

# A G E N D A

For the 611<sup>th</sup> Retirement Allowance Committee Meeting of December 28, 1999

1. Meeting will be called to order at 08:30 A.M., Northern Trust Company, 50 South LaSalle Street, Directors Dining Room - 6th Floor.
2. Roll call.
3. Approval of the Minutes of the 610<sup>th</sup> Meeting held November 23, 1999
4. Investment Subcommittee report.
  - a) Financial 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) James A. Christman IV - #13066 - (disability) - request for retro-activity to 12-01-99.
    - (ii) Leonard Upchurch - #8509- (disability) - request for retro-activity to 11-01-99.
  - d) Presentation of Death Benefits for approval.
  - e) Presentation of Refunds of Contributions for approval.
  - f) Presentation of Bills and Remittances for approval.
  - g) Victor Collazo - #D3432 - effective 3/1/98 - returned to work - December 4, 1999.
  - h) Jacqueline Jackson - #D3348- effective 3/1/99 - returned to duty (FTT) - February 22, 1999.
7. Old Business: Mrs. Krasowski  
Disability Pension Report
8. New Business
9. Executive Session
10. Adjournment

## RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY

The 611<sup>th</sup> Meeting of the Retirement Allowance Committee was held on Tuesday, December 28, 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. J. Kallianis  
Mr. M. Acosta

P. Beavers sat in S. Leonis' stead. Alternates present were L. Morris, L. London, L. Fuller and R. Smith. W. Ross, C. Lewis and B. Phillips of the Pension Office Staff were in attendance. Ms. Pamela Newton of Northern Trust Company was present. Mr. T. Paravola of Burke, Warren, MacKay & Serritella were present. Attorney L. Moss for Union Local #241 were present. Messrs. C. Wesley, C. Spears, 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. M. Barnes, seconded by Mr. J. Kallianis, the Committee approved the Minutes of the 610<sup>th</sup> Meeting.
4. Mr. Williams, Chairman of the Investment Subcommittee, reported on the meeting held this date.

Mr. Joachimi discussed with the committee that there was a special meeting held on December 21, 1999 to render a decision on value of the portfolio. The committee has decided to move money away from Fidelity Investment. The total amount that the retirement committee will be investing is \$183,000,000.00.

We will take \$50 million of the money that is now in Fidelity and move it to Morgan Stanley International and take 25M of that and put it with Mesirow Asset Management a Chicago firm. The remainder would be split evenly between Paradigm Asset Management and Edgar Lomax Company.

On a motion by Mr. M. Barnes, seconded by Mr. D. Anosike, the Committee unanimously approved the distribution of funds taken from Fidelity International.

A special presentation was demonstrated by Pacific Venture Group, Inc. this company deals strictly health care management. There were two representatives from their company.

Mr. Joachimi stated that the venture capital has been very successful. There are issues that needs the committee approval and who will manage the distributions.

Mr. Anosike stated there is something else the Committee needs to discuss. This Committee should take a second look at the way some of these funds have not been performing. I do not know if there is a strategic reason why we sell at the point that we sell, but it seems to me that it should be an individual decision based on what either Mr. Joachimi or somebody tell us.

Mr. Joachimi said I am not a money manager. If you want to know about the companies I am not the guy. Some people in the same position would hire somebody to manage the distributions.

Mr. Ross said since the last month we had two distributions. The first one was Phone.Com and it was priced at the distribution point at a 154 and 5/8 a share. A distribution from Weiss, Peck and Greer a venture capital fund. The last quote I had on that particular shares of stock was on December 23, 1999 it closed a 118 and a quarter. The other one was Brocade another distribution by WPG. It was priced out at distribution time at 137 and 5/8 a share. On December 23, 1999 that particular stock was going at 158 and 1/2 cents a share. They both were over a \$100 a share. One went up since that time and the other went down.

- 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 November 30, 1999 was \$1,815,914,590.00 with a monthly performance 1.88%.

Mr. W. Ross stated that at the end of year we will have a total of 8,150 retiree's.

On a motion by Mr. M. Acosta, seconded by Mr. R. Winston, 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. Acosta said that Townsend is planning to come in to discuss their fees in January 2000. I spoke to Counsel about surveying other potential managers, but I would like to defer that conversation until next month.

Mr. Ross said we have our final distribution from the Wachovia Bank Real Estate fund which had been a liquidating trust for five years. That one will be closed at the end of December 1999.

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

6. Mr. M. Barnes, Chairman of the General Administration Subcommittee, reported on the meeting held this date.

Mr. Barnes gave a report on refunds of contributions, deaths, retirement applications to be approved and bills for the Pension Office.

W. Ross had two (2) travel expenses that he wanted to put on the floor for approval for Claudette Ogletree and Marcellus Barnes.

Ms. Black stated that Ms. Ogletree travel expense approved in last month meeting the amount was \$530.00.

On a motion by Mr. J. Williams, seconded by Mr. R. Winston, the Committee unanimously approved the application for Mr. M. Barnes to attend the I.F.E.P.B. Conference 2000. The total is \$1,230.00 for registration fee and two (2) workshops and an additional \$350.00 is needed for the hotel deposit.

Mr. Barnes requested approval of items 6b through 6h.

On a motion by Mr. Williams, seconded by Mr. Kallianis, the Committee unanimously approved the General Administration Report.

#### 7. Old Business

Ms. Black stated that the Ms. Krasowski investigation was completed and she will receive 100% survivorship option at the 1.85% per his survivorship option and there will be retro-activity to March 1, 1997.

Mr. Ross discussed the Disability Pension report. We have some information that indicates that we have been requesting people come back in for disability examinations. The procedure we went through where we contacted every Disability person was in 1996. The CTA has a disability review committee which basically reviews all the Disabilities in the benefit services area. We do have the follow up. The situation in the office prior since we lost people to retirement the pension representatives was generally directed to handle the disability retirements. After we staff the office one of the pension representative will be able to handle the Disabilities entirely.

#### 8. New Business - none

9. Executive Session - the Committee went to Executive Session at 10:00 a.m. The Committee adjourned from the Executive Session at 10:20 a.m.

Ms. Black stated that there was a vote taken on the position of the Executive Director and the Deputy Director.

A resolution was passed to name Mr. John Kallianis as the Executive Director and Ms. Brenda Rayford as the Deputy Executive Director of the Retirement Plan for CTA Employees. It was approved by the full Committee. The appointment will take place January 3, 2000.

The Executive Director has the right to determine Ms. Irma Muniz rate of pay and her tenure as a consultant to the Retirement Allowance Committee regarding pension.

Plan Counsel advised the Committee to include the appointed job descriptions in the minutes. (*see attached*)

10. Adjournment - There being no further business, the Committee adjourned at 10:30 a.m.

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**John Kallianis**  
Executive Director

1/25/00  
Date

  
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**Wanda J. Black**  
Chairman,  
Retirement Allowance Committee