

AGENDA

FOR THE 529TH RETIREMENT MEETING OF FEBRUARY 25, 1993

1. Meeting will be called to order at 10:30 a.m., Harris Trust & Savings Bank, 111 West Monroe Street, Executive Dining Rooms C & D, 37th floor.
2. Roll call.
3. Approval of the Minutes of the 528th Meeting held January 26, 1993.
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) Ronald Howard - #23076 - request for retroactivity to 2/1/93.
 - (ii) Nathaniel Thomas - #34210 - request for retroactivity to 2/1/93.
 - d) Presentation of Death Benefits for approval.
 - e) Presentation of Refunds of Contributions for approval.
 - f) Presentation of Bills and Remittances for approval.
7. Unfinished business.
 - a) Pan Agora Asset Management - status.
 - b) SEI Capital Resources - status.
8. Report by Executive Director.
9. Appointments to Standing Subcommittees.
10. Adjournment.

02/16/93

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 529th Meeting of the Retirement Allowance Committee was held Thursday, February 25, 1993, 10:30 A.M., at the Harris Trust & Savings Bank, 111 West Monroe Street - 37th floor, Executive Dining Room. The following were in attendance:

Mr. I. Thomas, Vice Chairman	Mr. E. Hill, Chairman
Ms. W. Black	Mr. W. Buetow
Mr. T. Collins	Mr. T. Stevens
Mr. L. Brown	
Mr. J. Forte	

Mr. D. Perk, Executive Director was present. Alternate L. Murray sat in C. Burrus' stead. Alternate P. Beavers sat in M. Holzman's stead. Alternates L. Morris, D. Washington, R. Baughn, M. Caffery and B. Rayford were present. Messrs. R. Pirovano, W. Ross, L. Smith and Ms. P. Williams of the Pension Office staff were also in attendance. Mr. B. Baker of the Harris Trust & Savings Bank were also present. Messrs. B. Scholz, R. Goldman, J. Henderson, T. Vernon, R. Crawford, pensioner representatives and M. Dzinciolski, pensioner was also in attendance. Mr. J. Barata, The Wyatt Company was present. Mr. R. Burke, Plan Attorney was also in attendance.

- (1) The Chairman called the meeting to order at 11:05 A.M.
- (2) A roll call was taken which indicated that a quorum of Committee members was present.
- (3) On a motion by Mr. Brown, seconded by Mr. Thomas, the Committee unanimously approved the Minutes of the 528th Meeting held January 26, 1993.
- (4) Mr. T. Collins, Chairman of the Investment Subcommittee reported on the meeting held Thursday, February 25, 1993 (copy of meeting minutes attached). On a motion by Mr. Thomas, seconded by Mr. Brown, the Committee unanimously approved placement of the report of the Investment Subcommittee on file.
- (5) Mr. E. Hill, Chairman of the Real Estate Subcommittee reported that there was no meeting held for the month of February, but turned the Committee's attention to some specific real estate issues which are pending which were turned over to the Plan Attorney for discussion.

The Plan Attorney reported on the 711 Jorie property noting that RREEF is working with two brokers on an office space rental deal, Rubloff Corporation which represents XL/Datacomp and Farnsworth-McCohen. A recommendation is going before the Board of Directors of XL/Datacomp to enter into an agreement for a 15 year lease for approximately 75,000 square feet of rental space. Approximately 60,000 square feet of space will be office space at a rental rate of \$10.15 net per square foot per year. The 15,000 additional square feet of space would be located in the basement of the facility at a rent of \$6.05 net per square foot. He also noted that there will be an escalation of these net figures of 2% per year, no costs for tenant improvements and the tenant will bear the tax and operating expenses. RREEF recommends this because it provides a good quality tenant in a large office space. He noted that the total return to the ownership would approximate \$700,000 per year. He noted that this rental income would not be sufficient to cover the mortgage debt on the property which is approximately \$1.08M per year, however, until the end of 1994, Continental Can will remain a tenant in the building and generate approximately \$900,000 yearly in income for rentals. He noted that this lease, subject to the approval of the Committee, will carry the mortgage debt over until the expiration of Continental Can's lease at the end of 1994. With regards to the commission fees, he noted that Rubloff will receive 7% of the gross rental for the first year, and 2% thereafter and Farnsworth-McCohen will receive half of that commission. On a motion by Mr. Stevens, seconded by Mr. Brown, the Committee unanimously granted approval to authorize the Plan Attorney to allow RREEF to enter into an agreement with XL/Datacomp to occupy this office space for a 15-year lease at the above specified rates.

The Plan Attorney then reported on the Lake/Wacker property noting that RREEF is recommending a settlement of this property and will report back to the Committee regarding a demolition program. The developer is asking for \$65,000 of the \$125,000 letter of credit to be returned to them.

(6) Ms. W. Black, Chairperson of the General Administration subcommittee reported on the meeting held Thursday, February 18, 1993 noting that the subcommittee reviewed agenda items 6 (a) - (f) and is requesting approval for agenda items 6 (b) - (f). On a motion by Mr. Collins, seconded by Mr. Thomas, the Committee unanimously approved these agenda items. Ms. Black also note that there was a request for the contract between FCS and the Retirement Plan to be extended for a three year period at \$56,000 which represents no increase in fees. On a motion by Ms. Black, seconded by Mr. Brown the Committee unanimously approved renewal of the FCS contract for a three year period at \$56,000.

(7a) The Chairman requested to defer this until the next meeting.

(7b) The Chairman requested to defer this until the next meeting.

(8) The Executive Director then turned the Committee's attention to a report on the PRITA Fund noting that there is a tentative offer being made for the purchase of one of the properties in the portfolio, East-West Tech by the Illinois Credit Union League. He noted that they made an offer of \$2.275M. He noted that the property has a book value of \$2,050,000 and was appraised by Cushman-Wakefield for \$2.3M. He also noted that the closing on this property will occur in April, 1993 and the loan is structured for a 25 year term at 8 3/4% interest. On a motion by Mr. Thomas, seconded by Mr. Collins, the Committee unanimously agreed approval of the report. The Executive Director then turned the Committee's attention to the Report on Deposits, Disbursements and Investments in the Trustee Summary and noted that for the month of January the performance for the total Fund was 1.03% and the value of the total assets of the Plan as of January 31, 1993 amounted to \$1,182,769,736. He also noted that the value of the Pan Agora account as of January 31, 1993 amounted to \$80,884,120.

(9) The Chairman then turned the Committee's attention to the issue of the appointments to the standing subcommittee's as follows:

Investment Subcommittee

W. Buetow, Chairman
W. Black, Vice Chairman
M. Holzman
C. Burrus
T. Stevens

General Administration Subcommittee

T. Collins, Chairman
T. Stevens, Vice Chairman
W. Buetow
L. Brown