

AGENDA

FOR THE 490TH RETIREMENT MEETING OF OCTOBER 24, 1989

1. Meeting will be called to order at 9:30 a.m., M & M Club, Room No. 10, second floor, Merchandise Mart.
2. Roll call.
3. Approval of the Minutes of the 489th Meeting held September 25, 1989.
4. Investment Subcommittee report.
 - a) Investment Manager interviews.
5. Real Estate Subcommittee report.
6. General Administration and Annuities Management Subcommittee report.
 - a) Announcement of deaths reported since the last meeting.
 - b) Presentation of Pre-Retirement Surviving Spouse Allowances for approval.
 - c) Presentation of new retirement applications for approval.
 - d) Presentation of Death Benefits for approval.
 - e) Presentation of Refunds of Contributions for approval.
 - f) Presentation of Bills and Remittances for approval.
7. Report by Executive Director of Fund performance.
8. Unfinished business
 - a) Discussion of the calculation of compensation for pension earnings purposes for all union officer.
 - b) By-laws Subcommittee report.
9. New Business.
 - a) Discussion of Auditor and Actuary contracts.
10. Adjournment.

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 490th Meeting of the Retirement Allowance Committee was held Tuesday, October 24, 1989 at 9:30 A.M. in the M & M Club - Room No. 10. The following were in attendance:

Ms. W. Black	C. Andersen
Mr. E. Gresham	C. Burrus, Chairman
A. Kasmer, Jr.	E. Hill
C. Knox	M. Holzman
I. Thomas	

Mr. D. Perk, Executive Director was present. Alternate W. Buetow sat in A. Mandolini's stead. Alternates L. Morris, H. Williams and H. Hegarty were present. Alternate A. Curtis was present. Messrs. R. Pirovano, W. Ross and Ms. P. Williams of the Pension Office staff were present. Ms. S. Luthy and Mr. F. Duda of the Harris Trust and Savings Bank were present. Mr. N. Joachimi of the Wellesley Group, Inc. was present. Mr. J. Baratka of the Wyatt Company was also present. Dr. R. Zerbst of Piedmont Realty Advisors, Inc. was present. Messrs. J. Kiley and S. Porter of Weiss, Peck and Greer were present. Messrs. J. Ender and R. Brehm of the Chicago Corporation were also present. Ms. B. Bowles and Ms. B. Jenkins of the Kenwood Group were present. Messrs. D. McCaskill and I. Greene of NCM Capital Management, Inc. were present. Ms. R. Pitaro of GAMCO Investors, Inc. was also present. Mr. R. Burke of Burke, Wilson & McIlvaine was present. Mr. B. Scholz, pensioner representative was also in attendance.

The Chairman requested that the Minutes reflect that he was responsible for bringing the Kenwood Group in to make a presentation before the Retirement Allowance Committee.

- (1) The Chairman called the meeting to order at 9:40 A.M.
- (2) A roll call was taken which indicated that a quorum of the Committee members was present.

(3) On the call for approval of the Minutes of the 489th Meeting held September 25, 1989, Mr. Holzman made a motion for approval, Mr. Thomas seconded the motion and the Committee unanimously approved.

(4) The Investment Subcommittee report was not given.

(4a) There was a presentation by Messrs. James W. Kiley and Stuart W. Porter of Weiss, Peck and Greer who gave a report which described the firm and its investment management capabilities.

There was a presentation by Messrs. Jon T. Ender and Robert Brehm of Chicago Corporation who gave a report which described the firm and its investment management capabilities.

There was a presentation by Barbara Bowles and Barbara Jenkins of the Kenwood Group who gave a report which described the firm and its investment management capabilities.

There was a presentation by Dennis McCaskill and Isaac Greene of NCM Capital Management who gave a report which described the firm and its investment management capabilities.

There was a presentation by Regina Pitaro of GAMCO Investors, Inc. who gave a presentation which described the firm and its investment management capabilities.

