The 407th Meeting of the Retirement Allowance Committee was held on Monday, November 15, 1982, at 10:30 A.M., 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. P. Kole
- Mr. D. Perk

Mr. R. Goldman, alternate for Mr. J. Weatherspoon, was present. Mr. L. Morris, alternate for Mr. I. Thomas, was present. Mr. I. Brown, alternate for Mr. A. Kasmer, was present. Mr. S. Bianchi, alternate for Mr. J. Gallagher, was present. Messrs. A. Kemp, H. Hegarty, R. Bartkowicz and Mrs. A. Curtis were present. Messrs. D. Lemm, G. Nagle, J. Mullen and Ms. C. Cox were present. Ms. N. Finley, Messrs. S. Miller and J. Bidwill were present. Messrs. W. Leszinske, E. Hamilton and Mrs. K. Ford of Continental Bank were present. Mr. J. Baratka, The Wyatt Company, was present. Mr. R. Harrell, Lowry, Raclin, Harrell and Howerdd, was present. Mr. R. Burke, the Plan Attorney, was present. Mr. B. Scholz, Pensioner, was also present.

The Secretary called the meeting to order at 10:34 A.M., informed the Committee that neither the Chairman nor Vice Chairman would be in attendance and entertained a motion to elect Mr. P. Kole as Chairman Pro Tempore. Mr. Goldman seconded the motion and the Committee unanimously approved.
Mr. W. Leszinske of Continental Bank turned the Committee's attention to a letter, dated November 12, 1982, entitled "November Market Summary" and an economic chart on inflation and interest rates. (A copy of both is attached to these minutes). Mr. Leszinske noted that interest rates have continued to decline over the last month. Mr. Leszinske perused the economic chart which covered inflation and interest rates for about 25 years. He noted that the outlook is for both markets to become flat and possibly correct slightly. Mr. Leszinske stated that in 1983 the inflation rate will be on the order of 5-1/2 to 6 percent.

Mr. Hamilton noted that there have been rumors of a possible buy out of E. W. Axe. He noted that there are some difficulties regarding the purchase with respect to the previous ownership. It is now in trust and some Trustees are considering the possibility of selling the organization. Mr. Hamilton stated that the Committee will be kept informed as to the proceedings.

The Chairman asked for approval of the Minutes of the 406th Meeting of the Retirement Allowance Committee, held October 16, 1982 and the Minutes of the Special Meeting, held November 1, 1982. On a motion by Mr. Fleming, seconded by Mr. Morris, the Committee unanimously approved the Minutes of the 406th Meeting, held October 16, 1982, and the Minutes of the Special Meeting, held November 1, 1982.

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

The Secretary presented a total of seven (7) Survivorship Options for approval. On a motion by Mr. Morris, seconded by
Mr. Fleming, the Committee unanimously approved the Survivorship Options.

The Secretary presented a total of four (4) Pre-Retirement Surviving Spouse Options for approval. On a motion by Mr. Kemp, seconded by Mr. Morris, the Committee unanimously approved the Surviving Spouse Options.

The Secretary submitted twelve (12) Applications for Retirement for approval, including a request for retroactive retirement for Ora Miller and Carl A. Howard. On a motion by Mr. Morris, seconded by Mr. Perk, the Committee unanimously approved the Applications for Retirement, including the request that the retirement of Ora Miller and Carl A. Howard be made retroactive to November 1, 1982.

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

The Secretary presented twenty-four (24) refunds, totaling $169,336.36 for approval. The comparison figures for the same period of time one year ago were twenty-seven (27) refunds, totaling $250,055.41. On a motion by Mr. Perk, seconded by Mr. Brown, the Committee unanimously approved the refunds of contributions to be paid November 30, 1982.

The Secretary presented the report of Deposits, Disbursements and Investments noting that as of the end of October there was a total of $471,207,973.49 in cash and equivalents.

