

AGENDA

FOR THE 482ND MEETING OF FEBRUARY 17, 1989

1. Meeting will be called to order at 9:30 a.m., Buttons Room, Holiday Inn - Mart Plaza.
2. Approval of the Minutes of the 481st Meeting held January 25, 1989.
3. Report by Trustee.
4. Review of 4th Quarter 1988 report by the Wellesley Group -- Ned Joachimi
5. Presentation of direct real estate proposal by Piedmont Realty Advisors -- Steve Grant.
6. Announcement of deaths reported since the last meeting.
7. Presentation of Pre-Retirement Surviving Spouse Allowances for approval.
8. Presentation of new retirement applications for approval.
9. Employees on Disability Retirement re-examined.
10. Presentation of Death Benefits for approval.
11. Presentation of Refunds of Contributions for approval.
12. Presentation of Bills and Remittances for approval.
13. Report by Secretary of Deposits, Disbursements and Investments.
 - a) Report on results of the asset allocation model.
14. Unfinished Business.
 - a) Discussion of the calculation of compensation for pension earnings purposes for all union officers.
 - b) Discussion of the audit of pension calculations.
 - c) Report on office space.

15. New Business.

- a) Assignment of new pension seniority date for William C. Johnson, Jr. Thirty day extension to repay refund of \$13,729.48 expired 1/29/89. New seniority date for pension purposes only - 11/02/87.
- b) Discussion of retirement eligibility.

16. Adjournment.

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 482nd Meeting of the Retirement Allowance Committee was held Friday, February 17, 1989 at 9:30 A.M., in the Buttons Room, Holiday Inn - Mart Plaza. The following were in attendance:

Ms. W. Black	Mr. C. Andersen
Mr. A. Kasmer, Jr.	Mr. C. Burrus, Chairman
Mr. C. Knox	Mr. D. Perk
Mr. I. Thomas	

Alternate H. Williams sat in E. Gresham's stead. Mr. D. Carter sat in J. Hughes' stead. Alternate W. Buetow sat in M. Holzman's stead. Alternates A. Curtis and E. Hill were present.

Alternates L. Morris, L. Brown and H. Hegarty were present.

Messrs. R. Pirovano, W. Ross and Ms. P. Williams of the Pension Office staff were present. Ms. S. Luthy of the Harris Trust and Savings Bank was in attendance. Mr. N. Joachimi of the Wellesley Group, Inc. was present. Mr. J. Baratka of the Wyatt Company was present. Mr. R. Burke of Burke, Wilson & McIlvaine was in attendance. Mr. B. Scholz, pensioner representative was present.

(1) The Chairman called the meeting to order at 9:45 A.M.

(2) On the call for approval of the Minutes of the 481st meeting, held January 25, 1989, Mr. Thomas made a motion for approval, Mr. Kasmer seconded the motion and the Committee unanimously approved.

There was a recommendation by Mr. Burrus to assign subcommittees to report back to the full Committee in order to expedite the regular monthly meetings and to address each concern separately with advisors and with designated Committee members assigned to these subcommittees. The three suggested subcommittees are the Investment Policy Subcommittee, Real Estate Subcommittee and Pensioner Benefits Subcommittee. The Chairman stated that alternates would also be able to attend these meetings. The Chairman suggested that there should be a short, one paragraph draft of a written charter describing the responsibilities of the subcommittees. The question of which members of the Committee should be appointed to serve as subcommittee members and who should chair each subcommittee will be determined later. The Chairman then stated that he would like to defer further discussion of this issue in order for the presidents of both locals to be in attendance.

(3) Ms. S. Luthy of the Harris Trust and Savings Bank presented a report on the activity in the markets over the last 30 days and year to date.

(4) Mr. Joachimi then reviewed the 4th Quarter, 1988 report noting that the Fund was up over 16% for the year and outperformed the indexes. He noted that for the year ending 12/31/88 the Fund has grown \$100 million and that the total equities outperformed the S & P by 2.7%.

Mr. Joachimi also reported that he was concerned with Capital Supervisors performance, noting that this manager is not managing funds with the same investment style as it should be. He will follow this situation closely.

(5) The Secretary's Office was informed by Mr. Grant that the real estate proposal which was to have been presented at this meeting was unable to be consummated.

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

(7) The Executive Secretary reported that there was one (1) Pre-Retirement Surviving Spouse Allowance effective February 1, 1989.

The Chairman asked for the Committee's agreement to approve all measures before the Committee with an omnibus motion. The Committee agreed to this. Therefore, all payments and other measures requiring Committee approval were held for said omnibus motion.

(8) The Executive Secretary presented fourteen (14) Retirement Applications for approval, including the disability applications for Shirley Louis, Joseph Salvato and Imogene Redd which were subject to medical evaluation. The pension of Imogene Redd was made retroactive to November 1, 1988.

(9) The Executive Secretary informed the Committee that four (4) employees who are presently receiving Disability Retirement Benefits were examined or had their files reviewed.

(10) The Executive Secretary presented for approval thirty-eight (38) Death Benefits, totaling \$128,500.00.

(11) The Executive Secretary presented for approval thirty-eight (38) Refunds of Contributions, totaling \$125,701.45.

(12) The Executive Secretary presented for approval one (1) Chicago Transit Authority Bill, totaling \$37,833.11, twenty-two (22) Operating Bills, totaling \$26,833.01, nine (9) Remittances, totaling \$630,298.09, and the FIT Deposit, totaling \$221,482.85.

(13) The Executive Secretary turned the Committee's attention to the Report on Deposits, Disbursements and Investments in the Trustee Summary and noted that the January, 1989 performance for the Fund was 2.75% and the value of the total assets of the Plan as of January 31, 1989 amounted to \$855,059,858.69.

(13a) Mr. W. Ross then presented a report on the results of the asset allocation model which indicated that from inception to date (thru 01/31/89) value added by the Boston Company was -0.20%. The report also identified the asset allocation changes since inception and indicated that the market value of the Boston Company account was \$73,187,491.00 as of January

31, 1989.

(14a) With regard to this discussion, the Plan Attorney stated that he had disseminated correspondence both to the Authority and the union officials which would assist in a possible resolution of this matter. There was a discussion among Committee members resulting in the issue being deferred by the Chairman until it can be reviewed by the Finance, Audit and Budget Committee.

(14b) With regard to this issue, Mr. Pirovano stated that the audit of pension calculations would be continued until further notice.

(14c) With regard to this issue, Mr. Perk stated that the lease for Pension Office space at 221 N. LaSalle is in the hands of the Plan Attorney. The lease is expected to be ready for signatures around March 1, 1989.

(15a) The Executive Secretary recommended that the Committee assign a new pension seniority date of 11/02/87 for William C. Johnson, Jr. whose thirty day extension to repay a refund of \$13,729.48 expired January 29, 1989.

(15b) The Committee discussed briefly a letter from Mr. T. Czech regarding eligibility for pension benefits. The Plan Attorney stated that eligibility requirements were the subject of labor-management negotiations and that the Committee had no authority to make such changes.

The Committee discussed the particulars of Mr. Perk's employment for the Retirement Plan. The Chairman signed a letter of agreement with Mr. Perk installing him as Executive Secretary of the Pension Office.

The Chairman then entertained a motion for the omnibus for approval of Item nos. 7, 8, 10, 11, 12, 15(a) and Mr. Perk's Agreement. On a motion by Mr. Kasmer, seconded by Mr. Hill, the Committee unanimously approved all items.

(16) There being no further business, the Committee unanimously agreed to adjourn at 11:45 A.M.

EXECUTIVE SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED