

REVISED AGENDA

FOR THE 515TH RETIREMENT MEETING OF DECEMBER 18, 1991

1. Meeting will be called to order at 10:30 a.m., Buttons Room - 15th Floor - Holiday Inn Mart Plaza.
2. Roll call.
3. Approval of the Minutes of the 514th Meeting held November 26, 1991.
4. Investment Subcommittee report.
5. Real Estate Subcommittee report.
6. Subcommittee on General Administration.
 - 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.
 - (i) Virbie J. Evans - request for retroactivity to 11/1/91.
 - (ii) Willie Rochelle - request for retroactivity to 12/1/91.
 - (iii) Clara Owens - request for retroactivity to 11/1/91.
 - d) Presentation of Death Benefits for approval.
 - e) Presentation of Refund of Contributions for approval.
 - f) Presentation of Bills and Remittances for approval.
 - g) Bernard Connolly - request for retroactivity -- 4/1/91 through 9/30/91.
 - h) John Mornar - change in option selection.
 - i) Constantine Paonessa - change in option selection.
7. Report by Executive Director of Fund performance.
8. Unfinished Business.
 - a) Settlement Agreement Task Force report.
9. Adjournment.

12/17/91

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 515th Meeting of the Retirement Allowance Committee was held Wednesday, December 18, 1991, 10:30 A.M., at the Holiday Inn Mart Plaza, Buttons Room - 15th floor. The following were in attendance:

I. Thomas, Chairman	C. Andersen
W. Black	E. Hill
L. Brown	A. Mandolini
T. Collins	
J. Forte	

Mr. D. Perk, Executive Director was in attendance. Alternate A. Curtis sat in C. Burrus' stead. Alternate W. Buetow sat in M. Holzman's stead. Alternates B. Rayford, L. Morris and R. Baughn were also in attendance. Messrs. R. Pirovano, W. Ross and Ms. P. Williams of the Pension Office staff were present. Messrs. F. Duda, B. Baker, Ms. S. Luthy and Ms. D. Burton of the Harris Trust and Savings Bank were in attendance. Mr. N. Joachimi, Wellesley Group was also present. Mr. B. Scholz, pensioner representative was present. Mr. R. Burke, Plan Attorney was in attendance.

- (1) The Chairman called the meeting to order at 10:53 A.M.
- (2) A roll call was taken which indicated that a quorum of the Committee members was present.
- (3) On a motion by Mr. Collins, seconded by Mr. Mandolini, the Committee unanimously approved the Minutes of the 514th Meeting, held November 26, 1991.
- (4) T. Collins, Chairman of the Investment Subcommittee reported on the meeting of December 18, 1991 (copy of meeting minutes attached). The Chairman then turned the Committee's attention to a discussion regarding Pan Agora. He noted that the subcommittee did not have the opportunity to discuss whether Pan Agora's services would be retained or terminated and asked the consultant to make a recommendation on this issue. Mr. Joachimi then stated that when the Plan hires a manager they normally track their performance for a five year period. He noted that Pan Agora has had a relationship with the Plan for four years and recommended that the Plan retain their services for one more year. There was a brief discussion by Committee members and it was agreed that no action be taken to terminate the contract of Pan Agora at this time but that the Committee has that option at any time.

(5) E. Hill, Chairman of the Real Estate Subcommittee reported on the meeting of Tuesday, December 17, 1991 (copy of meeting Minutes attached). Mr. Hill also noted that there was a recommendation by the Townsend Group and the subcommittee that the Plan does not rescind the redemption of Sentinel funds. The \$6.5 million that would be redeemed from Sentinel would be used for other real estate investments. On a motion by Mr. Hill, seconded by Mr. Collins, the Committee unanimously approved the recommendation of the Townsend Group and the Real Estate subcommittee.

Mr. Hill then noted that with regards to the Metric Institutional Apartment Fund II they are looking for an initial investment of \$5.3 million by December 27, 1991 and Metric will send the necessary documentation to initiate the transaction. The Plan Attorney then noted that final copy of the agreement with Metric regarding Harris Bank's due diligence role with property management over this account has been written and requested signatures from Locals 241 and 308.

(6) Wanda Black, Chairperson of the General Administration Subcommittee reported on the meeting held December 17, 1991. She noted that agenda items 6(a) - (f) were reviewed and turned the discussion of item 6(g) over to the Plan Attorney for his recommendations. The Plan Attorney then reviewed the specifics of the situation regarding Bernard Connolly and noted that AP 131 is being revised to eliminate the possibility of an employee receiving benefits concurrently under that AP and the Retirement Plan. He also mentioned that if litigation was brought against the Plan by Mr. Connolly, the chances are very slim that the Plan would win. He recommended that the Committee grant Mr. Connolly's request for retroactivity. There was a brief discussion by Committee members which led to a motion by Mr. Collins, seconded by Mr. Forte for approval of retroactivity for Mr. Connolly from 4/1/91 through 9/30/91. The Committee approved with the exception of Mr. Andersen and Ms. Black which led to a roll call vote. A second vote was taken which resulted in 5 committee members (3 labor, 2 management) favoring retroactivity and 4 members (1 labor, 3 management) opposing retroactivity for Mr. Connolly. There was additional unreadiness by the Committee regarding the vote and the Chairman suggested that this issue should be held in abeyance. The motion was withdrawn and on a second motion by Ms. Black, seconded by Mr. Brown the Committee unanimously agreed to hold items 6 (g), (h) and (i) in abeyance until the next meeting because of unreadiness. A motion was then made by Ms. Black, seconded by Mr. Mandolini for approval of items 6 (b) - (f). The Committee unanimously approved.

(7) The Executive Director then turned the Committee's attention to the Report on Deposits, Disbursements and Investments in the Trustee Summary and noted that the November 1991 performance for the total Fund was -3.59% and the value of the total assets of the Plan as of November 30, 1991 amounted to \$1,027,613,699.

The Chairman then turned the Committee's attention to a discussion regarding Rule #14 noting that the Authority is currently including a percentage of the clothing, uniform and shoe allowance as pension earnings. He then made a recommendation that the clothing, uniform and shoe allowance be extracted from Rule #14. A motion was then made by Mr. Collins and seconded by Mr. Brown to concur with the Chairman's recommendations. There was then some discussion by Committee members on whether it would be feasible to refund pension contributions that were withdrawn from employees earnings this year in light of the fact that adjustments in W-2 forms would have to be processed by the Harris Bank. The Chairman noted unreadiness by some Committee members and the motion was withdrawn. The Chairman then asked that the matter be deferred until the next meeting.

The Plan Attorney then brought to the Committee's attention the issue of Rule 31 and noted that this is under consideration by the proper authorities and noted that the Chairman of the Chicago Transit Board indicated that he would like to discuss this further with the Attorney. The Plan Attorney then noted that he would come back to the Committee at a later date.

There being no further business, the Committee unanimously agreed to adjourn at 12:10 P.M.