

AGENDA

FOR THE 531ST RETIREMENT MEETING OF APRIL 21, 1993

1. Meeting will be called to order at 10:30 a.m., Holiday Inn Mart Plaza, 350 North Orleans Street, Merchants Room, 14th floor.
2. Roll call.
3. Approval of the Minutes of the 530th Meeting held March 25, 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) Jimmie Beatty - #17314 - request for retroactivity to 3/1/93.
 - (ii) Terry Carroll - #23460 - request for retroactivity to 4/1/93.
 - d) Presentation of Death Benefits for approval.
 - e) Presentation of Refunds of Contributions for approval.
 - f) Presentation of Bills and Remittances for approval.
 - g) Robert L. Densmore - #21633 - repaid his refund of contributions and interest under Rule #21 - \$18,080.76. Pension seniority date - 9/22/72.
7. Unfinished business.
 - a) Pan Agora Asset Management - status.
 - b) SEI Capital Resources - status.

8. Report by Executive Director.

9. Adjournment.

04/13/93

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 531st Meeting of the Retirement Allowance Committee was held Wednesday, April 21, 1993, 10:30 A.M., at the Holiday Inn - Mart Plaza, Bulls Room, 14th floor. The following were in attendance:

Mr. I. Thomas, Vice Chairman
Ms. W. Black
Mr. T. Collins
Mr. L. Brown

Mr. E. Hill, Chairman
Mr. T. Stevens
Mr. W. Buetow

Mr. R. Pirovano sat in the Executive Director's stead. Alternate B. Rayford sat in J. Forte's stead. Alternate L. Murray sat in C. Burrus' stead. Alternate P. Beavers sat in M. Holzman's stead. Alternates L. Morris, R. Baughn, M. Caffery, C. Lang and R. Schultz were present. Mr. W. Ross and Ms. P. Williams of the Pension Office staff were in attendance. Mr. F. Duda and Mrs. S. Ross of the Harris Trust & Savings Bank were present. Messrs. B. Scholz, R. Goldman, J. Henderson and R. Crawford, pensioner representatives were present. Mr. M. Dzinciolski, pensioner was in attendance. Mr. T. Paravola, of Burke, Warren & MacKay was also present.

- (1) The Chairman called the meeting to order at 11:35 A.M.
- (2) A roll call was taken which indicated that a quorum of Committee members was present.
- (3) On a motion by Mr. Thomas, seconded by Mr. Brown, the Committee unanimously approved the Minutes of the 530th Meeting held March 25, 1993.

(4) Mr. W. Buetow, Chairman of the Investment Subcommittee then gave a report on the meeting of April 21, 1993. He noted that W. R. Lazard made a presentation before the subcommittee based on a request by the Wellesley Group because of the change of an asset manager employed by the firm. He noted that the subcommittee was put at ease by the presentation by W. R. Lazard and its three principals and it appears to be a growing and healthy firm from an asset management standpoint which currently has \$2.8B under contract. He also noted that this firm has been retained by the city of Los Angeles for a \$480M commitment. He then stated that the Investment subcommittee should continue to monitor this firm's performance.

He then noted that there was extensive discussion regarding PanAgora Asset Management and that a motion was brought forth by the Investment subcommittee stating that PanAgora be retained by the Plan for a period of one year. However, a benchmark would be adhered to of 100 basis points of value added above the presnet 70% Standard & Poors index and the 30% long bonds. He noted that this would be monitored by the consultant at the end of a year's period. If PanAgora has not met its benchmark then at that time a search for other alternatives would be mandated by this motion.

He then noted that a motion was brought forth for approval by the full Committee to sever SEI's relationship with the Retirement Plan based on inadequate reporting methods and other items that were previously discussed by the subcommittee.

He noted that there was also mention that Mr. John Rogers of Ariel Capital Management is either going to be appointed or is seeking political office and there was some concern that since Mr. Rogers is the pillar of that firm that this would affect the amount of dollars that the Plan has in that equity involvement. He mentioned that any developments would be monitored by Mr. Joachimi for a recommendation to the subcommittee at its next meeting before it becomes an issue.

