The 405th Meeting of the Retirement Allowance Committee was held on Monday, September 20, 1982, at 10:30 A.M., in Room 734, Merchandise Mart. The following were in attendance:

Mr. W. Ashley
Mr. R. Fleming
Mr. E. Flowers
Mr. J. Gallagher
Mr. C. Hall

Mr. A. Kasmer
Mr. P. Kole
Mr. D. Perk
Mr. J. Weatherspoon

Mr. A. Kemp, alternate for Mr. I. Thomas, was present.

Messrs. R. Bartkowicz, R. O'Connor, L. Brown, H. Hegarty and Ms. A. Curtis, were also present. Messrs. D. Lemm, G. Nagle, R. Carson and Ms. C. Cox were present. Messrs. W. Leszinske, E. Hamilton and Ms. K. Ford of Continental Bank were present. Mr. R. Harrell of Lowry, Raclin, Harrell & Howerdd 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 10:46 A.M.

Mr. Leszinske of Continental Bank presented to the Committee a letter, dated September 14, 1982, entitled "August Market Summary." (A copy is attached to these minutes). Mr. Leszinske directed the Committee's attention to the interest rates and noted a significant decline in both short and long rates during the month. Mr. Leszinske also noted that two prominent experts on interest rates have predicted that interest rates should continue to fall significantly over the next twelve months.
In response to a request by Mr. Kole at the last meeting, Mr. Hamilton presented a statistical report relative to the Securities Lending Program. Mr. Hamilton noted that 13 million dollars were out on loan during the first six months of the program which had generated $172,000 in income. The program generated approximately $160,000 in income during the latter part of the year for a total of approximately $330,000 in income for the year.

The Chairman asked what, if any, risks are involved in securities lending. Mr. Hamilton stated that a risk would occur if a broker has some difficulty such as bankruptcy or clearing. However, due to the structure of our program the risks are very low. The Chairman then asked if the Trustee recommended continuation of the program. Mr. Hamilton responded in the affirmative.

Mr. Harrell of Lowry, Raclin, Harrell & Howerdd presented a report on the performance of each money manager in the Retirement Plan's portfolio comparing their performance with that of the S&P 500. Mr. Harrell also presented a report on the Plan's Growth Screen Fund. (A copy of these reports are on file in the Secretary's Office).

A discussion ensued during which the Chairman asked if a representative of Lowry, Raclin, Harrell & Howerdd could make a presentation to the Committee on the investment philosophy of the Screen Fund. Mr. Harrell stated that this could be done, however, he suggested that a special meeting be set up for this purpose.

The Chairman asked for approval of the Minutes of the 404th Meeting, held Monday, August 16, 1982. On a motion by Mr. Weatherspoon, seconded by Mr. Perk, the Committee unanimously approved the Minutes.
of the 404th Meeting, held August 16, 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. Kole, seconded by Mr. Weatherspoon, the Committee unanimously approved the Survivorship Options.

The Secretary presented a total of two (2) Pre-Retirement Surviving Spouse Options for approval. On a motion by Mr. Kole, seconded by Mr. Fleming, the Committee unanimously approved the Pre-Retirement Surviving Spouse Options.

The Secretary submitted eleven (11) Applications for Retirement for approval. On a motion by Mr. Kasmer, seconded by Mr. Kole, the Committee unanimously approved the Applications for Retirement.

The Secretary reported that fourteen (14) employees who are receiving Disability Retirement Benefits were examined or had their files reviewed.

The Secretary presented thirty (30) refunds, totaling $261,963.09. The comparison figures for the same period of time one year ago were twenty-five (25) refunds, totaling $175,316.56. On a motion by Mr. Kole, seconded by Mr. Weatherspoon, the Committee unanimously approved the refunds of contributions to be paid September 30, 1982.

The Secretary presented the report of Deposits, Disbursements and Investments noting that as of August 31, 1982 there was
a total of $466,067,278.85 in cash and equivalents. The Secretary asked Mr. Nagle if he had found any discrepancies in the report. Mr. Nagle stated that there seemed to be a computer error in the performance figure and contact would be made with Compensation & Capital to have it corrected.

The Secretary presented one (1) Chicago Transit Authority bill, totaling $24,678.10; twelve (12) Operating Bills, totaling $28,436.76; and, eight (8) Remittances, totaling $294,967.45. On a motion by Mr. Kole, seconded by Mr. Weatherspoon the Committee unanimously approved payment of the bills and remittances in the amount of $348,082.31 to be paid September 30, 1982.

The Secretary submitted for approval twenty-eight (28) Death Benefits, totaling $86,000.00. The comparison figures for the same period of time one year ago were twenty-seven (27) Death Benefits, totaling $56,500.00. On a motion by Mr. Kole, seconded by Mr. Kemp, the Committee unanimously approved payment of the Death Benefits, as per the attached list.

The Secretary asked Mr. O'Connor to report on the matter regarding Ms. Constance Brabec who had resigned, was reinstated and failed to reimburse the Plan $2,990.04 in refunded contributions within the 90 day period provided in Rule 21. Mr. O'Connor stated that he had discussed the matter with Ms. Brabec who indicated that she would like to participate in the Plan as a reinstated employee rather than as a new employee. Mr. O'Connor also stated that in a discussion with Mr. Burke it was suggested that some recommendations be brought before the Committee relative to what can be considered a reasonable period of time for
repayment of refunded contributions in situations of this type.

The Secretary asked that the matter concerning Ms. Brabec and the Definition of a Temporary Employee be deferred until the next meeting as Mr. Burke had to leave due to another commitment. The Secretary passed out a copy of Rule 27 to all Committee Members for their review prior to discussion at the next meeting.

The Secretary informed the Committee that all but $200 had been reimbursed by individuals who had received a duplicate payment of a contributions refund. The three (3) individuals who did not respond to communications requesting repayment were: John Drew - No. 7333, Claudia Williams - No. 1656 and Vito Catalano - No. 18185. The Secretary stated that since it was such a small amount he recommended that a resolution be passed to write the $200 off and close the files. On a motion by Mr. Perk, seconded by Mr. Fleming, the Committee unanimously agreed to close the file on the outstanding amount.

The Secretary noted that the Annual Report was a part of each Committee Members pass-out material and distribution would be made to all other individuals. He also stated that the Condensed Report would be inserted in all active employees' payroll check. The Secretary brought to the Committee's attention the problem the Secretary's Office was having getting work requests handled through the Datacenter. He noted that the mailing of the Condensed Reports to retired employees, which was to be done through the Datacenter, had not been handled as yet. A discussion ensued during which Messrs. Kole and Weatherspoon asked for a copy of work requests
submitted to the Datacenter and not handled in order that they can look into the matter and hopefully eliminate any future problems in this area.

The Secretary informed the Committee that Joseph Zukerman had revoked his Pre-Retirement Surviving Spouse Option which he had taken in October, 1978.

The Secretary brought to the Committee's attention the new Federal Withholding Tax Law for pensioners, which becomes effective in January 1983. He noted that the Secretary's Office would have to communicate with each pensioner informing them of the law and acquiring a signature on the necessary forms.

The Secretary informed the Committee that it would be necessary to have a third party placed on the Plan's Checking Account in order that business could be transacted in the absence of the Director of Pensions and himself and recommended that Mr. Greg Nagle's name be placed on the account. On a motion by Mr. Kasmer, seconded by Mr. Fleming, the Committee unanimously approved the placing of Mr. Greg Nagle on the Plan Checking Account.

There being no further business, on a motion by Mr. Weatherspoon, seconded by Mr. Kole, the Committee unanimously agreed to adjourn at 12:25 P.M.