

AGENDA
For the 623rd Retirement Allowance Committee Meeting of
December 19, 2000

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 622nd meeting held November 28, 2000.
4. Investment Subcommittee Report
 - a.) Status on Asset Allocation
 - b.) Acquisitions, Mergers and Reorganizations
 - i.) Mentor
 - ii.) Aeltus
 - iii.) Capri/Capital Associates
 - iv.) ABNAMRO
 - v.) Chicago Capital
5. Real Estate Subcommittee report
 - a.) Funding status for various commitments
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.

Thomas H. Lohse - #11741 - request for disability allowance
Effective 01-01-01, retroactive to 12-01-00.
 - d.) Presentation of death benefits for approval.
 - e.) Presentation of refunds of contributions for approval.
 - f.) Presentation of bills and remittances for approval.

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- g.) Albert Giancola - #22248 – returned to work from disability on 11-16-00.
 - h.) Patricia Reed- #23105 – returned to work from disability on 11-06-00.
 - i.) Penelope Smith Luelen - #13901 – returned to work from Disability on 11-10-00.
 - j.) Russell E. Stevens - #22742 – applied for retirement effective 12-01-00, revoked.
 - k.) Report on Disability Allowance Project.
7. Old Business.
- a.) Part-time union officials.
8. New Business
- a.) Pedro Lebron – request to pay back pension contributions (see Letter from Richard Burke’s Office)
9. Executive Session
10. Adjournment

The 622nd 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 November 28, 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 10:25 a.m..

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

Linda Fuller as an Alternate for Marcel Acosta
Dennis Anosike
Marcellus Barnes
Wanda Black
Loid Brown
Claudette Ogletree
Lynn Sapyta
Jerry Williams
Pam Beavers as an alternate for Richard Winston

On a motion by Mr. Williams, the minutes of the 621st meeting were approved.

General Administration Subcommittee Report

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

Investment Subcommittee Report

Mr. Williams gave a brief report on the Investment Subcommittee Meeting. The report on the Subcommittee meeting was approved on a motion Mr. Barnes.

Real Estate Subcommittee Report

A brief report was given by Mr. Burke on the Real Estate Subcommittee Meeting, including the status of the Fund's investments in 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 Mr. Brown.

Old Business

Ms. Black indicated that there was no resolution reached on the issue of part time union official retirement pay between union and CTA attorneys, but that an opinion was due from the arbitrator shortly. Ms. Black again 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 11:15 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 November 28, 2000 at The Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at 8:55 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. Mr. Barnes stated that the total of bills and remittances for the month was \$4,347,542.80.

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

There was a brief update given on the status of the Disability Allowance project that is ongoing in the Pension Office. Mr. Kallianis indicated that the lack of readily available data on people who are 65 and older within the Plan made decision making difficult. He indicated that he would like to discuss the matter further with Ms. Rayford and come to the December meeting with a recommendation for some of the people who are collecting disability benefits and are over 65 years of age.

The Subcommittee on General Administration was adjourned on a motion made by Mr. Williams.

III. Investment Subcommittee Minutes

A regular meeting of the Investment Subcommittee was held on November 28, 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..

There was brief discussion on the Proposed Investment Policy drafted by the Marco Consulting Group. On a motion by Mr. Barnes the Investment Policy drafted by the Marco Consulting Group was adopted. Ms. Black asked that the policy be circulated for signature of the Committee by Mr. Burke.

There was discussion on the Portfolio Re-balancing spreadsheet that Ivory Day from Marco Consulting had put together for the Fund. On a motion by Mr. Anosike, the Committee approved the termination of Putnam Investments within the International Fixed category and the termination of Delaware Investment Advisors within the Large Cap Value category. The motion approved by the Committee indicated that the

proceeds from the termination of Putnam should be used to pay for operating expenses of the Fund, while the proceeds from the termination of Delaware should be redistributed to Janus, Northern Trust Quantitative Advisors, Lomax and Paradigm to bring them up to the "Policy 7" percentages indicated on the Portfolio Re-balancing spreadsheet and to fund December, 2000 capital calls and operating expenses. Any balance remaining should be temporarily put into the appropriate index funds at Northern Trust, until decisions are made about redistribution to other asset classes.

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 September 30, 2000 was \$1.936 billion. The return figure for the month of September, 2000 was -2.08 %. The YTD return was 7.37 %.

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

IV. Real Estate Subcommittee Minutes

A regular meeting of the Real Estate Subcommittee was held on November 28, 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 10:20 a.m..

Mr. Burke gave a brief summary of the status of investments with RREEF, Prudential and J.P. Morgan in the Core area of the Real Estate Portfolio.

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

Executive Director

Chairman

The 623rd Retirement Allowance Committee Meeting of the Retirement Plan for Chicago Transit Authority Employees.

I. Full Meeting Minutes

A regular meeting of the Retirement Allowance Committee was held on December 19, 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 9:25 a.m..

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

Marcel Acosta
Dennis Anosike
Marcellus Barnes
Wanda Black
Leon London as an Alternate for Loid Brown
Claudette Ogletree
Lynn Sapyta
Jerry Williams

On a motion by Mr. Anosike, the minutes of the 622nd meeting were approved.

General Administration Subcommittee Report

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

Investment Subcommittee Report

Mr. Williams gave a brief report on the Investment Subcommittee Meeting. The report on the Subcommittee meeting was approved on a motion by Mr. Acosta.

Real Estate Subcommittee Report

A brief report was given by Mr. Acosta on the Real Estate Subcommittee Meeting, including the status of the Fund's investments in 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 Mr. Barnes.

Old Business

Ms. Black indicated that there was no resolution reached on the issue of part time union official retirement pay between union and CTA attorneys. Ms. Black again 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 10:15 a.m. on a motion made by Mr. Acosta.

II. General Administration Subcommittee Minutes

A regular meeting of the General Administration Subcommittee was held on December 19, 2000 at The Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at 8:45 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. Mr. Barnes stated that the total of bills and remittances for the month was \$4,260,599.58

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

There was a discussion on the status of the Disability Allowance project that is ongoing in the Pension Office. Mr. Kallianis indicated that he and Ms. Rayford were still trying to formulate a proposal for the board regarding people on disability allowance who are older than 65. He asked that this item be put on the January, 2001 agenda for discussion.

The Subcommittee on General Administration was adjourned on a motion made by Mr. Williams.

III. Investment Subcommittee Minutes

A regular meeting of the Investment Subcommittee was held on December 19, 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 9:05 a.m..

Mr. Erfort and Mr. Davis from Marco Consulting summarized several of the mergers and acquisitions that are pending relating to some of the investment managers with the Fund. At the request of Mr. Williams, those items will be moved to the January, 2001 agenda.

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 as of November 30, 2000 was \$1.847 billion. The return figure for the month of September, 2000 was -4.38 %. The YTD return was 3.71 %.

On a motion by Mr. Barnes the Committee accepted the Financial Report.

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

IV. Real Estate Subcommittee Minutes

A regular meeting of the Real Estate Subcommittee was held on November 28, 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 9:20 a.m..

Mr. Kallianis gave a brief summary of the status of investments with RREEF, Prudential and J.P. Morgan to manage \$22.2 million each in the Core area of the Real Estate Portfolio.

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

Executive Director

Chairman