

A G E N D A

for the 607th Retirement Allowance Committee Meeting of
August 24, 1999

1. Meeting will be called to order at 8:30 A.M., Northern Trust Company, 50 South LaSalle Street, Directors Dining Room, 6th floor.
2. Roll call
3. Approval of the Minutes of the 606th Meeting held July 27, 1999.
4. Investment Subcommittee report.
 - a) Financial Report
5. Real Estate Subcommittee report.
 - a) Presentation: T.A. Associates
Alliance Investment Management
6. Subcommittee on General Administration
 - a) Announcement of deaths reported since last meeting.
 - b) Presentation of Pre-Retirement Surviving Spouse Allowances for approval.
 - c) Presentation of new retirement applications for approval.
 - (i) Leon Taylor #7807 (dis.) request for retro-activity to 11-01-97.
 - (ii) Mabel J. Raines #11693 (dis.) request for retro-activity to 07-01-99.
 - (iii) Mark J. Gasior #23942 (dis.) request for retro-activity to 08-01-99.
 - (iv) James H. Holmes #13440 (dis.) request for retro-activity to 08-01-99.
 - (v) Blake E. Hunt #21481 (dis.) request for retro-activity to 08-01-99.
 - d) Presentation of Death Benefits for approval.
 - e) Presentation of Refunds of Contributions for approval.
 - f) Presentation of Bills and Remittances for approval.
 - g) Edward Tobin, retired under Supplemental Plan 01-01-88 - Vested under Section 11 of the Plan - Retirement Date - 09-01-99 - request for retro-activity to 04-01-99.

h) Verleen Smith-Quicksey - D-3370 - returned to duty 07-29-99.

i) Sheila Watkins - D-3419 - returned to duty on 08-23-99.

7. Old Business
8. New Business
9. Executive Session
10. Adjournment

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY

The 607th Meeting of the Retirement Allowance Committee was held on Tuesday, August 24, 1999, at the Northern Trust Company, 50 South LaSalle Street, 6th Floor. The following were in attendance:

Ms. W. Black, Chairman
Ms. C. Ogletree
Mr. J. Williams
Mr. M. Barnes

Mr. D. Anosike, Vice Chairman
Mr. R. Winston
Mr. M. Acosta
Mr. J. Kallianis

Alternates also present were P. Beavers, L. Morris, I. Thomas and R. Smith. W. Ross and C. Lewis of the Pension Office Staff were in attendance. Ms. Pamela Newton of Northern Trust Company was present. Mr. R. Burke and Mr. T. Paravola of Warren, Mackay & Serritella were present. Messrs. C. Wesley, C. Spears, J. Henderson and H. McGhee were also in attendance.

1. The Chairman called the meeting to order at 8:30 A.M.
2. A roll call was taken which indicated that a quorum of Committee members was present.
3. On a motion by Mr. Kallianis, seconded by Mr. Anosike, the Committee agreed to defer approval of the Minutes of the 606th Meeting until the next meeting held in September.
4. Mr. Williams, Chairman of the Investment Subcommittee, reported on the meeting held this date.

Mr. Joachimi said Nealon Youngblood of Pharos Capital is outside. The alternative product firm that has been on the verge of being approved. As I understand it he has talked to the people that were necessary. What we need is approval for an investment. He has been asking for \$10 million and I am recommending \$5 million.

On a motion by Mr. Williams, seconded by Ms. Black, the Committee unanimously approved to invest \$5 million with Pharos Capital.

Mr. Joachimi spoke with Mr. Burke and he brought up two things. Two of them are Real Estate deals. He was asking if we would serve as the advisor on those two. This is Real Estate and it does take a little bit more for us to make sure that we are comfortable with it. I noticed that the fee being charge by the Townsend group was quite excessive. I think we would be happy to provide that service with some kind of flat fee for due diligence. I honestly have not had any time to think about it. But it

would be a minimal fee. We are approved as an investment advisor to the fund and we can serve that purpose for you.

