

AGENDA
For the 645th Retirement Allowance Committee Meeting of
October 22, 2002

1. Meeting will be called to order at 8:30 A.M., Northern Trust Co., 50 South LaSalle Street, Director's Dining Room, 6th floor.
2. Roll call
3. Approval of the Minutes of the 644th meeting.
4. Investment Subcommittee
 - a.) Stable Value
 - b.) MDL Presentation
 - c.) RXR/SSARIS Advisors
5. Real Estate Subcommittee
 - a.) Paine Webber/UBS Presentation
6. Subcommittee on General Administration
 - a.) Announcements of deaths reported since last meeting.
 - b.) Presentation of pre-retirement surviving spouse allowances for approval.
 - c.) Presentation of new retirement applications for approval

Rosemary Donaldson-Fowler #23918 applied for disability benefits effective 11-01-02 and is requesting retroactive benefits to 09-01-02.

Howell B. Reneau #15479 applied for disability benefits effective 11-01-02 and is requesting retroactive benefits to 07-01-02.

John Crespo D-3660, badge 3021 returned to work from receiving disability benefits on July 31, 2002.

 - d.) Presentation of death benefits for approval.
 - e.) Presentation of refunds of contributions for approval.
 - f.) Presentation of bills and remittances
7. Old business
 - a.) Part-time union officials
 - b.) IRS Determination Letter

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8. NewBusiness
9. Executive Session
 - a.) Administrative Issues
10. Adjournment

Revised 10-21-02

The 644th 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 September 30, 2002 at The Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at approximately 10:50 a.m.

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

Dennis Anosike
Marcellus Barnes
Loid Brown
Joyce Coleman as an alternate for Dorval Carter
Claudette Ogletree
Lee Robinson
Lynn Sapyta
Jerry Williams
Richard Winston

On a motion by Mr. Brown, the minutes of the 643rd 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 6f, which dealt with various benefits, bills and remittances was approved on a motion by Mr. Brown.

Investment Subcommittee Report

Mr. Winston gave a brief report on the meeting of the Investment Subcommittee, including the presentation of US Bancorp and the discussion on the Stable Value funding.

Mr. Winston also indicated that another meeting would be held on October 15, 2002 at 10:00 am to determine how to fund the award to Goode Investment Management.

The report on the Subcommittee meeting was approved on a motion by Ms. Ogletree.

Real Estate Subcommittee Report

Ms. Ogletree gave a brief report on the Real Estate Subcommittee, including an update on the potential sale of Paine Webber by UBS Warburg.

The report on the Subcommittee was approved on a motion by Mr. Brown.

Old Business

After some discussion, the Part-Time Union item was deferred until the next meeting.

New Business

There was no new business.

Executive Session

The RAC adjourned to Executive Session at 11:00 a.m. to discuss the administration of health care benefits related to the Plan retirees.

The Retirement Allowance Committee returned from Executive Session and was adjourned at approximately 11:25 p.m. on a motion made by Ms. Ogletree.

II. General Administration Subcommittee Minutes

A regular meeting of the General Administration Subcommittee was held on September 30, 2002 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 am.

Mr. Barnes presented for approval items 6a through 6f., including the pre retirement surviving spouse allowances, the regular retirements, disability allowances, 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 \$4,268,543.12.

On a motion by Mr. Brown, the Subcommittee approved the items on the agenda for the General Administration Subcommittee.

III. Investment Subcommittee Minutes

A regular meeting of the Investment Subcommittee was held on September 30, 2002 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..

Mr. Jerry Gudmundson, Mr. Greg Hanson and Mr. Marty Hurwitz from US Bancorp then gave the Committee an update on the status of their investments in Fixed Income and in equities. There were some questions of the people from US Bancorp by the Committee.

After the presentation, Mr. Gray indicated that US Bancorp had not achieved returns on par with their peers for several reporting periods.

Mr. Winston then asked Mr. Day from Marco to give a brief summary of the information that he had prepared for the Investment Subcommittee meeting that had been cancelled the week prior. Mr. Day presented the information on asset allocation and the lowered level of risk with the higher allocation to Stable. After a discussion, the Committee, at the request of the Chair, agreed to schedule an Investment Subcommittee meeting prior to the next full Committee meeting. The Subcommittee decided on the 15th of October and Mr. Winston asked Mr. Kallianis to notify all of the members.

Mr. Winston again expressed his desire to resolve the issue of funding the commitment to Goode Investment Management and indicated that he hoped everyone would come prepared to do so at the next Investment Subcommittee meeting.

After some discussion, the Subcommittee then asked Mr. Kallianis to schedule another meeting of the Investment Subcommittee to go over the change in asset allocation again and to determine where the money would come from to fund the allocation to Goode.

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

IV. Real Estate Subcommittee Minutes

A regular meeting of the Real Estate Subcommittee was held on September 30, 2002 at The Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at 11:30 a.m..

Mr. Kallianis gave the committee an update on the potential sale of Paine Webber to the Pennsylvania Teachers Retirement Fund. He indicated that Townsend still had not received a written proposal from Paine Webber on the potential sale.

Mr. Kallianis also indicated that representatives from UBS/Paine Webber and Mr. Burns would be at the October 22, 2002 RAC Meeting.

The Real Estate Subcommittee was adjourned on a motion by Mr. Brown.

Executive Director

Chairman