these two employees were discharged. Mr. Nagle responded that this information was not available to the Pension Office. Ms. Hughes indicated that these two employees had board hearings pending and suggested this issue be deferred. The Plan Attorney stated that there was no reason that these two applications could not be held pending the hearings until the September meeting, at which time the request for retroactivity back to August 1, 1987 could be considered. On a motion by Mr. Buetow, seconded by Mr. Thomas, the Committee unanimously approved the deferral of the applications for Dennis McFadden and Anthony Scardina until the next meeting. Wanda Black turned the Committee's attention to

the disability application of Jacquelyn Baldwin indicating that there was a request that her disability retirement application be retroactive to 3/1/86. Ms. Black noted that this employee never received pension benefits and had been cut off from Worker's Compensation and was not approved to return to duty. The Secretary stated that he would further research this case, but suggested that the application; which is in order for approval of a 9/1/87 effective date, be so approved now to avoid any further delay in benefits. He stated that the issue of retroactivity for Ms. Baldwin would be placed on the agenda for the next meeting. The Secretary also noted that the following employees retirement applications are all subject to medical evaluation: Jesse L. Barker, Randall J. Dunaj, Melvyn L. Dardy and Jacquelyn Baldwin. On a motion by Ms. Black, seconded by Mr. Morris, the Committee unanimously approved the Retirement Applications as presented.

The Secretary informed the Committee that twenty (20) employees who are presently receiving Disability Retirement benefits were examined or had their files reviewed.

The Secretary presented nineteen (19) Refunds of Contributions, totaling \$93,815.17, for approval. On a motion by Mr. Flowers, seconded by Mr. Morris, the Committee unanimously approved the Refunds of Contributions to be paid August 31, 1987.

The Secretary presented for approval one (1) Chicago Transit Authority Bill, totaling \$43,381.18, twenty-one (21) Operating Bills, totaling \$20,817.52; ten (10) Remittances, totaling \$435,156.47; and the 1st month, third quarter 1987 FIT Deposit, totaling \$175,191.12. On a motion by Mr. Morris, seconded by Mr. Kasmer, the Committee unanimously approved the Bills and Remittances totaling \$674,546.29 to be paid August 31, 1987.

The Secretary presented for approval twenty-seven (27) Death Benefits, totaling \$80,000.00. On a motion by Mr. Flowers seconded by Morris, the Committee unanimously approved payment of the Death Benefits, as per the attached list.

The Secretary turned the Committee's attention to the Report on Deposits, Disbursements and Investments in the Trustee Summary and noted that the market value of the total assets of the Plan as of July 31 was \$855,392,527.69.

Mr. J. Mullen then presented a report on the Certificate of Indebtedness noting that the monthly payment from the Authority had been received on July 31, amounting to \$705,829.38, leaving a balance of \$3,529,146.93. He also noted that the figure on the total deposits line should read \$6,575,820.52 and the disbursement line should read \$6,628,369.91. He also noted that the performance figures for the new managers had not been included in this report but will be included in next month's report.

The Secretary then stated that he and Mr. Mullen spent some time with the Wellesley Group in Boston discussing an International Equity allocation. He noted that Mr. Joachimi would be present at the next Committee meeting to present the case for international equities. He indicated that if the Committee decides to make an allocation then four issues would have to be addressed:

- 1) The amount of the allocation and the time period to get invested.
- 2) The South Africa investment issue.
- 3) The type of management active, passive, a combination, etc.
- 4) The manager selection process.

The Secretary then turned the Committee's attention to the selection of the Plan Actuary and Plan Auditor and recommended that this item be held in abeyance until the next meeting as all the proposals had not yet been received. On a motion by Mr. Nagle, seconded by Mr. Morris, the Committee unanimously approved that the selection of the Plan Actuary and Plan Auditor be held in abeyance until the next meeting.

The Secretary turned the Committee's attention to the John Crayton case and asked Mr. R. Pirovano to expound. Mr. Pirovano noted that John Crayton's records were retrieved from Worker's Compensation and that this employee had received Worker's Compensation benefits from 7/20/78 - 1/18/79 after being injured on duty on 7/19/78. After this period,



Mr. Crayton received an additional 26 weeks of A & S benefits. Mr. Pirovano noted that had he applied for a pension at the termination of his Worker's Compensation benefit he would have been eligible in terms of service for a pension at that time. Mr. Pirovano also noted that he did, however, receive 26 weeks of A & S Insurance, which upon its completion left him with less than 10 years of service. The employee's application for a disability allowance was routinely declined by the Pension Office because he did not have 10 years of service.

Mr. Pirovano noted that he also contacted the per diem Worker's Compensation attorney for medical records and the attorney's records had been lost. Mr. Pirovano also noted that he attempted to get additional information from the medical doctor who handled the case in 1979 but his records were destroyed in a flood. He did, however, have a handwritten, unsigned, note that this person has recovered from Worker's Compensation, but there is no medical evidence in the files.

Mr. Pirovano stated that he conferred with the Plan Attorney on this case and has received a current physician's statement, confirming that this employee is disabled and requested that the Committee act upon this application, which would be retroactive to 8/1/79. The Plan Attorney stated that this employee appears to be qualified for this retirement benefit although there is no current medical evidence justifying whether or not his disability related to his previous medical history and suggested that he be examined by a physician to make a decision

as to whether his current disability might not have related to his past injury. The Plan Attorney recommended that the employee should be examined by the physician that treated him back in 1979 for this evaluation. Mr. Kasmer made a motion that Mr. Crayton's allowance be approved retroactive to 8/1/79 subject to medical evaluation as explained by the Plan Attorney. Ms. Hughes seconded the motion and the Committee unanimously approved.