There was a discussion among Committee members resulting in a motion by Mr. Holzman, seconded by Mr. Hill, that the Committee defer action on the selection of an investment manager(s) and also that the Committee call a Special Meeting which will outline: (1) total amount of money which should be allocated (2) types of managers to be considered (3) number of managers to be selected (4) categories of managers to be selected which includes minority firms, Chicago based firms, etc. (5) selection of and allocation of funds to specific managers.

(5) Dr. Robert Zerbst of Piedmont Realty Advisors, Inc. then reported on the Meridian Industrial Park project. He reported that this investment involves the \$77 million refinancing of an existing 660-acre industrial park in Aurora, Illinois. He mentioned that the proposal is structured as a series of four participating mortgages in which the Lender will be a partnership of three to five institutional investors. It was noted that the Real Estate Subcommittee recommended approval of this project and on a motion by Mr. Knox, seconded by Mr. Hill the motion passed with the Committee's unanimous approval of a \$15 million investment in the Meridian Industrial Park project.

Mr. Perk then reported on various proposals for investments that were presented before the Real Estate Subcommittee. He noted that he had met with the Townsend Group and was advised on the feasibility of investing in these projects. He also noted that he received correspondence from Piedmont Realty and reported on their recommendations. He also gave a brief report on the PRITA investments. On a motion by Mr. Kasmer, seconded by Mr. Thomas, the Committee unanimously agreed to accept the Real Estate Subcommittee report.

(6) Mr. Andersen, Chairman of the General Administration and Annuities Management Subcommittee reported on the topics of discussion at his meeting of Friday, October 20, 1989. He noted that item nos. 6 (a)-(f) were reviewed and were in good order. On a motion by Mr. Thomas, seconded by Mr. Kasmer, the Committee unanimously approved agenda item nos. 6 (a) - (f).

(7) The Executive Director turned the Committee's attention to the Report on Deposits, Disbursements and Investments in the Trustee Summary and noted that the September 1989 performance for the total Fund was .47% and the value of the total assets of the Plan as of September 30, 1989 amounted to \$945,326,305.

(8) There was a discussion among Committee members regarding the calculation of compensation for pension earnings purposes for union officers. It was reported that there has been no additional conversation from the Authority regarding this issue and is still being resolved by the Finance, Audit and

Budget Committee. There was a discussion by the Members which resulted in a motion by Mr. Thomas, seconded by Mr. Kasmer, directing the Plan Attorney to disseminate correspondence to the Authority requesting an immediate meeting in order that this issue may be resolved. The Committee unanimously approved.

(8b) Mr. Knox, Chairman of the By-Laws subcommittee noted that his subcommittee was not ready to report on any changes or revisions in the by-laws. On a motion by Mr. Kasmer, seconded by Mr. Thomas, the Committee unanimously agreed to defer this item.

(9) The Chairman turned the Committee's attention to the auditor and actuary contracts. It was noted that the 2 year contracts for both the Wyatt Company and Arthur Young expired on September 30, 1989. There was also a discussion regarding the increase in the Wyatt Company's staffing rates. On a motion by Ms. Black, seconded by Mr. Thomas, the Committee unanimously approved renewing the above mentioned contracts for a two year period with the increase for the Wyatt Company as stated in their contract.

The Plan Attorney then suggested that there should be designated individuals from the Pension Office authorized and directed by the Retirement Allowance Committee to provide direction to the Harris Trust & Savings Bank as Trustee of the Plan to transfer funds between investment managers and to issue benefit payments and checks to the providers of services and products to the Committee and the Plan. The individuals designated are: Daniel R. Perk, Executive Director, Russell R. Pirovano, Pension Benefits Administration Officer and Wayne Ross, Pension Finance & Investment Officer. The Plan Attorney noted that he would draft such a letter for the Chairman's signature on behalf of the Retirement Allowance Committee identifying the authorized agents. On a motion by Mr. Thomas, seconded by Mr. Hill, the Committee unanimously approved that the Plan Attorney draft such letter.

The Committee unanimously agreed to go into an executive session for discussion of personnel matters.

(10) There being no further business, the Committee unanimously agreed to adjourn at 3:20 p.m.