

AGENDA

FOR THE 523RD RETIREMENT MEETING OF AUGUST 25, 1992

1. Meeting will be called to order at 10:30 a.m., Harris Trust & Savings Bank, 111 W. Monroe Street, Executive Dining Room, 37th floor, West Side.
2. Roll call.
3. Approval of the Minutes of the 522nd Meeting held July 28, 1992.
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) Dolores Roth - request for retroactivity to 6/1/92.
 - (ii) Terina V. Martinez - request for retroactivity to 8/1/92.
 - (iii) Choong S. Shim - request for retroactivity to 8/1/92.
 - (iv) Betty Stone - request for retroactivity to 8/1/92.
 - d) Presentation of Death Benefits for approval.
 - e) Presentation of Refunds of Contributions for approval.
 - f) Presentation of Bills and Remittances for approval.
 - g) Harry Ware - #4216 - returned to duty on 7/14/92.
7. Report by Executive Director of Fund performance.
8. Adjournment.

08/18/92

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 523rd Meeting of the Retirement Allowance Committee was held Tuesday, August 25, 1992, 10:30 A.M. at the Harris Trust & Savings Bank, 111 West Monroe Street - 37th floor. The following were in attendance:

Mr. I. Thomas, Chairman	C. Andersen
W. Black	A. Mandolini
J. Forte	M. Holzman
	E. Hill

Mr. D. Perk, Executive Director was in attendance. Alternate L. Morris sat in T. Collins' stead. Alternate M. Caffery sat in L. Brown's stead. Alternate W. Buetow sat in C. Burrus' stead. Alternates D. Washington, R. Baughn, B. Rayford and D. Hillock were also present. Messrs. R. Pirovano, W. Ross and Ms. P. Williams of the Pension Office staff were present. Messrs. F. Duda, B. Baker and Ms. D. Burton of the Harris Trust & Savings Bank were in attendance. Mr. J. Baratka of the Wyatt Company was present. Messrs. B. Scholz and R. Goldman pensioner representatives were present. Mr. R. Burke, Plan Attorney was present. Mr. M. Dzinciolski, pensioner was also present.

- (1) The Chairman called the meeting to order at 10:56 A.M.
- (2) A roll call was taken which indicated that a quorum of Committee members were present.
- (3) On a motion by Ms. Black, seconded by Mr. Mandolini, the Committee unanimously approved the Minutes of the 522nd Meeting, held July 28, 1992.
- (4) A. Mandolini then gave a brief recap of the Investment Subcommittee meeting (copy of meeting minutes attached). The Committee unanimously approved placing the minutes of the Investment Subcommittee meeting on file.
- (5) E. Hill then reported on the Real Estate Subcommittee meeting held on August 24, 1992 noting that there were presentations made by CNL and Cozad-Westchester regarding possible real estate opportunities for investment. He also noted that there was a report given by RREEF on the Meridian property and there is a meeting scheduled today among the Meridian investors to decide upon a strategy for dealing with this investment.

The Plan Attorney then recapped the issues that are involved with this property and noted that the position of RREEF is to take the deed in lieu of foreclosure. He also noted that RREEF currently has a proposal for a development program on the undeveloped portion of the business park. He noted that all recommendations made at today's meeting would be reported on at the September subcommittee meeting.

(6) W. Black, Chairperson of the General Administration Subcommittee reported on the meeting held Thursday, August 20, 1992 noting the the subcommittee reviewed agenda items 6 (b) - (f) and made a motion for approval of these items. Mr. Mandolini seconded the motion and the Committee unanimously approved.

(7) The Executive Director then presented the Report on Deposits, Disbursements and Investments in the Trustee Summary and noted that the July 1992 performance for the total Fund was 2.66% and the value of the total assets of the Plan as of July 31, 1992 amounted to \$1,128,981,079.

The Chairman then turned the meeting over to J. Baratka of the Wyatt Company who recapped the three measures of funding actuarial assumptions and the proposed assumptions made at the previous meeting and entertained any comments or questions by the Committee. The Executive Director noted that there are two pieces of correspondence by Wyatt that would be disseminated to all Committee members outlining their proposals and the impact of the Early Retirement program on the Fund. After some discussion by Committee members there was a request that Wyatt submit for comparison purposes an analysis of current funding levels and assumptions for other government or public pension plans for perusal by the Committee.

The Chairman then turned the Committee's attention to the Plan Attorney who noted that there was a request to obtain from the Authority the employment contracts for those individuals who participated in the Early Retirement Program. He noted that he had in his possession copies of the contracts for all twenty-five employees involved but presented to the Committee the uniform or "form" contract which was signed by everyone. He noted that this contract is a standard form of agreement between the Authority and the consultant for professional services rendered and, to his understanding, all individuals have left or are to leave the premises of the Authority by the end of August, 1992. He mentioned that Mr. Farley at the Authority is preparing a report for him outlining employment benefits and recommended an analysis of this report at the next meeting. There was a discussion by Committee members which led to a statement by the Chairman as

follows: "If there are any violations by someone on this Committee acting opposite to what they are supposed to be doing as a Committee member, and if there are any penalties to be paid, I feel that the Chicago Transit Authority should be responsible for any penalty whatsoever. They still have not, even though we have brought to their attention that they are in violation of Rule #7, tried to rectify this. Instead we were more or less double-talked, side-stepped, and given the run around. If there is a violation of any kind I feel that the responsibility should lie on the CTA, whether it be on an individual or the CTA itself." The Plan Attorney then mentioned that he and Mr. Farley will conduct an investigation as to whether or not these twenty-five individuals are considered "employees" and therefore eligible for the same employment benefits and tax liabilities as employees. He also stated that he would get the names of all those involved for the Committee's information.

There being no further business, the Chairman then adjourned the meeting to an Executive Session at 12:01 P.M. for discussion of Pension personnel matters.

The meeting then reconvened at 12:40 P.M. and the Chairman noted the results of the Executive Session stating that there was discussion regarding Mr. Russell Pirovano, who is a Pension Department employee who has elected to participate in the Early Retirement Program as to whether or not the Committee should retain his services. He noted that there was a dispute with this issue which required many meetings and the Committee was not able to resolve this dispute. A motion was made by Mr. Holzman that Mr. Pirovano be offered a 12 month contract which could be terminated at any time by the full Committee and the contract will be effective June 1, 1992. The motion was seconded by Messrs. Andersen and Caffery. The motion then fell because there was not approval by the full Committee. Mr. Thomas then suggested that Mr. Pirovano continue with benefits that he has previously been receiving. After some discussion on a motion by Mr. Holzman, seconded by Mr. Buetow, the Committee unanimously decided that the issue of retaining the services of Mr. Pirovano on a consultant basis be decided through arbitration.

There was then a request made by Mr. Thomas to the Plan Attorney to investigate employees who have retired from the Chicago Transit Authority who are serving on the Retirement Allowance Committee.

There being no further business, the Committee unanimously approved to adjourn at 12:50 P.M.

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