The Secretary informed the Committee that the real estate allocation of 20% per the investment policy was discussed at the Special Meeting held July 16, 1987. He stated that at that time the Committee was not ready to make any recommendation to change the allocation and suggested that in the absence of the Committee member who raised this issue, this item be deferred. On a motion by Mr. Kasmer, seconded by Mr. Morris, the Committee unanimously agreed to defer the discussion of the real estate allocation of 20% per the investment policy until the next meeting.

The Secretary informed the Committee that Leo A. Stern rescinded his revocation of B-All Survivorship Option.

The Secretary then brought to the Committee's attention the case of Edwin Munro, deceased. He noted that this retiree's death was not reported and monthly benefits were continued to be paid to his son and custodian, Robert Munro.

Robert Munro and two grandchildren of the pensioner signed an affidavit stating that funds would be used

solely for the benefit of the pensioner.

The Secretary then asked the Attorney to expound on this matter. The Attorney stated that Robert Munro was receiving a monthly disability retirement for his father, Edwin Munro in the amount of \$342.40. He noted that after Edwin Munro died he had received a total of \$7,875.20. A Death Benefit of \$500.00 which would have been payable was subtracted from the \$7,875.20 resulting in a net overpayment of \$7,375.20 which must be recovered.

The Attorney noted that he had contacted the family and requested that this obligation be addressed. He noted that the grandchildren have ignored this request for repayment but the father, Robert was willing to pay \$75.00 per month. The Attorney recommended that there be an installment program of repayment and if this program is ignored collection of the monies would be enforced through litigation. Ms. Hughes made the motion that counsel be authorized to settle this matter on a repayment program of \$150.00 per month and if that is not effective litigation should be taken. The motion was seconded by Mr. Kasmer, and the Committee unanimously approved.

The Secretary informed the Committee that Matthew Torrence repaid his refund of \$5,914.69 under Rule 21 and would keep his original seniority date of June 27, 1977. On a motion by Mr. Kasmer, seconded by Mr. Morris, the Committee unanimously approved that the pension seniority date for this employee be re-established as 6/27/77.

The Secretary informed the Committee that Steve Mason, #D-2360 returned to duty 7/20/87 and Robert Walker, #D-2321 returned to duty 7/23/87.

The Secretary informed the Committee that the thirty-day extension to repay his refund of \$15,318.80 expired August 9, 1987 for Mr. David Collins, Jr. The Secretary recommended that this employee be assigned a new pension seniority date of June 9, 1986 for pension purposes only. On a motion by Mr. Kasmer, seconded by Mr. Morris, the Committee unanimously approved to assign David Collins, Jr. a new seniority date of June 9, 1986 under Rule 21.

The Secretary then turned the Committee's attention to the Retirement Plan Budget for 1988 and asked Mr. Mullen to review the report. Mr. Mullen presented the budget and in response to a question noted that future reports would include a comparison of actual numbers to the previous year's budgeted amounts.

The Secretary informed the Committee that there was a letter in the meeting material from Furman Selz which indicated that they were bought by Xerox Financial Services, Inc. The Secretary noted that there will be no change in management methodologies or the handling of the Plan account because of this takeover. The Secretary also noted that he spoke with Ned Joachimi regarding this acquisition and that Mr. Joachimi is sending correspondence verifying that there has been

contractual agreements signed by the stock holders consenting that they would not leave their positions with the company. A discussion ensued between Committee members regarding how this acquisition might or might not affect the Plan. The Chairman stated that he would like to receive additional information on this and a report to be made to the Committee at the next meeting. The Secretary stated that he would bring additional information to the next meeting and entertain follow-up questions that the Committee may have.

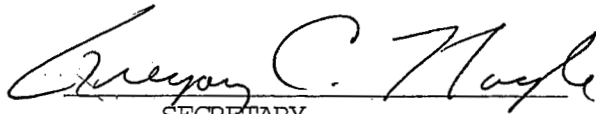
The Secretary then brought to the Committee's attention the rescheduling of the September meeting. He stated that he would notify Committee members of changes via telephone if the September 21st meeting date could not be accomodated.

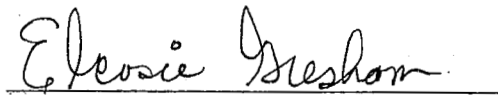
The Secretary brought an additional item to the Committee's attention, namely the July 1st disability retirement approved for Mildred Stern at the 452nd meeting. The Secretary noted that he has received a memo from Personnel requesting retroactivity for this employee to May 1, 1987. The Secretary stated that this application inadvertently got held up in the Personnel Department and recommended that retroactivity be granted. On a motion by Ms. Black, seconded by Mr. Morris, the Committee unanimously approved retroactivity for Mildred Stern to May 1, 1987.

The Chairman noted that there had been a meeting held by a Sub-Committee regarding the salary structures

of personnel in the Pension Department. He recommended that perhaps this issue should be deferred until the next meeting when all of the Sub-Committee members were present. On a motion by Mr. Kasmer, seconded by Mr. Morris the Committee unanimously approved to defer this item until the next meeting.

There being no further business, on a motion by Mr. Flowers, seconded by Mr. Morris, the Committee unanimously agreed to adjourn at 11:48 A.M.

  
SECRETARY  
RETIREMENT ALLOWANCE COMMITTEE

  
CHAIRMAN  
RETIREMENT ALLOWANCE COMMITTEE  
DATED September 21, 1987