The other thing was RXR and I know that this a concern for everybody. One of the things that RXR came to me on was. They invest money then reinvest it so that you get better than the three percent guaranteed. My opinion is this is what all of your other managers do. They reinvest those moneys they do not pay them out. For you to get anything better than 3% guarantee, that is what you are going to have to do. I recommend it. We are not doing anything different than we do with every other manager.

Mr. Williams asked the Chairman and Vice-Chairman that if we keep them on as managers, I would think that the consensus would be that they be allowed to reinvest the same as other managers. If they can make money for the Plan then I would not want to hold them back.

Mr. Joachimi said approving this makes a lot a sense because they could start doing that now. You still have the complete freedom as you do with any other manager to remove them for what ever reason the Committee decides.

Mr. Thomas said with this particular dialogue I do not want to mislead the Committee member that we approved on what actually took place with dealing with RXR. My feelings are still the same. RXR should not have had the money and the Committee did not approve for them getting the money. Somebody just took it on their own against the will of the Committee and just gave them that money. But I do feel that they should be allowed to be treated the same since it is going to be beneficial. But I do not want anyone to read that Mr. Thomas approved of them being on board because I know the way they got the money was illegal. Therefore, this is not a dead issue. I would like for the records to reflect that.

Mr. Anosike said I think we have gone over this several times. It is very frustrating that you keep making statements that are totally false. I want to include in the records and to somehow reflect the truth. What the Chairman just said now is totally incorrect. This Committee approved it. I want the records to reflect the facts that I am correct.

Mr. Joachimi said you do not lose anything that you had before. What you gain is the potential of making more money in letting them reinvest.

Mr. Winston asked with other firms you do not necessarily have a minimum guarantee of return. In this case they have to come back to us and ask us if they can play with the money above 3%.

Mr. Joachimi said you are not changing anything from the guaranteed standpoint. You have no other investment that guarantees a thing.

Mr. Winston stated which is why they are coming to us and asking for permission. With the need that we have every month with the benefits and so forth. Should this enter into the discussion. It seems as though we should structure the investments so that money is freed up as cash for benefit purposes so that we do not have to go back and disturb other investments. Should we start thinking along those lines.

Mr. Joachimi said the biggest problem with that when you are talking about paying benefits out of your fund which we do every single month. You have to go where it is really liquid. Granted you could do it with the income that is sitting in a stiff account. That is a potential. What we have done however, is we have gone to the managers within the asset allocation and met all of our requirements that way. I do not think that RXR is going to fit the bill for what you need completely by themselves. You do not have enough money invested in them. The things that we can not touch are anything in real estate and alternative products. Because you do not really know what you have until you get out of them. We have to depend on the liquid side to raise the money.

On a motion by Mr. Anosike, seconded by Mr. Winston, the Committee unanimously approved to treat RXR just like the other managers and allow them to use the same procedures such as reinvesting.

Mr. Joachimi said at the last meeting I said that we are starting to look at the value equity side of your portfolio. We have looked at two Chicago managers that were requested and some minority managers who's numbers would look good over time. The managers are Lunn Partners Chicago, Mesirov Asset Management Chicago, Paradigm Asset Management (minority owned) not Chicago, Edgar Lomax Company (minority owned) not Chicago and your two existing value managers that you have had for many years. Fidelity has been around for 14 years and Delaware for 21 years.

We did replace Oppenheimer with an index manager Northern Trust and two index plus managers; meaning they are going to earn more than the index, Invesco and Aeltus. I have trouble replacing the two big guys Fidelity \$200 million and Delaware \$300 million. The one that I am most concerned about is Fidelity because their style have changed a little bit. Lunn Partners does not have enough money in management in that style for us to consider them as a main line investment. In our investment guideline we have a \$200 million and a five year minimum. For someone with less than that we would have to think of our side fund. It is where we put NCM and Kenwood when they first came on board. Lunn partners are the group of people that broke away from Morgan Stanley.

Mesirov is a Chicago manager and has about \$250 million in this style. With the size of your fund I would have a problem in giving them a lot of money even if they had the best numbers of them all. Paradigm which is 75% minority owned is large enough and the numbers are good. Lomax is another completely minority owned firm and their numbers are good. I would recommend that we bring some of these people in and hear their story.

Mr. Kallianis asked are the value managers that we see here based on a search that you did. Is this the search of the best ones.

Mr. Joachimi said we set a position of value managers that have a certain range of price, a certain range of earnings growth and a certain range of dividends and so on. The names were not ideally put there they were put there because they were one of those value managers that look good. I would like to here what Lomax and Paradigm have to say about what they are doing and where they are going. I would really like to hear Fidelity explain what is going on.

Mr. Kallianis asked Mr. Joachimi to bring information on the other managers included on the chart. I would like to know why we are not looking at them.

Mr. Thomas said we should bring those in even though Ms. Leonis is not present and at a subsequent date if she has an interest in any of those people they should be allowed to come in also.

Mr. Williams reminded Mr. Joachimi to keep in mind that we want to look at the International because we are not where we should be.

Mr. Joachimi said you got about five percent of your money in the international and your policy states 10%. The question is should we be expanding within what you already have both of who have beaten the bear market or should we be looking at some potential other International managers.

Mr. Paravola (Plan Counsel) said I have nomination letters for Invesco, Aeltus and Capri that are outstanding and need to be signed by the Chairman to send over to Northern to effectuate what the Committee have already approved. He then asked Mr. Thomas if he was still signing as the Chairman and who are the alternates for the union side.

Ms. Black said at the end of this session she will become the Chairperson. Mr. Thomas will be her alternate. Mr. Morris is an alternate for Ms. Ogletree and Mr. London is an alternate for Mr. Barnes.

a) Financial Report - Wayne Ross then turned the Committee's attention to Report of Deposits, Disbursements and Investments in the Trustee Summary and stated that the value of the fund on July 31, 1999 was \$1,804,612,187.00 with a monthly performance -1.57%.

The Employer Contribution deposit hit the account on August 2, 1999. The check missed the cut off because it was delivered July 30, 1999 after the banks cut off. It was credited to our account the following Monday which was August 2, 1999.

Mr. Morris stated that he has a problem with that. I look at these reports and find that we did not make a deposit.

Mr. Paravola said that the Plan states in section 7.4 , "The total contributions of the employees and the Authority shall be forwarded by the Authority to the Trustee not later than the end of each month for all contributions made as to pay periods ending in the preceding month."

On a motion by Mr. Thomas, seconded by Ms. Black, the Committee unanimously approved the Investment Subcommittee Meeting.

5. Mr. M. Acosta, Chairman of the Real Estate Subcommittee, reported on the meeting held this date.

Mr. Berlin discussed the two things on the Real Estate Agenda are the quarterly report and the managers presentations. Two of the managers TA Associates Realty and Kennedy previously met with the Real Estate Subcommittee back in March. Out of those presentations the Real Estate Subcommittee had recommended making an investment in TA Associates. These two funds are essentially competing for the remaining allocation for the CTA's non-core real estate component. Those are the two funds we are looking at right now for that \$10 million allocation.

The third group coming in is Alliance Investment management. They are a local firm. A start-up fund. They are more of a core type strategy with some caveats. What I call socially responsible or economically targeted investments. Investments in areas that are depressed or in need of housing. From a Townsend prospective we are still doing due diligence on the Alliance investment firm. During our core search we will be looking at them closer in completing our due diligence.

Mr. Grant continued with the quarterly report. The first quarter of 1999 the total for the quarter was slightly under 2%, 1.7% of that was income and .2% was appreciation. That compared to about 2.5% for the NCREIF Property Index which is your bench mark for the quarter. You slightly under performed the bench mark for the quarter. However, for the year the portfolio out performed the index by 200 basis points 16.4% to 14.4%. You have done well for the year. You slightly under performed the index for the rolling 3&5 year periods, but you are catching up to that index.

Total Plan assets were about \$1.8 billion based on a 10% allocation. That is about \$180 million for real estate. The current portfolio is about \$92 million although the Board has made subsequent investments to Capri income select, Paine Webber and also to Walton Street for \$15 million each which is \$45 million. We still have about \$60 million to allocate the real estate in order to get to that 10% target level. Ten percent of the that will be for non- core investment the remaining 50% will be for core investment.

In terms of specific portfolio activity REEF has sold the entire Meridian Business Campus that is now off the books. REEF also has the REEF Venture Capital investment which they are starting to sell some of the assets from that investment from that fund.

Presentations were given by T.A. Associates and Kennedy Associates for the non-core component the \$10 million allocation and Alliance Management for the core allocation.

Mr. Morris asked Mr. Berlin to define core and non-core. Mr. Berlin explained core is at least 80% leased and occupied and good physical condition and location. Non-core is 50% leased or needs significant renovation. They would be taking that renovation or releasing risk. More risk, more leverage and debt but higher forecast of returns.

Mr. Acosta recommended that the Committee make a decision 30 days from now because he would like to close out this portfolio.

On a motion by Mr. Thomas, seconded by Mr. Williams, the Committee unanimously approved the Real Estate Subcommittee Meeting.

6. Mr. Kallianis, Vice-Chairman of the General Administration Subcommittee, reported on the meeting held this date.

Mr. Ross gave a report on refunds of contributions, death report, retirement application to be approved and bills for the Pension Office.

Mr. Ross discussed Edward Tobin who retired under the supplemental plan back in 1988 and vested under Section 11 of the Plan. He should have come in early April 1, 1999 and retired when he hit 65.

Mr. Paravola stated that there should not be retro-activity under the Plan section 11.4, "Payment of the deferred vested retirement allowance to a former employee who remains eligible therefore shall be payable monthly commencing with the month next following the month in which the former employee (i) attains age sixty-five (65) or (ii) files the application for commencement of payments, whichever last occurs." The burden is on the employee to come in and apply. If the application is after age 65 the occurred vested benefit starts from approval after the application.

Ms. Black said it will be approved as of 9/1/99 which is the date he made application for pension.

Mr. Kallianis requested approval of items 6a through 6i with the exception of the items that were mentioned for Executive Session which are items F and G.

On a motion by Ms. Black., seconded by Mr. Williams, the Committee unanimously approved the General Administration Report with the exception of the items that were mentioned for Executive Session which are items F and G..

7. Old Business

Mr. Williams asked Mr. Burke did we bring in a couple of people in the Real Estate and are they all done.

The Plan Attorney said we have two funds which we are working with. Walton Real Estate fund and the Paine Webber Real Estate fund. These have both been approved for \$15 million. The difficulty we have with those as we had with others is when we retain investment managers in the past those managers have then gone out and have picked a host of different securities that are traded at the public market.

These two investment managers are picking their own specific fund. It puts them in a conflict. The way that this has been addressed in the past has been that the Townsend Group has acted as a specific manager for them. We have that situation with Commercial Net Lease which are the small commercial properties down in the southeast. Townsend acts as the investment manager. Townsend is prepared to act as the an investment manager and pick these two funds as the Committee has so designated.

Towsend already has an investment management agreement and charges an additional fee. The fee would be \$37,500 per fund to accomplish the investment of those two specific funds in a framework where there will be an investment manager overseeing there performance. That is an additional \$75,000 per year. The two funds have gone through review at Northern Trust but that is the structural issue we have right now. To proceed we would have to have an investment manager overseeing these because these people are basically picking their own funds.

The Jeffery Manor property is being listed for sale as the Committee so authorized. Also we have the procedures going forward with Lake Wacker. The Hines people has a significant sum of money up for the Committee, \$2 million. They do not have a tenant for the property. They are looking to move ahead on their plans but that is still an issue where we do not have a firm tenant going forward.

Mr. Thomas asked the Plan Council are there anyone else operating similar to the one that you mentioned.

Mr. Burke answered CNL down in Florida which are those small single building commercial centers. That is the only one where we have effectively an investment manager overseeing their performance. Because they basically are dealing with themselves. They are getting fees from the transaction themselves. There is an inherent conflict and we have had discussions with Northern on this.

Ms. Black said we have a request for Hugh McGhee who has been in dispute on this board. Also the refund of contributions for the part-time board members.

The Plan Attorney replied. Mr. McGhee is a part-time member and the discussion is with the Authority to set his retirement date. I can recall we had discussion on that and I wrote a letter at the Committee's direction to Mr. Czech at the Authority requesting that his date be set. Apparently it was not set in a timely manner, but I do not think it is the power of the Committee to set a retirement date prior to 1/1/99, which was certainly the outside date for the Voluntary Early Retirement Incentive Program. It seems to me that the Committee could certainly honor a January 1, 1999 date, but to go 1997 I do not think that is appropriate for the Committee because the call on setting those dates were the Authority's.

Ms. Black said the reason I am saying this because he went off sick July 1, 1996. His six months were up at which time it would have made him eligible for pension and he had signed up for the incentive program. He did not receive neither disability nor regular pension.

Mr. Williams asked did Mr. McGhee work during or in between that time. Ms. Black answered no he was off sick.

Mr. Williams said that from 1997 to 1999 even though he was not working they denied his right to retire. Did we get a reason as to why they denied him.

Mr. Anosike said for the record the right to set the date was CTA's. Rightly or wrongly they set the date for Mr. McGhee. I have no other information to the contrary as to why they did not set it.

Mr. Williams said we sat at the table and we negotiated this contract. In the spirit of negotiation was that when a person became eligible they were put in to retire. Now if CTA needed that individual to continue to work so that they would not lose there fleet of people they would hold that individual for as long as they needed them. Because they needed him to work. But if this man is not working at all then there is another ulterior motive for holding that person. Then if that is the case then we need to really resolve this by giving Mr. McGhee what he is entitled to or we are back in court again. Can we get some resolution on that by next month.

The Plan Counsel said I will call Mr. Czech and say we wrote to you on this issue some time ago give me an answer as to what your views are.

Ms. Black asked about the refund on contributions made with the Authority and the active part-time board members that were not matched by CTA.

The Plan Attorney said these would be contributions made by the Union for part-time officers during periods of time for which they did not receive pension eligible credit under our follow-up to the arbitration. The union would be entitled to refund of those funds.

Mr. Ross said I have a problem with how that should be calculated based on when we stopped inputting that information into the system and then the arbitration which caused an odd calculation. I have been in contact with Bill Moore at CTA on how to derive that calculation for each individual. He suggested that we have to calculate individual by individual based on those parameters that are set for years 96, 97, 98 and 99. I need some profound direction as to how to make that calculation by each individual.

Mr. Williams asked could we send a couple of individuals from here to sit with Mr. Ross. One from the labor side and one from management side because if CTA does it we may feel that it may be wrong.

Mr. Thomas said I have no problem with the suggestion of Mr. Williams. I recommend Ms. Black and Mr. Anosike.

Mr. Morris said I would like to remind the Committee that Lindon McCollum appeared before the Board. He asked that his calculations be calculated to his pension after 1996. We had assured him at the meeting according to the minutes we were going to do that. He is a retired board member. He asked that we calculate it 96, 97 and 98. He is saying his retirement according to the contract is not calculated correctly. As a board member he should be calculated according to the contract.

Ms. Black explain that he came into office in 1996 and left out in 1999. According to the arbitrator's award there is a percentage he gets for each year.

Mr. Ross said there was the initial three and then the next seven. Six of those used 95 on back. Lindon McCullom was the one that wanted to use 96, 97 and 98. He is under this frame work of trying to figure out the calculation that would be agreeable to both sides in terms of the arbitration.

