

AGENDA

FOR THE 548TH RETIREMENT MEETING OF SEPTEMBER 27, 1994

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 547TH Meeting held August 23, 1994.
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) Fletcher Barness - #06209 - request for retroactivity to 09/01/94.
 - (ii) Melvin Moon - #07095 - request for retroactivity to 09/01/94.
 - (iii) David Smith - #04533 - request for retroactivity to 09/01/94.
 - (iv) Cortelius Williams - #36625 - request for retroactivity to 09/01/94.
 - (v) Alonzo Willis - #17905 - request for retroactivity to 09/01/94.
 - (vi) Robert Hudson - #13510 - (disability) - request for retroactivity to 08/01/94.
 - (vii) Nathaniel Parker - #21798 - (disability) - request for retroactivity to 09/01/94.
 - (viii) James Butzen - #35794 - Request for use of 1983 earnings in pension calculation.
 - d) Presentation of Death Benefits for approval.
 - e) Presentation of Refunds of Contributions for approval.

- f) Presentation of Bills and Remittances for approval.
- g) Jerry Garia - #26519 - repaid \$887.21 under Rule #31 Pension seniority date - March 5, 1990.
- h) Robert Mormon - #07008 - 30 days extension to repay refund of \$14,702.78 has expired - new seniority date for pension purposes only is 10-25-89
- i) Leonard Upchurch - #8509 - 30 days extension to repay refund of \$14,143.82 has expired - new seniority date for pension purposes only is 05-15-89
- j) Bobbie R. Jordan - #1058 - 30 days extension to repay refund of \$12,412.35 has expired - new seniority date for pension purposes only is 11-06-89
- k) Dexter Brown - #14155 - 30 days extension to repay refund of \$1,636.78 has expired - new seniority date for pension purposes only is 07-03-91
- l) Spencer Willis - #12007 - 30 days extension to repay refund of \$10,099.80 has expired - new seniority date for pension purposes only is 04-09-93.
- m) Claudis Toran - #04176 - returned to duty - 09-02-94
- n) Nathaniel Barton - #05589 - returned to duty - 09-02-94

8. New Business

9. Financial Report

10. Adjournment.

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 548th Meeting of the Retirement Allowance Committee was held on Tuesday, September 27, 1994 at the Harris Trust and Savings Bank, 111 West Monroe Street, Executive Dining Room - 37th floor. The following were in attendance:

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

Mr. D. Perk, Executive Director was in attendance. Mr. C. Lang sat in Mr. C. Burrus' stead. Mrs. P. Beavers sat in Mr. M. Holzman's stead. Mr. L. Sanford sat in Mr. W. Buetow's stead. Alternates L. Morris, M. Caffery, R. Schultz and L. Murray were also present. Messrs. J. Forte, W. Ross and C. Lewis of the Pension Office staff were in attendance. Mr. B. Baker of the Harris Trust and Savings Bank was present. Mr. R. Burke of Burke, Warren & MacKay was present. Messrs. B. Scholz, C. Spears, R. Goldman and J. Henderson were also in attendance.

- (1) The Vice Chairman called the meeting to order at 09:45 A.M.
- (2) A roll call was then taken which indicated that a quorum of Committee members was present.
- (3) On a motion by Mr. Lang, seconded by Mr. Brown, the Committee unanimously approved the Minutes of the 547th Meeting held August 23, 1994.
- (4) There was no Investment Subcommittee meeting held this month.
- (5) Mr. Stevens, Chairman of the Real Estate Subcommittee reported on the meeting held on September 21, 1994 at the offices of Burke, Warren & MacKay. A report was given by Bob Apodaca of Kennedy Associates on the Dallas Industrial Property and the 1994 year to date facts are as follows: A net on investment at 1.6% approximately, 1% less than projection. 6 month rate of return 4.45% not annualized; projected annual rate of return 9.6%; cash distribution for CTA \$223,800 to date and 88% of the net cash flow is being distributed to investors on a monthly basis. As of September the occupancy is over 99%.

Potential sales of four other properties Freeport, Ambassador, Metro 6 & 7. Pursuant to the management agreement any sales proceeds can be invested without investor approval. The Dallas Market currently has 5M square ft. of space absorbed; ranked 1st in U.S. for non-manufacturing business, and the vacancy dropped from 11% to 6% in that market. The developer found an investor for the first building without the 50% prelease and is currently

looking for three additional buildings.

Bob Apodaca said that Stanford University was part of this investment deal, but will not agree to a speculative development. Stanford is currently involved in development properties in the California area. Before any changes are made, we would come back to a full board because we have enough investments as far as real estate goes.

Also discussed the Multiple Employer Property Trust. The cash return since inception is 7.5%. If we redeemed these units today the rate of return would be approximately 6%, which is based upon our 10M investment over the time period since we have been involved. Properties have been written down and Kennedy Assoc. believes the values have bottomed out. There will be no more significant write downs and expect the income returns to increase.

Review by Capitol Associates of the Country Lakes Apartments: Property 10 yrs old; preferred maintenance completed; no rent increase until 1995; as of 8/94 occupancy 93%, and possible sale of property in the spring of 1995.

Jerry Egan and Bob Wolcuff gave a presentation on the 191 N. Wacker on whether we should hold, sale or make a parking lot. An analysis will be distributed to committee members who are interested. On a motion by Mr. Lang, seconded by Mr. Brown, the subcommittee unanimously approved the report of the Real Estate Subcommittee.

(6) Mr. Collins, Chairman of the General Administration Subcommittee reported on the meeting held on September 22, 1994. He indicated that agenda items 6 (a) - (n) were reviewed and requested approval.

Other items discussed: A possible bid for a Group Life Insurance that will allow us to pay less on the pensioners Death Benefits. Mr. Forte will confer with Charles Andersen and find out if it can be done more economically.

Russell Pirovano situation concerning his unemployment request and the involvement of Carey Morgan was referred to the Executive Session.

Items 6(h), (i), & (j) of the 548th Agenda: Pension dates for these individuals who could not pay the monies back into the Plan have 1989 dates. The pension dates of 13 months back would be more appropriate, however Mr. Forte found that these 3 slipped through the cracks. They were updated by giving them a proper notice; but were still unable to pay, therefore they were given the 1989 seniority dates.

Page 6 of the Meeting Material under Transportation/Personnel concerning Oscar Smith's retirement. Clarification was not made in the percentage to be used. A settlement agreement sets the stage for Mr. Smith to receive 1.85% rather than the 2.05%.

Page 14 of the Meeting Material under Refunds of Contributions concerning the supposed widow (Gwendolyn L. Craig) of Larry Craig. He had a seniority date of 1966. His wife did not receive the A 1/2 Option that she is entitled to. Mrs. Craig was no longer the wife; but the divorcee and beneficiary, and therefore received a lump sum payment.

Issue concerning Lorraine Garrett was deferred to the Executive Session. On a motion by Mr. Stevens, seconded by Mr. Williams, the subcommittee unanimously approved agenda items 6 (a) - (n), excluding items 6c (ii) & (viii).

The Executive Director then requested approval of Agenda items 6c (ii) & (viii). Melvin Moon #07097 - request for use of 1994 earnings not in pension calculation and James Butzen #35794 - request for use of 1983 earnings in pension calculation. On a motion by Mr. Brown, seconded by Mr. Stevens, the subcommittee unanimously approved agenda items 6c (ii) & (viii), excluding James Moon vacation pay.

(8) No new Business.

(9) The Executive Director then turned the Committee's attention to the Report of Deposits, Disbursements and Investments in the Trustee Summary and noted that for the month of August, 1994 the performance for the total Fund was 3.07% and the value of the total assets of the Plan as of August 31, 1994 amounted to \$1,225,073,188.

The Executive Director requested approval for Joseph Triolo #19721 to rescind his 8/1/94 retirement application and return to work as if he had never retired in a restricted capacity under the American Disability Act (ADA). Mr. Forte explained that Mr. Triolo applied for a disability pension, but did not have the pension seniority. He then applied for regular pension because he had the age. Mr. Triolo requested to return to work because did not understand his benefits and was found fit to return to work by medical on September 19, 1994. Mr. Brown then indicated that there are no light duties in his department. There was more discussion on other employees with more seniority waiting for jobs. If there is going to be an accommodation made for this individual with 9 plus yrs, will other employees without jobs and more seniority be accommodated? Also there are other pensioners who want to return to work, should they be accommodated? There was a brief discussion which led to Mr. Stevens withdrawing his original motion and the Chairman requested to defer this issue to next month when the Plan counsel brings in a more detailed and updated report.

The meeting then moved to Executive Session.

(10) The meeting was reconvened and, there being no further business, the meeting adjourned.

EXECUTIVE DIRECTOR,
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN,
RETIREMENT ALLOWANCE COMMITTEE

DATED