

AGENDA

FOR THE 536TH RETIREMENT MEETING OF SEPTEMBER 28, 1993

1. Meeting will be called to order at 10:30 a.m., Harris Trust & Savings Bank, 111 West Monroe Street, Executive Dining Rooms - 37th floor.
2. Roll call.
3. Approval of the Minutes of the 535th Meeting held August 24, 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) Toy-Kay Whiteurst - #0948 - request for retroactivity to 8/1/93.
 - (ii) Clifford Ayers - #13411 - request for retroactivity to 9/1/93.
 - (iii) Ronald Jackson - #3323 - request for retroactivity to 11/1/92.
 - (iv) Halipson Rivera - #22744, - 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.
 - g) Walter G. Phillips - #9519 - revoked his application for retirement effective 9/1/93 which had been approved at the Retirement Allowance Committee meeting of 8/24/93.
 - h) Major Woodson - #6929 - revoked his application for retirement effective 9/1/93 which had been approved at the Retirement Allowance Committee meeting of 8/24/93.

- i) Alan R. Johnson - #855 - revoked the B-1/2 Survivorship Option which was to have become effective on 9/1/93 and which was approved at the Retirement Allowance Committee meeting of 8/24/93.
- j) Tyrone May - #23118 - returned to duty on 8/30/93.
- k) Luis Montalvo - #13647 - returned to duty on 8/23/93.

7. New business.

- a) Pension Office space discussion.

8. Report by Executive Director.

9. Adjournment.

09/20/93

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 536th Meeting of the Retirement Allowance Committee was held Tuesday, September 28, 1993 at the Harris Trust & Savings Bank, 111 West Monroe Street, Executive Dining Rooms, 37th floor. The following were in attendance:

Mr. J. Forte	Mr. E. Hill, Chairman
T. Collins	W. Buetow
	M. Holzman

Mr. D. Perk, Executive Director was present. Mr. L. Morris sat in I. Thomas' stead. Mrs. P. Beavers sat in C. Burrus' stead. Mr. C. Lang sat in T. Stevens' stead. Messrs. R. Pirovano, W. Ross and Ms. P. Williams of the Pension Office staff were present. Messrs. F. Duda and B. Baker of the Harris Trust and Savings Bank were in attendance. Messrs. B. Scholz, J. Henderson and R. Goldman, pensioner representatives were present. Mr. R. Burke, Plan Attorney was also in attendance.

- (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 Committee members was present.
- (3) On a motion by Mr. Forte, seconded by Mr. Collins, the Committee unanimously approved the Minutes of the 535th Meeting held August 24, 1993.
- (4) Mr. W. Buetow, Chairman of the Investment Subcommittee reported that there was no Investment Subcommittee meeting held. He noted that he had received a report from Ned Joachimi outlining the assets and cash flows for the Plan's various investment managers. He noted that, from March 1978 through June, 1993, the Plan's market value increased from approximately \$214 million to \$1.2 billion. Mr. Buetow also indicated that he had received a call from Joe Stevens, the arbitration attorney for the Authority, referencing a letter identifying certain groups that have not been covered by the signed arbitration agreement with the Authority. His legal opinion is that this correspondence is correct and his interpretation and direction is such that the areas that have not settled with the Authority are not eligible for the increased pension benefits offered to other groups who are signatories of the agreement. The Plan Attorney indicated that he has a problem with this issue due to the fact that the Basic Retirement Plan results from an agreement between the Authority, Locals 241 and 308 which covers the Retirement Plan and his initial reaction is that he would not be in agreement with the interpretation by the arbitration attorney.

Mr. Hill stated that the checks should be mailed unless the Committee decided that certain checks should be held. After a short discussion, it was agreed that all checks should be delivered.

(5) The Chairman of the Real Estate Subcommittee was not in attendance. Mr. Holzman then gave a report noting that there had been approval to pay off the mortgage on the 711 Jorie property and he also noted that there were questions presented as to the assessed value of some of the properties in the portfolio. The Executive Director then noted that the subcommittee had made a recommendation to approve the three properties which are to be built on Highway 59 at Meridian. Illinois Municipal and San Diego County have already approved this which are enough votes to go forward with this project. He noted that there are no additional monies that have to be infused into the building of these properties, but the project is not to exceed the original \$15M investment. The additional money that is to be expended from the original investment is \$2.3M. On a motion by Mr. Lang, seconded by Mr. Forte, the Committee unanimously agreed to concur with the Real Estate Subcommittee's recommendation for approval of the expenditure of \$2.3M from the original \$15M investment for the construction of the three properties in the Meridian Business Campus. The Executive Director also stated that the East-West Tech property was sold off to the Illinois Credit Union League for \$2.3M and on the 15th of October, \$2.2M will be distributed of which the Retirement Plan will realize 40% of this amount.

(6) Mr. T. Collins, Chairman of the General Administration Subcommittee reported on the meeting held September 23, 1993 noting that the subcommittee had made a recommendation regarding the vacant position in the Pension Department, however upon, further discussion, the subcommittee's position is that this item should be deferred in order that more parties could be apprised of the recommendation. Mr. Collins then indicated that agenda items 6 (a) - (k) had been reviewed and requested Committee approval for agenda items 6 (b) - (i). On a motion by Mr. Morris, seconded by Mr. Lang, the Committee unanimously approved agenda items 6 (b) - (i).

(7) The Committee's attention was then turned to a discussion regarding the Pension Office space proposals. The Executive Director then noted that the consultant for the office space search is out of town but he does have a comparative analysis and the figures for the Merchandise Mart, 225 W. Wacker and 221 N. LaSalle properties. The Chairman then stated that this item should be deferred until the next Retirement Allowance Committee or General Administration Subcommittee meeting because of unreadiness.

(8) The Executive Director then turned the Committee's attention to the Report of Deposits, Disbursements and Investments in the Trustee Summary noting that for the month of August, 1993 the performance for the total Fund was 3.03% and the value of the total assets of the Plan as of August 31, 1993 amounted to \$1,236,080,267.00. He also stated that the value of the Fund as of September 27, 1993 amounted to \$1,227,741,954.24. He then noted that PanAgora added \$2.8M to the portfolio for the month of August and the portfolio was valued at \$77.9M on July 31, and was valued at \$80.7M on August 31. PanAgora was valued on September 27, 1993 at \$78,240,123.12. The Executive Director also noted that their performance for year to date returned a negative amount and in his judgment it is highly improbable that they will add the 100 basis points over the benchmark as proposed. He also mentioned that year to date all of the equity managers returned good numbers with the exception of Ariel Capital Management. He then noted that every month there is a cash distribution from the Dallas Industrial property. He also mentioned that the 711 Jorie mortgage was paid off for \$7.2M.

The Plan Attorney then noted that he had attempted to contact Joe Stevens and could not reach him, but his view has not changed, insofar, as the Arbitration Award as negotiated between the Authority, Locals 241 and 308 is for everyone in the Retirement Plan and suggested that the benefit payments be mailed out to all those involved.

(9) There being no further business, the Committee unanimously agreed to adjourn at 11:10 A.M.

EXECUTIVE DIRECTOR,
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN,
RETIREMENT ALLOWANCE COMMITTEE

DATED