The Secretary presented one (1) Chicago Transit Authority bill, totaling $34,121.03; eight (8) Operating bills, totaling
$32,252.25; and, eight (8) remittances, totaling $290,988.32. The Secretary pointed out that the final bill for Datair is included in this payment. He also noted that the final testing of the contribution accounting and estimates system should take place shortly and operation should begin around the end of December. Further, even though payment is approved, the check will not be released until after satisfactory testing and implementation has been completed. On a motion by Mr. Fleming, seconded by Mr. Morris, the Committee unanimously approved payment of the bills and remittances, totaling $357,361.60.

The Secretary submitted for approval twenty-eight (28) Death Benefits, totaling $67,500. The comparison figures for the same period of time one year ago were forty-three (43) Death Benefits, totaling $88,500.00. On a motion by Mr. Perk, seconded by Mr. Kemp, the Committee unanimously approved payment of the Death Benefits, as per the attached list.

The Secretary turned the Committee's attention to the Revision of Rule No. 26 which outlines the handling of the return of "discontinued" Security Employees and a schedule of repayment of their refunded retirement contributions to the Fund. On a motion by Mr. Fleming, seconded by Messrs. Flowers and Morris, the Committee unanimously approved the Revision of Rule No. 26. (A copy is attached to these minutes).

The Secretary brought the Committee up to date on the status of the Federal Withholding Tax for Pensioners, effective January 1, 1983, and turned their attention to a letter in the pass-out material which explained the new law.
The Secretary informed the Committee that all but one Supplemental Memorandum of Agreement had been executed by the Chairman and the Secretary's Office is in the process of returning the necessary copies to all union and the Plan Attorney for filing with Internal Revenue.

As a matter of information, the Secretary informed the Committee that Jimmie L. Hardy, who retired June 1, 1982, returned to duty October 27, 1982; Clarence Crawley, a "discontinued" Security Department employee, was reinstated on August 13, 1982; Isaac Clark, Diane Stanley and Jesus Nunez were reinstated and failed to reimburse the Retirement Fund the amount of contributions refunded to them within the 90 day period provided under Rule 21 and, therefore, each has a new entered service date under the Retirement Plan. A discussion ensued during which the Secretary stated that in the future a copy of the letters sent to these employees regarding the reimbursement of their refunded contributions will also be sent to the union.

The Secretary informed the Committee that Robert B. Tausch revoked his Option B-1/2 which had been approved at the October 18, 1982 meeting.

The Secretary also informed the Committee that an agreement had been reached with Joseph McCray for repayment of the overpayment which was made to him.

The Secretary noted that the list of employees with less than one year of service, which was requested by Mr. Hegarty, was in the pass-out material.

The Secretary informed the Committee that his office was
experiencing another problem getting correspondence mailed to pensioners and asked Mr. Fleming to explain the situation to the Committee. Mr. Fleming stated that a request for the mailing of post cards to all pensioners who have their pension check deposited directly to their bank was made in mid-October. To date, the request had not been handled. A discussion ensued during which it was suggested that the sub-committee be asked to look into this situation.

Mr. Robert Harrell of Lowry, Raclin, Harrell & Howerdd began his presentation by turning the Committee's attention to a letter he had written in response to several questions raised at the Special Meeting, held November 1, 1982, regarding the Screen Fund. (A copy is attached to these minutes). Mr. Harrell noted that he would not attempt to go over his response item by item but hoped to answer most of the questions during his presentation.

Mr. Harrell reviewed for the Committee how and why the Screen Fund was initiated in 1979 and explained the purpose of the Fund.

A discussion ensued regarding an investment manager for the Screen Fund and who could possibly serve in that capacity. During the discussion, Mr. Kole asked if the Committee had any problem with having Mr. Harrell: (A) Ask Johnson, Lane, Space and Smith if they would be willing to act as investment manager; or, (B) Seek out a Chicago bank that would be willing to act as investment manager. Mr. Perk moved that this be made a motion and Mr. Hall seconded the motion. The Committee unanimously approved.
There being no further business, on a motion by Mr. Goldman, seconded by Mr. Brown, the Committee unanimously agreed to adjourn at 12:36 P.M.

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SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

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CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED________________________