The 400th Meeting of the Retirement Allowance Committee was held on Monday, April 19, 1982, in the Board Room, Room 734, Merchandise Mart. The following were in attendance:

- Mr. W. Ashley
- Mr. R. Fleming
- Mr. E. Flowers
- Mr. C. Hall
- Mr. A. Kasmer
- Mr. P. Kole
- Mr. D. Perk
- Mr. J. Weatherspoon

Mr. L. Morris, alternate for Mr. I. Thomas, was present. Mr. S. Bianchi, alternate for Mr. J. Gallagher, was present. Messrs. R. Bartkowicz, L. Brown, R. Goldman, H. Hegarty, A. Kemp and R. O'Connor were present. Mr. D. Lemm, R. Pirovano, G. Nagle and Ms. C. Cox were present. Messrs. E. Hamilton, W. Leszinske and Ms. K. Ford of Continental Bank were also present. Mr. J. Baratka of The Wyatt Company was present. Mr. R. Harrell of Lowry, Raclin Harrell & Howard was present. Mr. R. Burke, the Plan Attorney, was present. Mr. B. Scholz, Pensioner, was also present.

The Secretary informed the Committee that in the absence of the Chairman it would be necessary to elect a Chairman Pro Tempore. On a motion by Mr. Kasmer, seconded by Mr. Flowers, the Committee unanimously appointed Mr. J. Weatherspoon as Chairman Pro Tempore.

The Chairman called the meeting to order at 10:33 A.M.

Mr. Leszinske of Continental Bank presented a letter, dated April 14, 1982, entitled "March Market Summary" to all Committee Members. Mr. Leszinske noted that both short and intermediate rates had risen during the month while the long term interest had declined. (A copy of the letter is attached to these Minutes).
Mr. Leszinske stated that because of the state of the economy it was extremely difficult to tell what direction the market would take. Hopefully, by late spring there would be a clearer picture of what is ahead for the direction of interest rates.

Mr. Robert Harrell of Lowry, Raclin, Harrell and Howard reviewed the Statement of Policy for the new Committee Members and Alternates. In addition, Mr. Harrell discussed the book to market rates and how this determines whether monies are invested in either the equity or fixed income sector. Mr. Harrell concluded his review by inviting the new Committee Members to meet with him either in Chicago or Dallas to discuss any questions they might have or to review the data base used to complete the reports received by the Committee.

Mr. Harrell then brought the matter of the increase in fees to the Committee's attention. He compared the fees to those being expended by the Committee for other services, informed the Committee of the services being rendered by Lowry and Associates and explained the necessity for the fee increase. In response to a request by the Committee, the Plan Attorney presented a report of an investigation of the fee relationship between Lowry and Associates and the Plan. He noted that there was no written contract and the agreement had been made on an informal basis. He stated that from a legal point of view he recommended that a written contract be drawn up setting forth the services for a negotiated sum on a year to year basis. The Chairman noted that the matter of the fees had been placed on the agenda for discussion at a later time in the meeting.
The Chairman asked for the approval of the Minutes of the 399th Meeting, held April 19, 1982. On a motion by Mr. Kole, seconded by Mr. Hall, the Committee unanimously approved the Minutes of the 399th Meeting, held April 19, 1982.

The Secretary made the announcement of deaths reported since the last meeting, as per the attached list.

The Secretary presented five (5) Survivorship Options for approval. The Secretary noted that his office was in receipt of an application for a B-1/2 Option from George Duszynski who had not provided a doctor statement. The Secretary asked that Mr. Duszynski's application be held in abeyance until the doctor's statement had been received. Mr. Duszynski's application would then be re-submitted at the next meeting although he would retire on May 1, 1982. On a motion by Mr. Flowers, seconded by Mr. Fleming, the Committee unanimously approved the Survivorship Options as presented including the holding in abeyance of George Duszynski's application.

The Secretary presented five (5) Pre-Retirement Surviving Spouse Options for approval. On a motion by Mr. Hall, seconded by Mr. Fleming, the Committee unanimously approved the Pre-Retirement Surviving Spouse Options.

The Secretary presented twenty-eight (28) Applications for Retirement. On a motion by Mr. Hall, seconded by Mr. Flowers, the Committee unanimously approved the twenty-eight (28) Applications for Retirement.

