RETIRED PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 403rd Meeting of the Retirement Allowance Committee was held on Thursday, July 22, 1982, at 10:30 A.M., Room 734, Merchandise Mart. The following were in attendance:

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

Mr. R. Bartkowicz, alternate for Mr. W. Ashley, was present. Mr. A. Kemp, alternate for Mr. I. Thomas, was present.

Messrs. L. Brown, S. Bianchi, H. Hegarty, and R. Goldman were present. Mr. G. Nagle, Ms. P. Skutnik and Ms. C. Cox were present. Ms. Norma Finley and Mr. J. Bidwill were present.

Messrs. W. Leszinske, E. Hamilton, R. Keigher and Ms. K. Ford of Continental Bank were present. Mr. R. Laidlaw of E. W. Axe was present. Mr. R. Spence of Southmark, Inc. was present.

Mr. R. Burke, the Plan Attorney, was present. Mr. B. Scholz, Pensioner, was also present.

The Chairman called the meeting to order at 10:45 A.M.

Mr. Fleming informed the Chairman that in the absence of the Secretary it would be necessary to appoint a Secretary Pro Tempore. On a motion by Mr. Kemp, seconded by Mr. Perk, the Committee unanimously appointed Mr. R. Fleming as Secretary Pro Tempore.

Mr. Leszinske of Continental Bank presented to the Committee a letter, dated July 9, 1982, entitled "June Market
Mr. Leszinske directed the Committee's attention to a series of rates which showed an increase in rates across the board in the month of June. Mr. Leszinske noted that the principal cause for the increase in rates was the continuing discord within Congress over the budget resolution. Mr. Leszinske also noted that there had been a significant decrease in rates during the first few weeks of July. Mr. Leszinske stated that there would be a recovery in the economy, however, it would be a very slow process.

The Chairman asked Mr. Leszinske about rates on mortgage money. Mr. Leszinske responded that they did not see a great deal of hope in the near future, however, the rates might be down two to three per cent by the end of the year. Mr. Leszinske stated that it is the Bank's feeling that real estate is not going to perform as well as it has in the past.

Mr. Hegarty asked if the problem Continental Bank had experienced in the southwest had any effect on the Pension Fund. Mr. Leszinske stated that the area in which the problem evolved was completely and separately independent from the Pension Fund. Mr. Hamilton stated that as far as the safety of the Fund's assets is concerned there would be no effect.

The Chairman asked Mr. Richard Spence of the Southmark Corporation to present his report on the Southmark Realty Fund. Mr. Spence began his report by giving a short overview of the status of the real estate market today as it affects pension
funds. Mr. Spence explained the philosophy of the Southmark Realty Fund and made a presentation showing what their program had to offer.

The Chairman asked Messrs. Laidlaw and Spence to retire from the meeting in order that the Committee could discuss the matter. After discussion between the Committee Members, Mr. Leszinske and the Plan Attorney it was agreed that a Sub-Committee be formed, consisting of Messrs. Weatherspoon, Kole and Perk, to investigate other real estate ventures and investments and report back to the Committee at a later date.

The Chairman asked for approval of the Minutes of the 402nd Meeting, held Monday, June 21, 1982. On a motion by Mr. Hall, seconded by Mr. Weatherspoon, the Committee unanimously approved the Minutes of the 402nd Meeting, held June 21, 1982.

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

The Secretary presented a total of nine (9) Survivorship Options. On a motion by Mr. Hall, seconded by Mr. Flowers, the Committee unanimously approved the Survivorship Options.

The Secretary presented two (2) Pre-Retirement Surviving Spouse Options for approval. On a motion by Mr. Hall, seconded by Messrs. Kemp and Kasmer, the Committee unanimously approved the Pre-Retirement Surviving Spouse Options.

The Secretary submitted fifteen (15) Applications for Retirement for approval. On a motion by Mr. Hall, seconded
by Mr. Perk, the Committee unanimously approved the Applications for Retirement.

The Secretary reported that four (4) employees who are receiving Disability Retirement Benefits were examined or had their files reviewed.

The Secretary presented twenty-seven (27) refunds, totaling $233,573.73. The comparison figures for the same period of time one year ago were thirty-four (34) refunds, totaling $321,556.76. On a motion by Mr. Hall, seconded by Messrs. Kemp and Perk, the Committee unanimously approved the refunds of contributions to be paid July 31, 1982.

The Secretary presented the report of Deposits, Disbursements and Investments noting that as of the end of June there was a total of $474,595,332.37 in cash and equivalents.

The Secretary presented one (1) Chicago Transit Authority bill, totaling $26,222.93; seven (7) Operating Bills, totaling $25,451.00; and, eight (8) remittances, totaling $295,196.63. On a motion by Mr. Flowers, seconded by Mr. Kasmer, the Committee unanimously approved payment of the bills and remittances in the amount of $346,870.56.

The Secretary submitted for approval thirty-six (36) Death Benefits, totaling $73,500. The comparison figures for the same period of time one year ago were thirty-one (31) Death Benefits, totaling $70,500. On a motion by Mr. Hall, seconded by Mr. Kasmer, the Committee unanimously approved payment of the Death Benefits, as per the attached list.
The Secretary informed the Committee that the renewal of the Fiduciary Liability Insurance and the increase in coverage to 30 million dollars had been approved at the Chicago Transit Board Meeting.

The Secretary informed the Committee that letters had been sent to those individuals who had been overrefunded retirement contributions noting that two individuals had reimbursed the Fund, one had moved and left no forwarding address and three had not responded at all. After discussion, it was agreed that follow-up be done on those individuals who had not responded.

The Secretary reported that his office was in the process of making an analysis of the Mutual Fund Fees and Separate Account Fees but had insufficient data to present at this time and would make report at the next meeting.

The Secretary reported that there also was insufficient data on the Delaware Investment Performance at the present time and an analysis by Mr. Harrell would be made after receipt of the next quarterly report.

The Secretary informed the Committee that the Condensed Annual Report was in the process of being printed.

The Secretary informed the Committee that the date for Pensions Section's move back to the Mart had been changed to August 20.

The Secretary informed the Committee that his office had received a request to have Fannie M. Williams' Disability Retirement, which had been approved June 21, 1982, made retroactive to June 1, 1982. On a motion by Mr. Kasmer,
seconded by Mr. Hall, the Committee unanimously approved that Fannie M. Williams' Disability Retirement be made retroactive to June 1, 1982.

The Secretary informed the Committee that Samuel Davenport, who went on Disability Retirement September 1, 1982, returned to duty on June 28, 1982. The Secretary also informed the Committee that Edward L. Duckworth, who went on Disability Retirement February 1, 1982, returned to duty on June 17, 1982.

The Plan Attorney was asked to bring the Committee up to date on the matter of the Definition of a Temporary Employee. The Plan Attorney stated that the Retirement Plan calls for provisions that are designed to be applicable to permanent employees and there is no definition in the Plan on Temporary Employees. A discussion ensued between the Committee Members and the Plan Attorney during which several illustrations were presented showing different situations under which individuals had been defined as Temporary Employees by the Authority. The Plan Attorney informed the Committee that he is working with union and labor relations attempting to come up with a definition that would be satisfactory to all concerned, including the Actuary, and would report on the matter at the next meeting.

The Secretary brought to the Committee's attention a letter from Continental Bank regarding some personnel changes at T. Rowe Price. After discussion, it was agreed that a copy of the letter be sent to Mr. Bob Harrell and the matter be
placed on the agenda for discussion at the next meeting.

There being no further business, on a motion by Mr. Kole, seconded by Mr. Kasmer, the Committee unanimously agreed to adjourn at 12:23 P.M.