RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 404th Meeting of the Retirement Allowance Committee was held on Monday, August 16, 1982, at 10:30 A.M., in Room 734, Merchandise Mart. The following were in attendance:

Mr. W. Ashley  Mr. A. Kasmer
Mr. E. Flowers  Mr. P. Kole
Mr. C. Hall

Mr. L. Morris, alternate for Mr. I. Thomas, was present.
Mr. A. Kemp, alternate for Mr. J. Weatherspoon, was present.
Ms. A. Curtis, alternate for Mr. D. Perk, was present.
Mr. R. Bartkowicz, alternate for Mr. R. Fleming, was present.
Mr. R. O'Connor, alternate for Mr. J. Gallagher, was present.
Mr. L. Brown was also present. Messrs. D. Lemm, G. Nagle and Ms. C. Cox were present. Mr. J. Bidwill was present.
Messrs. W. Leszinske, E. Hamilton and Ms. K. Ford of Continental Bank were present. Mr. C. Manning of the Plan Attorney's Office was present. Mr. J. Baratka, The Wyatt Company, was present.
Mr. W. Collins, Local No. 308, was present. Mr. B. Scholz, Pensioner, was also present.

The Secretary called the meeting to order at 10:40 A.M. and informed the Committee that in the absence of the Chairman and Vice Chairman it would be necessary to appoint a Chairman Pro Tempore. On a motion by Mr. Hall, seconded by Mr. Kasmer, the Committee unanimously appointed Mr. P. Kole as Chairman Pro Tempore.

Mr. Leszinske of Continental Bank presented to the Committee a letter, dated August 13, 1982, entitled "July Market Summary."
(A copy is attached to these minutes). Mr. Leszinske directed the Committee's attention to the interest rates and noted the significant drop in rates during the month of July. He also noted that the Treasury Bills dropped under 10% for the first time in several years. Mr. Leszinske stated that although long term rates decreased they have not dropped as much as short rates. Mr. Leszinske stated that rates will continue to fluctuate until the economy levels off.

In response to an inquiry by Mr. Flowers regarding the problems which Continental Bank has been experiencing, Mr. Leszinske informed the Committee that the Plan was in no way involved as the problems were within a completely separate area of the institution.

Mr. Hamilton informed the Committee that Continental was working with the Secretary's Office on a performance review of Growth Stock Managers, T. Rowe Price and the Screen Fund.

At the request of the Secretary, Mr. Hamilton explained a letter, which was passed out at the last meeting, regarding the management changes at T. Rowe Price.

Mr. Hamilton informed the Committee that for the first six months in 1982 the Plan earned $172,899.94 in additional income which was generated by the lending of securities to outside brokers and investment managers. Mr. Kole asked if there was any statistical data available on the figures. Mr. Hamilton stated that this would be provided at the next meeting.
The Chairman asked for approval of the Minutes of the 403rd Meeting, held Thursday, July 22, 1982. On a motion by Mr. Hall, seconded by Mr. Kemp, the Committee unanimously approved the Minutes of the 403rd Meeting, held July 22, 1982.

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

The Secretary presented a total of two (2) Survivorship Options for approval. On a motion by Mr. Flowers, seconded by Mr. Hall, the Committee unanimously approved the Survivorship Options.

The Secretary reported that there were no Pre-Retirement Surviving Spouse Options for approval.

The Secretary submitted fourteen (14) Applications for Retirement for approval which included a request that the application for Margaret Roche be made retroactive to August 1, 1982. On a motion by Mr. Hall, seconded by Mr. O'Connor, the Committee unanimously approved the Applications for Retirement including the retroactivity for Margaret Roche.

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

The Secretary presented thirty-two (32) refunds, totaling $282,136.42. The comparison figures for the same period of time one year ago were thirty (30) refunds, totaling $244,293.37. On a motion by Mr. Hall, seconded by Mr. Morris, the Committee unanimously approved the refunds of contributions to be paid August 31, 1982.
The Secretary presented the report of Deposits, Disbursements and Investments noting that as of the end of July there was a total of $469,566,348.62 in cash and equivalents.

