

RETIREMENT PLAN FOR CTA EMPLOYEES

10 SOUTH RIVERSIDE PLAZA

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**NOTICE**

**TO: Retirement Allowance Committee Members and Alternates**

**FROM:**

  
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**John V. Kallianis**  
**Executive Director**

**DATE: August 10, 2000**

**RE: RETIREMENT ALLOWANCE COMMITTEE MEETING**

**This is to announce that the meetings listed below will be held Tuesday, August 22, 2000 at the Northern Trust Company, 50 S. LaSalle Street, in the Director's Dining Room on the 6th floor. The agenda for the full Retirement Allowance Committee Meeting is attached.**

- **The Subcommittee on General Administration at 8:30 A.M.**
- **The Investment Subcommittee will immediately follow the Subcommittee on General Administration.**
- **The Real Estate Subcommittee will immediately follow the Investment Subcommittee.**
- **The Retirement Allowance Committee Meeting will immediately follow the Real Estate Subcommittee.**

**If you have any questions on the Agenda, please call me at (312) 463-0350.**

**JVK:gmb**

**AGENDA**  
**For the 619<sup>th</sup> Retirement Allowance Committee Meeting of**  
**August 22, 2000**

**Page 1 of 2**

1. Meeting will be called to order at 8:30 A.M., Northern Trust Company, 50 South LaSalle Street, Directors' Dining Room, 6<sup>th</sup> floor.
2. Roll Call
3. Approval of the Minutes of the 618<sup>th</sup> meeting held July 24, 2000.
4. Investment Subcommittee Report
  - a.) Update on Investment Policy
  - b.) Proxy Voting
5. Real Estate Subcommittee report
  - a.) Core Search Presentations
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.) Darryl H. Jones - D-3479 - retired on disability effective 03-01-00, requesting retroactive benefits to 12-01-99.
  - d.) Presentation of Death Benefits for approval.
  - e.) Presentation of Refunds of Contributions for approval.
  - f.) Presentation of Bills and Remittances for approval.
  - g.) William Head - D-3490 - returned to work from disability on 08-02-00.
  - h.) Elizabeth Reames - D-3394 - returned to work from disability on 07-06-00.
  - i.) Mary L. Ware - D-3505 - returned to work from disability on 06-26-00.
  - j.) Lorene F. Murray - D-3302 - payback of pension contributions - Ms. Murray's letter dated 07-22-00.

**AGENDA**  
**FOR THE 619<sup>th</sup> RETIREMENT ALLOWANCE COMMITTEE MEETING OF**  
**AUGUST 22, 2000**

**Page 2 of 2**

7. Old Business
  - a.) Allen Austin #17292 – request for disability benefits retroactive to 05-01-97.
  - b.) Part-time union officials.
8. New Business
9. Executive Session
10. Adjournment

# **The 619<sup>th</sup> Retirement Allowance Committee Meeting for the Retirement Plan for Chicago Transit Authority Employees.**

## **I. Full Meeting Minutes**

A regular meeting of the Retirement Allowance Committee was held on August 22, 2000 at The Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at approximately 11:45 a.m..

A roll call was taken indicating that the following members were present:

Marcel Acosta  
Dennis Anosike  
Marcellus Barnes  
Wanda Black  
Loid Brown  
Kevin Thompson as an Alternate for Susan Leonis  
Claudette Ogletree  
Lynn Sapyta  
Jerry Williams  
Richard Winston

On a motion by Mr. Thompson, the minutes of the 618<sup>th</sup> meeting were approved as amended, with a dissenting vote cast by Mr. Williams.

### **General Administration Report**

A brief report was given by Mr. Barnes on the General Administration Subcommittee Meeting. The report of the Subcommittee, including items 6a through 6j on the subcommittee agenda, which dealt with various benefits, bills and remittances was approved on a motion by Mr. Thompson.

### **Investment Report**

Mr. Williams gave a brief report on the Investment Subcommittee Meeting. The report on the Subcommittee meeting, including the adoption of an updated Asset Allocation model for the Fund was approved on a motion by Mr. Acosta.

### **Real Estate Report**

A brief report was given by Mr. Acosta on the Real Estate Subcommittee Meeting, including the Subcommittee's nomination of J.P. Morgan, RREEF and Prudential to be funded at \$22.2 million each as Core Real Estate Managers for the Fund. The report on the Subcommittee meeting was approved on a motion by Ms. Sapyta.

## **Old Business**

Mr. Burke indicated that there was no resolution reached on the issue of part time union official retirement pay between union and CTA attorneys. Ms. Black requested that Mr. Burke continue to reach out to attorneys for the two parties to see if an agreement could be reached. Ms. Black requested that this issue be left in Old Business until it was resolved.

## **New Business**

There was no new business.

The Retirement Allowance Committee meeting was adjourned at 11:55 a.m. on a motion made by Mr. Brown.

## **II. General Administration Subcommittee Minutes**

A regular meeting of the General Administration Subcommittee was held on August 22, 2000 at The Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at 8:40 a.m..