The Secretary informed the Committee that ten (10) employees who are receiving Disability Retirement Benefits were examined or had their file reviewed.
The Secretary presented forty-nine (49) refunds, totaling $372,199.16. He also noted that the payment for April 30, 1981 was forty-eight (48) refunds, totaling $255,753.80. On a motion by Mr. Hall, seconded by Mr. Kole, the Committee unanimously approved payment of the refunds to be paid April 30, 1982.

The Secretary presented the report of Deposits, Disbursements and Investments noting that the cash and investments as of March 31, 1982 were $474,851,795.10. Mr. Morris asked if these figures included the March employee contributions. The Secretary stated that this would cover the last full month prior to the Extension of Agreement. He also noted that an item had been placed on the agenda under "New Business" regarding the refunding of employee contributions.

The Secretary presented two (2) Chicago Transit Authority bills, four (4) operating bills and nine (9) remittances for approval. On a motion by Mr. Kole, seconded by Mr. Hall, the Committee unanimously approved payment of the bills and remittances totaling $359,707.05, to be paid April 30, 1982.

The Secretary presented twenty-nine (29) Death Benefits totaling $66,500.00. The comparative numbers for the same period of time last year were 30 Death Benefits, totaling $62,500.00. On a motion by Mr. Kole, seconded by Messrs. Hall and Flowers, the Committee unanimously approved payment of the Death Benefits.

The subject of the Lowry, Raclin, Harrell & Howerdd Fee Increase was raised once again. Mr. Kole made a motion that the Lowry, Raclin, Harrell and Howerdd Fee Increase be approved as submitted for 1982, that the Plan Attorney be asked to prepare a
formal agreement to be reviewed on a year to year basis. Mr. Hall seconded the motion and the Committee unanimously agreed.

The Secretary informed the Committee that Phillip E. Sevier who was reinstated on December 21, 1981, failed to reimburse the Fund $10,394.29 in retirement contributions refunded to him within the 90 day period as provided in Rule 21. Therefore, for pension purposes, Mr. Sevier's entered service date is December 21, 1981.

The Secretary brought to the Committee's attention the matter of the Fiduciary Liability Insurance noting that it was time for renewal of the policy. After a brief discussion, a motion was made by Mr. Hall for the renewal of the Fiduciary Liability Insurance policy for one year. Mr. Kasmer seconded the motion and the Committee unanimously approved.

The Secretary informed the Committee that his office had been notified that employees of Locals 241 and 308 were being reimbursed those pension contributions withheld from their payroll checks for the last pay period prior to the approval of the Extension Agreement. However, it had been brought to his attention that the Authority was holding the contribution refund checks of all employees other than those in Locals 241 and 308. The Secretary noted that the Extension of Agreement applies to all employees with regard to the Retirement Plan, therefore, all employees should receive this reimbursement. Mr. O'Connor was asked to look into the matter and take the necessary steps to have the monies reimbursed to the employees in question.

The Secretary informed the Committee that Steven Braswell, who was on Disability Retirement, had been called in by the Place-
ment Department and offered a job. However, during his physical examination it was found that there was a positive drug reaction on urine screening. The Secretary noted that under Section 12 of the Plan an employee does not qualify to receive Disability Retirement Benefits if it is found that he is using drugs. The Secretary recommended that Disability Benefit Payments to Steven Braswell be withheld and that he be brought in for counseling by the Authority. Mr. Kole made a motion that Steven Braswell's Disability Benefit Payments be withheld pending investigation. Mr. Perk seconded the motion and the Committee unanimously approved.

The Secretary reminded the Committee Members and Alternates that there would be a luncheon and presentation by Money Managers immediately following the meeting.

Mr. Kasmer asked if there was any news regarding the relocation of the Pension Department. The Secretary stated that there had been no decision made at the present time.

Mr. Kasmer brought up the question of the Annual Report and when they would be distributed. The Secretary noted that the reports were in the process of being prepared and should be completed in approximately one month.

Mr. Kasmer brought up the question of the number of refunds made to Security Personnel. The Secretary stated that there had been approximately 83 refunds made to the Security Personnel.

There being no further business, on a motion by Mr. Fleming, seconded by Mr. Kasmer, the Committee unanimously agreed to adjourn at 12:15 P.M.