The Plan Attorney said he will sit down with Mr. Ross and walk through the calculation and then come back and make a report to the Committee next month.

Mr. Anosike wanted clarification as to who are members of this Committee and who are the alternates.

Mr. Thomas said Wanda Black, Marcellus Barnes and Claudette Ogletree are Committee members and Leonard Morris, Isiah Thomas and Leon London are alternates with the understanding that the Committee members and alternates could change.

Mr. Ross put in the meeting packages a letter from Valerie Jarrett that spelled out the alternates and the full members on management side.

Mr. Anosike said the only individual that I will introduce at this point is Robert Smith. He then asked that Mr. Smith be provided with the fiduciary statement for signature and that the same form be extended to all members of the Committee who have not signed it.

Mr. Morris asked about the Plaques that came off of the 191 Wacker Building. Mr. Thomas asked Mr. Ross to put them on the agenda until we get a response.

8. New Business

Ms. Black said I have a question regarding this letter that I received from you in response to Mr. Anosike's request for documentation. I understand the fact that we do have a right to request documentation. Where I had a problem is the fact the documentation once received would not be going to him it is going to someone else. Some other law firm. If you can clarify that up for me. Are you saying that I can take anything I want from here and send it out to anybody I want to.

The Plan Attorney said no. The point I was trying to address in the letter was that Mr. Anosike raised an issue. He said as a member of the Committee am I entitled to documentation. It is my view that any Committee member is entitled to any documentation because you have a fiduciary obligation. Now if an individual in Mr. Anosike direction was to send it to his attorney over at Mayer, Brown and Platt. I think any individual who receives the documentation can discuss that with their counsel if they so see fit.

It is because in this context the direction I received from Mr. Anosike indicated very clear that Mr. Norman over at Mayer, Brown and Platt is counsel on this matter and for that purpose I would follow his direction to his lawyer. This is a matter because I presume he would be in dialogue with Mr. Norman. But if an individual answers specific questions, asked for documentation it should go to that individual.

Ms. Black asked Mr. Anosike what was the purpose of the request for documentation.

Mr. Anosike answered I need it for information.

Mr. Thomas said I understand the work that we do on this Committee some of it is very confidential. My concern is the information that you are requesting. Does it have anything to do with the upcoming arbitration that we preparing for right now.

Mr. Anosike said the information that I am requesting is to fully serve this Committee.

Mr. Thomas said I would like for the record to show that if anyone takes information out of this Committee, it should be forbidden that anybody can take any information and to use it in a dispute. We have procedures, if there is a dispute then you go through a subpoena process and we cooperate with each other. Are you saying that any member and participant of this Plan have a right to solicit any and all information that they feel that they need to do what ever.

Mr. Paravola stated that Mr. Burke said because they are fiduciaries and their obligations to the Plan any Committee member has the right to request documentation that may be available in the files of the Committee or if I have written letters to the Committee. They have a right to look at that to see if they are comfortable with their fiduciary responsibility. I did not say participants only Committee members.

I had a point that was not on the Agenda. I received a call that Mr. Ross received initially from a Mr. John Agrela who is the president of the Sheet Metal Workers Union in regard to an individual who he identifies as Michael Campani. Who is the Secretary Treasure of the union and who works apparently for the CTA as an employee some forty hours a week. He works an additional twenty hours a week as an union employee. Mr. Agrela would like to commence a program of making a contribution for the twenty hours per week with Mr. Agrela who works basically for the union which of course would have to be matched by management under the terms of the Plan.

I said to Mr. Agrela that I would report his inquiry today to the Committee. I look at the provisions of the Plan in regard to who are employees for the purposes of the Plan. Section 3.3 provides "Employee for the purpose of the Plan shall consist of . . . An individual implied by the Authority who on June 1, 1948 or thereafter, is on leave of absence because of holding office in the Association or the International office or any other bargaining agent representing employees of the Authority. Providing however that if said individual was first employed by the Authority on May 16, 1980 or thereafter. Said individual has completed 12 months of continuous service with the Authority prior to commencement of the leave of absence incidental."

I do not think Mr. Campani is on leave of absence. What he is doing he is working a full schedule for the Authority and some additional 20 hours for the union. But we have not had this type of inquiry come to the Committee before in regard to union and this is the sheet metal workers union. I just want to tell the Committee about this and I am going to suggest that we get a copy of the records of the Authority so we can look basically at this and determine exactly what his employment history is.

I will report back to the Committee next month in September after we have done some investigation. What their desire of doing is basically having that time and that compensation more specifically that he is earning from the sheet metal workers considered in his pension eligible earnings.

Mr. Williams stated that in a situation like that he would be a part-time union official. With 308 and 241 we have to have contract negotiations to cover the part-time union officials. That would have to go the bargaining tables. If it is not leave of absence it would have to be negotiated.

The Plan Attorney said my view is this man is not on leave of absence he is a part-time worker.

I have a letter that is from Carol Clouse, the editor of Investment Management Weekly to Dennis Anosike Board Chair CTA dated August 4th, 1999.

"Dear Mr. Anosike, I am writing to request the minutes of the last two meetings of the Board of the Chicago Transit Authority Employees Retirement System and to request to receive monthly minutes by fax or mail on a regular basis in the future. I hope that this letter is a sufficient request. I would appreciate you handling this request as soon as possible if you need to reach me my phone number is such and such Investment Manager Weekly."

Generally speaking when we have had inquiry such as this before we have taken the posture we do not respond. The rationale that we have offered is that this is not a public body such that you might have with the CTA Board for something of the sort. This is a separate entity. So the Committee's direction in the past has been not to provide that information on the basis that this is confidential set of public information. I will follow the Board's direction to make that response to Carol Clouse.

The Plan Attorney (Mr. Paravola) said I want to follow up on one point on behalf of the Pension Office. Ms. Black's point about the request from Mr. Anosike for documents. Mr. Ross needs some direction coming out of the Committee as what he should do giving the current circumstances. I do not think the Committee should leave him for another month in the spot that he is in. Mr. Burke put in his opinion to the Committee. Based on that opinion delivered to the Committee the Committee should specifically direct Mr. Ross what to do in response to the information request that was made.

After further discussion by the Committee.

Ms. Black stated that if any Committee member makes a request for documents to send it to them. Mr. Ross does not have to worry about contacting anybody else. The Committee member has the responsibility if they want their lawyer to review it to give it to his/her lawyer themselves.

Mr. Anosike said some of the conversation that we will probably have on those two other issues I would like to have on the record.

Mr. Kallianis said I suggest that we have the minutes taken at the Executive Session.

Mr. Paravola explained that historically the Executive Sessions were used for personnel matters and other things that you would want to discuss with a closed group. That being the case you did not take minutes of those sessions. Normally when you go to Executive Session is a general matter for personnel matters or things of sensitivity. Where there is something particularly sensitive where people will say some things that you want to have similar to a caucus. Any official action of the Committee should be done when the Committee comes back into session. Then there would be discussion to add on the record. That is historically what has been done.

On a motion by Mr. Williams, seconded by Ms. Black, the Committee unanimously went into Executive Session..

9. Executive Session - the Committee went to Executive Session at 11:45 a.m. The Committee adjourned from the Executive Session at 1:00 p.m.

Mr. Thomas said in the Executive Session there was a lengthy discussion on what procedure we should use as far as sending Committee Members and Alternates on pension conferences. After there was a lengthy discussion with no resolution; as Chairman I advised Mr. Ross, who is acting Director of the Pension Department to follow the same procedures that he has followed until there are some changes that this Committee can agree on.

