

Retirement Plan for CTA Employees

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NOTICE

TO: Retirement Allowance Committee Members and Alternates

FROM: 

John V. Kallianis
Executive Director

DATE: August 18, 2003

RE: Retirement Allowance Committee Meeting

This is to announce that the meetings listed below will be held Tuesday, August 26, 2003 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, please call me at (312) 463-0350.

JVK: gmb

AGENDA
For the 655th Retirement Allowance Committee Meeting of
August 26, 2003

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 654th meeting.
4. Investment Subcommittee
 - a.) 2nd Quarter Report (Gray & Co.)
5. Real Estate Subcommittee

No Business
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.

Carl F. Johnson #7597 applied for a disability allowance 09-01-03 and is requesting benefits retroactive to 08-01-03.

John H. White, Jr. #20278 applied for a disability allowance 09-01-03 and is requesting benefits retroactive to 08-01-03.

Willie Haynes #5991 applied for retirement benefits effective 08-01-03 and revoked his application.

Joyce Crump #8065 applied for retirement benefits effective 08-01-03 and revoked her application.

Felix LaFortaine #18332 applied for retirement benefits effective 08-01-03 and revoked his application.

Heriberto Munoz #13581 applied for retirement benefits effective 09-01-03 and revoked his application.

- d.) Presentation of death benefits for approval
- e.) Presentation of refunds of contributions for approval
- f.) Presentation of bills and remittances
- g.) Request for refund of health premiums paid.

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7. Old business
8. New business
 - a.) Office space for the Retirement Plan
9. Executive Session
 - a.) Litigation
10. Adjournment

The 655th 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 August 26, 2003 at the Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at approximately 8:45 a.m..

Mr. Lee Robinson indicated to the Committee that he had been replaced at Local 241 and that Rodney Richmond would be the appropriate person for the Chair position. On a motion by Mr. Barnes the Committee voted to install Rodney Richmond as the Chair of the Committee.

Mr. Richmond then asked that the Committee proceed with the normal process and go through the subcommittee agendas.

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

Dennis Anosike
Marcellus Barnes
John Burkard
Ethel Carter
Dorval Carter
Pam Beavers as an alternate for Ms. Leonis
Leon London
Rodney Richmond
Lynn Sapyta
Richard Winston

On a motion by Mr. Barnes, consideration of the minutes of the 654th meeting was deferred until September.

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 6g was approved on a motion by Mr. Anosike.

Investment Subcommittee Report

Mr. Winston gave a brief report on the meeting of the Investment Subcommittee, including the presentation by the representatives of Amalgamated Bank and the subadvisor of their product, Goldman Sachs, as well as the report from Gray and Company.

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

Real Estate Subcommittee Report

Mr. London indicated that the Real Estate Committee had no business.

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

Old Business

Mr. Burke gave the Committee an update on the status of the Part Time Union Officer issue. He indicated that the Illinois Appellate Court had decided the matter and that the appeal dates had passed.

The Committee asked Mr. Kallianis when he thought the Office could update the files of the retired and active members affected by this ruling. Mr. Kallianis indicated that he thought the retired members could be amended by the next meeting, but that it would take longer than that to adjust the amounts for the active members.

New Business

Mr. Kallianis indicated that the Office lease is up in April of 2004 and that he, with the assistance of Mr. Kerrigan from Staubach Realty had looked at a number of properties in the Loop area and had narrowed it down to three potential spaces.

After some discussion, on a motion by Mr. Barnes the Committee gave Mr. Kallianis authority to negotiate a lease with each of the three "final" buildings 10 S. LaSalle, 212 W. Van Buren and 230 W. Monroe.

After some discussion on the desire for a court reporter to be at the meetings and on a motion by Ms. Carter, the Committee unanimously voted by voice to hire a court reporter for the meetings.

Mr. Alex Rivera and Mr. Mike Kivi then presented the actuarial report for the Plan as of January 1, 2003. The report for January 1, 2003 is incorporated into the Annual Report for the Plan.

Executive Session

The Committee adjourned to Executive Session at approximately 12:00 p.m. on a motion by Mr. Brown to discuss litigation related to the Plan.

Full Committee Meeting

Upon returning from Executive Session, Ms. Carter made a motion to adjourn the full Committee meeting.

II. General Administration Subcommittee Minutes

A regular meeting of the General Administration Subcommittee was held on August 26, 2003 at the offices of 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 6g, including the pre-retirement surviving spouse allowances, the regular retirements, disability allowances, death benefits, refunds of contributions, payment of bills and remittances. Mr. Barnes stated that the total of bills and remittances for the month was \$10,379,162.57.

On a motion by Mr. London, the Committee approved going through the bills one by one for explanation for the Chairman.

On a motion by Mr. London, the Subcommittee approved the invoice from the CTA regarding the payroll of the Office employees.

After some discussion, the Committee decided to go through the bills page by page.

On a motion by Mr. London, the Subcommittee approved the items on page 17 of the agenda.

On a motion by Mr. London, the Subcommittee approved the items on page 19 of the agenda.

On a motion by Mr. London, the Subcommittee approved the items on page 20 of the agenda.

On a motion by Mr. London, the Subcommittee approved the items on page 21 of the agenda.

On a motion by Mr. London, the Subcommittee approved the items on page 22 of the agenda.

On a motion by Ms. Carter, the Subcommittee adjourned.

III. Investment Subcommittee Minutes

A regular meeting of the Investment Subcommittee was held on August 26, 2003 at the offices of 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 9:35 a.m..

Mr. Bill Uhler and Carolyn Chao from Amalgamated Bank and the subadvisor, Goldman Sachs, came in to give the Committee an update on their investment activity. They manage money in the fixed income portion of the portfolio.

Mr. Larry Gray and Mr. Ivory Day from Gray and Company then gave the Subcommittee an update on the overall performance of the fund through the first half of the year ending June 30, 2003. The overall fund was up 8.9% through the first six months of 2003.

Mr. Gray highlighted the fact that some of the equity managers, particularly small and mid cap managers, had underperformed the index due to lower quality stocks that were still included in the indexes. Our managers were mandated not to own that type of stock due to the lack of quality.

Mr. Ross then gave the Committee an update on the plan through the end of July, 2003. The Plan assets stood at \$1.27 billion at the end.

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

IV. Real Estate Subcommittee Minutes

Mr. Leon London reported that the Real Estate Subcommittee had no business.