The Chairman then noted that this was the extent of his report and stated that he would now like to present the two motions for approval by the full Committee as presented in the earlier subcommittee meeting. There was some discussion which led to Mr. Thomas making a motion that the Investment Subcommittee report, with the exception of the PanAgora and SEI issues, be accepted and placed on file. He noted that he would like to have additional discussion on these issues. No second to the motion was presented. There was some concern by the Chairman of the Retirement Allowance Committee on whether Mr. Thomas' motion is proper, insofar, as excising a portion of the report or a motion that was already voted on at the subcommittee level. The Plan Counsel then noted that procedurally, Mr. Thomas is correct in terms of the Committee approving and accepting the report, but the report includes the discussion and decisions that were made at the subcommittee level and that the recommendations or decisions of the subcommittee were presented in the motions and have to be addressed at the full Committee level for a vote. Mr. Thomas then made the motion that the full Committee does not concur with the recommendation of the subcommittee regarding the PanAgora issue and the motion was then seconded by Mr. Collins. There was additional unreadiness by the Committee whereby the Plan Counsel noted that the only matter for consideration now is for the full Committee to accept the report of the subcommittee per the recommendations that were set forth by the subcommittee. There was then a motion by Mr. Thomas, seconded by Mr. Stevens that the Committee accept the report of the Investment subcommittee to be placed on file. The Committee unanimously agreed.

(5) Mr. Stevens, Chairman of the Real Estate Subcommittee then reported on its meeting held April 20, 1993. He noted that there was a presentation by the Townsend Group who gave an overview of the fourth quarter performance for 1992. In reviewing the report that were some discrepancies in figures that were pointed out and there would be an update on this. There would also be included in the report an outline of the objectives for each section and a definition of terms. He noted that RREEF also made a presentation and review of the 191 North Wacker property to ascertain whether the Plan wants to participate in the parking lot project. On a motion by Mr. Buetow, seconded by Mr. Brown, the Committee unanimously approved the acceptance of the Real Estate subcommittee report.

(6) Mr. Collins, Chairman of the General Administration Subcommittee reported on the meeting held April 19, 1993. He noted that agenda items 6 (b) - (g) were reviewed

and requested approval of these items. On a motion by Ms. Black, seconded by Mr. Stevens, the Committee unanimously approved agenda items 6 (b) - (g). There was then a question regarding the status of Ramona Bolden's request for retroactivity and it was noted that Arbitrator Healy is reviewing this and when the decision comes in her situation would be rectified immediately and the Committee will not have to act on this. On a motion by Mr. Thomas, seconded by Mr. Brown, the Committee unanimously agreed to accept the report of the General Administration subcommittee.

(7) With respect to the PanAgora issue there was a motion made by Mr. Thomas to hold the status of this issue in abeyance until the next meeting because Mr. Forte was not present and he wanted to have an input into this decision. The motion was seconded by Mr. Collins. Mr. Buetow, Chairman of the Investment subcommittee and the remainder of the Committee members unanimously agreed to defer this issue until the next meeting.

(7b) The status of SEI Capital Resources was then presented to the Committee and there was a motion made by Mr. Thomas to accept the recommendation of the Investment Subcommittee for the Retirement Plan to terminate its relationship with this firm. The motion was seconded by Mr. Brown and the Committee unanimously approved.

(8) Mr. R. Pirovano who was sitting in the stead of the Executive Director then presented the Report of Disbursements, Deposits and Investments in the Trustee Summary and noted that for the month of March the performance for the total Fund was 1.39% and the value of the total assets of the Plan as of March 31, 1992 amounted to \$1,196,808,149. He also stated that he had discussed the performance of Investors Research with the consultant. This firm was the best performer for the Fund in 1991. In 1992 they had a negative return and so far, for 1993 they are the worst equity performer. He noted that the consultant will request that Investors Research make a presentation before the Investment subcommittee regarding their performance.

(9) There being no further business, the Committee unanimously agreed to adjourn at 12:02 P.M.

W. R. Perks

EXECUTIVE DIRECTOR,
RETIREMENT ALLOWANCE COMMITTEE

Elmer Hill

CHAIRMAN,
RETIREMENT ALLOWANCE COMMITTEE

May 26, 1993

DATED