Mr. Paravola said first thing before you make any discussion on this whole matter you should be looking at the policy in terms of what is already in place before you made any discussion. There is a time sensitivity for when people are going to go. Undoubtedly the policy says there can be some attendance of educational conferences. So the question is all procedural on how you approve the expenses.

Mr. Anosike said what the practice means is that you are suggesting that we approve a request to travel by a member of this Committee that have not been here for almost a year. We are saying that we are uncomfortable as fiduciaries of this Plan to approve anything in respect to travel or conferences until we get the activities of this Plan in order. I am simply putting everybody, all of us on notice that if you want to travel please travel on your own. Do not rely on the funds of this Committee to reimburse you for any travel. Until we put the affairs of the Committee first.

Mr. Williams said I do not think that we should take one individual and use him as a method to determine whether the rest of the individuals who are very responsive do what they need to do and let us get that education. In every business that you have you are going to find one to ten percent of people that is not going to do what they are suppose to do. That is over at the CTA, the Union, this Board and any other Board that you have in the country. You are going to find one or two that is not going to do that. You do not penalize the people that are going to make this Plan work by saying the rest of you can not get an education because this one particular person we have not seen in one, two, three years. I do not think that is the policy that we should use.

Mr. Kallianis said what Mr. Anosike is saying is not penalize everybody because of that. He is saying that the policy itself is flawed. It allows for somebody who we have not seen in over two years to go on a trip and be reimbursed for \$1500 to \$2500 for a trip down in Florida when the Committee is getting no benefit for that.

Mr. Williams said the Chairman had said that you hold up that individual which nullifies that. The people that are here and need that education should be allowed to go. That is unacceptable. Our concerns about that particular individual, hold that up until, but you do not hold the others up with that education.

Mr. Ross said I will deny or hold Mr. Caffrey's registration and transfer Mr. Williams registration to Ms. Ogletree. I will not cut any checks going forward until I get some kind of agreement of where to go.

On a motion by Mr. Anosike, seconded by Mr. Winston, requested the Committee to approve the General Administration Report except for the travel in item F and with the amendment to G to become effective 9/1/99.

The motion did not pass.

On a motion by Mr. Williams, seconded by Mr. Barnes, requested the Committee to approve the General Administration Report including F paying the remittances of the travel expenses. Items a through i with the correction of the 9/1/99 date for Mr. Tobin. There was a roll call of members as follows:

Ms. W. Black,	yes	Mr. D. Anosike	no
Ms. C. Ogletree	yes	Mr. R. Winston	no
Mr. J. Williams	yes	Mr. M. Acosta	no
Mr. M. Barnes	yes	Mr. J. Kallianis	no

The motion did not pass.

Mr. Paravola explained to the Committee that if you adjourn right now you are holding up the Surviving Spouse Allowances, New Retirement Application, Death Benefits and Refund of Contributions for approval. These are all checks that are going to your participants and beneficiaries. As fiduciaries to this Trust I would address those checks. Those are your participants.

On a motion by Mr. Thomas, seconded by Mr. Anosike, the Committee unanimously approved nomination of Ms. Black to become the Chairman of the Retirement of the Retirement Allowance Committee.

On a motion by Mr. Kallianis, seconded by Mr. Williams, requested the Committee to approve the General Administration Report including items 6a through 6i with the

stipulation of a change of pension date for Mr. Edward Tobin to 9/1/99, and with the understanding that the travel policy will be put on the agenda for discussion in terms of process at the next monthly meeting held September 28, 1999.

There was a roll call of members as follows:

Ms. W. Black,	yes	Mr. D. Anosike	present
Ms. C. Ogletree	yes	Mr. R. Winston	yes
Mr. J. Williams	yes	Mr. M. Acosta	yes
Mr. M. Barnes	yes	Mr. J. Kallianis	yes

The motion passed.

10. Adjournment - There being no further business, the Committee adjourned at 2:00 p.m.

Wayne Ross

10/26/99
Date

Wanda J. Black
Chairman,
Retirement Allowance Committee