Mr. Barnes presented for approval the pre-retirement surviving spouse allowances, the regular retirements, disability retirements, death benefits, refunds of contributions and payment of bills and remittances. Included in the disability retirements was the payment of retroactive benefits for Mr. Darryl H. Jones from 12/1/99 to 3/01/00. Mr. Barnes stated that the total of bills and remittances for the month was \$4,113,709.23.

On a motion by Mr. Williams, the various benefits, bills and remittances were approved for payment by the Subcommittee.

On a motion by Mr. Brown, the Subcommittee voted to support the actions taken by Mr. Kallianis with respect to item j., regarding Ms. Lorene Murray. Mr. Kallianis had deducted an amount equal to a previous refund of contributions that Ms. Murray had received, from Ms. Murray's April and June, 2000 benefit payments.

The Subcommittee on General Administration was adjourned on a motion made by Ms. Sapyta.

### III. Investment Subcommittee Minutes

A regular meeting of the Investment Subcommittee was held on August 22, 2000 at The Northern Trust. The Chairman of the Subcommittee and The Executive Director were present. A quorum being present, the meeting was called to order at 9:15 a.m.

Larry Gray and Gwelda Swilley-Burke gave the Committee a brief presentation on their first Performance Report to the Fund, profiling manager performance for the 2<sup>nd</sup> Quarter of 2000. Their report included information on the economy in general and specific performance for each of the managers in the Fund for the 2<sup>nd</sup> Quarter of 2000. The report detailed manager performance against their respective benchmarks and among their peers.

Mr. Gray also indicated that he was interested in receiving feedback from the Committee regarding the content and format of the report. He welcomed comments from the Committee so that Gray & Co. could tailor the report to their needs.

Dave Erfort made a presentation on the final two versions of the asset allocation plan for the Fund, arrived at by the Subcommittee at an interim meeting. The current allocation and the two proposed asset allocations were as follows:

<b>Asset Class</b>	<b>Current</b>	<b>Policy 7</b>	<b>Policy 10</b>
Stable Value	0.00%	10.00%	23.00%
U.S. Fixed Income	15.00%	10.00%	10.00%
U.S. Real Estate	4.80%	10.00%	10.00%
U.S. Equities	66.80%	59.00%	46.00%
International Bonds	1.50%	0.00%	0.00%
International Stocks	8.20%	5.00%	5.00%
Private Equity	3.70%	6.00%	6.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Mr. Brown made a motion to adopt Policy 7. After some discussion, there was a roll-call vote on the motion to adopt Policy 7. The vote went as follows:

Mr. Acosta-Yes, Mr. Anosike-Yes, Mr. Barnes-No, Ms. Black-No, Mr. Brown-Yes, Ms. Leonis-Yes, Ms. Ogeltree-No, Ms. Sapyta-Yes, Mr. Williams-Yes, Mr. Winston-Yes.

The motion failed.

After some discussion, there was a motion made by Mr. Anosike to adopt Policy 7, with the understanding that the Fund would move towards Policy 10, assuming the move towards Policy 10 makes sense to the Committee given future market conditions.

There was a roll-call vote on the motion that went as follows:

Mr. Acosta-Yes, Mr. Anosike-Yes, Mr. Barnes-Yes, Ms. Black-Yes, Mr. Brown-Yes, Mr. Thompson-Yes, Ms. Ogeltree-Yes, Ms. Sapyta-Yes, Mr. Williams-Yes, Mr. Winston-Yes.

The motion passed.

Mr. Ross gave a brief update on the financial status of the Plan per the FCS Report. The market value for the Plan as indicated in the FCS report for July 31, 2000 was \$1.926 billion. The return figure for the month of July, 2000 was -0.62 %. The YTD return was 4.26 %.

On a motion by Mr. Brown, the Committee accepted the Financial Report.

The Subcommittee on Investments was adjourned on a motion made by Mr. Acosta.

#### **IV. Real Estate Subcommittee Minutes**

A regular meeting of the Real Estate Subcommittee was held on August 22, 2000 at The Northern Trust. The Chairman of the Subcommittee and the Executive Director were present. A quorum being present, the meeting was called to order at approximately 11:00 a.m..

Brief presentations were given to the Subcommittee by individuals from J.P. Morgan, RREEF and Prudential, the three finalists for the Core Allocation.

Mr. Acosta asked Steve Burns from Townsend to give a summary regarding the three finalists and to make recommendations regarding an appropriate mix of the three, given the Committee's desire to invest with funds that would complement one another's style. Mr. Burns indicated that the Plan has approximately \$66.6 million available in its allocation to fund Core investments and pointed to the proposed allocation scenarios in the back of Townsend's summary booklet, which had been distributed.

On a motion by Mr. Brown, the Subcommittee adopted Scenario #4, nominating the funds offered by RREEF, Prudential and J.P. Morgan to manage \$22.2 million each.

The Real Estate Subcommittee was adjourned on the motion of Mr. Anosike.

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Executive Director

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Chairman