The Secretary presented one (1) Chicago Transit Authority bill, totaling $30,124.70; nine (9) Operating bills, totaling $29,188.14; and, eight (8) remittances, totaling $294,560.42. On a motion by Mr. Kasmer, seconded by Mr. Morris, the Committee unanimously approved payment of the bills and remittances in the amount of $353,873.26.

The Secretary submitted for approval thirty-eight (38) Death Benefits, totaling $85,000. The comparison figures for the same period of time one year ago were twenty-two (22) Death Benefits, totaling $49,500. On a motion by Mr. Kemp, seconded by Mr. O'Connor, the Committee unanimously approved payment of the Death Benefits, as per the attached list.

The Secretary asked Mr. C. Manning of the Plan Attorney's Office to present a report regarding the Definition of a Temporary Employee. Mr. Manning stated that Mr. Burke, the Plan Attorney, was out of the city and asked him to request that the Committee defer this matter until the next meeting.

The Secretary informed the Committee that the Condensed Annual Report had been in the Reproduction Department for approximately 6 weeks and his office had been advised that after several priority items had been completed, the reports would go to print.

The Secretary also noted that the Retirement Annual Report was also in Reproduction waiting to be printed.
The Secretary passed out a report from the Director of Pensions, Mr. R. Fleming, regarding the relocation of the Pensions Section and reported on the current conditions of the office. At the request of the Secretary, Mr. D. Lemm expounded on the matter and noted that, as mentioned in Mr. Fleming's memorandum, at no time had it ever been mentioned that the Pensions Section would not be moving into Room 7-107. However, as of the following week Internal Auditing would be occupying the space until their permanent quarters were completed. A discussion ensued between Committee Members and it was agreed that the Sub-Committee be asked to meet with Mr. Ford regarding the relocation of the Pensions Section.

The Secretary turned the Committee's attention to a report prepared by Mr. G. Nagle on Mutual Fund Fees vs. Separate Account Fees and asked Mr. Nagle to explain the report. Mr. Nagle explained and noted that after reviewing the statistics and performance it would be more beneficial for the Plan to continue with the Separate Account and track the performance of the money managers before making any type of change.

The Secretary informed the Committee that the following four employees had been reinstated and failed to reimburse the Retirement Fund within the 90 day period as provided in Rule 21, therefore, their Retirement Plan entered service date would be the date of reinstatement: Constance Brabec, Clarence Harris, Harold Goss and Carlos Medina. Mr. O'Connor asked why Constance Brabec, who was a member of the Security Department's "discontinued" personnel was not being handled in the same manner as the
other members of that department under Rule 26. A discussion ensued between Committee Members and Mr. Manning regarding the language of Rule 26 and the repayment time. Upon a request by Mr. O'Connor, the Committee agreed to defer the matter concerning Ms. Constance Brabec until Mr. O'Connor could confer with her and report back to the Committee at the next meeting.

The Secretary informed the Committee that Paula Turner, D-2124, who went on Disability Retirement January 1, 1981, returned to duty August 6, 1982.

The Secretary brought to the Committee's attention an auditing error which had caused the overpayment of $6,186.98 in retirement benefits to Mr. Joseph McCray. The Secretary explained the circumstances involved, noted that Mr. McCray had agreed to repay the monies, and stated that the Secretary's Office would contact the Plan Attorney in order that a legal agreement for repayment could be drawn up for Mr. McCray's signature.

The Secretary brought to the Committee's attention a booklet in the pass-out material which had been developed by the Secretary's Office which shows the history of all changes in the Retirement Plan since its inception.

There being no further business, on a motion by Mr. Kasmer, seconded by Mr. Kemp, the Committee unanimously agreed to adjourn at 11:44 P.M.
SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED