RETIREMENT PLAN

FOR

CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 413th Meeting of the Retirement Allowance Committee was held on Monday, May 16, 1983, at 10:30 A.M., in the Board Room, Room 734, Merchandise Mart. The following were in attendance:

Mr. W. Ashley          Mr. A. Kasmer, Jr.
Mr. R. Fleming          Mr. P. Kole
Mr. E. Flowers          Mr. D. Perk
Mr. C. Hall             Mr. I. Thomas

Mr. R. Goldman, alternate for Mr. J. Weatherspoon, was present. Mr. R. Bartkowicz, alternate for Mr. J. Gallagher, was present. Messrs. H. Hegarty, L. Morris, A. Kemp, L. Brown, R. O'Connor and Mrs. A. Curtis were present. Messrs. D. Lemon, G. Nagle, J. Mullen and Mrs. C. Cox were present. Messrs. J. Bidwill and S. Miller were also present. Mr. E. Burke, the Plan Attorney, was present. Messrs. W. Leszinske, E. Hamilton and J. Cyr of Continental Bank were present. Dr. R. Zerbst of Pension Realty Advisors, Inc. was present. Mr. B. Scholz, Pensioner, was also present.

The Secretary called the meeting to order at 10:35 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. Ashley, seconded by Mr. Thomas, the Committee unanimously appointed Mr. C. Hall as Chairman Pro Tempore.

Mr. W. Leszinske of Continental Bank turned the Committee's attention to a letter, dated May 16, 1983, entitled "April Market
Summary." Mr. Leszinske noted that interest rates declined during the month of April. Mr. Leszinske stated that the rates will work their way even lower during 1983 and this will have continued impact on what transpires in the economy.

Mr. E. Hamilton of Continental Bank turned the Committee's attention to a letter, dated May 16, 1983, concerning the presentation made by Capital Advisors on April 18, 1983 regarding Securities Lending. Mr. Hamilton expressed the Trustee's concerns and stated that the Trustee did not recommend entering into a program of this type with anyone outside of the Trustee itself.

The Secretary asked that Dr. Zerbst be allowed to make his presentation at this time rather than later in the meeting as scheduled. There being no objection, Dr. Zerbst of Pension Realty Advisors, Inc. presented a copy of a draft of Real Estate Investment Recommendations and Policies to the Committee Members and explained each part of the document. A copy of an Amendment to the Investment Policies and Objectives to Include Real Estate was then presented to Committee Members for adoption. Mr. Kole made a motion that the Amendment be adopted as submitted. A discussion ensued during which Mr. Perk asked the Plan Attorney if he had perused the document. The Plan Attorney responded that he had and found only minor exceptions; i.e., the location of investments only in Illinois and Chicago, the percentage of investments and the timing of the investments; other than these points he felt the Agreement was sound and responsible. Mr. Ashley asked Mr. Kole if his motion included these points. Mr. Kole indicated that his motion included the suggested changes as presented by the Plan Attorney. After further discussion, Mr. Perk seconded
the motion and the Committee unanimously adopted the Amendment to
the Investments Policies and Objectives to Include Real Estate.

In response to a question by Dr. Zerbst, the Plan Attorney
informed the Committee that he was in the process of finalizing
the contractual agreement retaining Pension Realty Advisors, Inc.
as the Plan's Real Estate Consultants.

The Chairman asked for approval of the Minutes of the 412th
Meeting, held April 18, 1983, and the Special Meeting, held
April 19, 1983. On a motion by Mr. Goldman, seconded by Messrs.
Ashley and Kasmer, the Committee unanimously approved the Minutes of
the 412th Meeting, held April 18, 1983, and the Special Meeting, held
April 19, 1983.

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

The Secretary presented a total of six (6) Survivorship Options for
approval. On a motion by Mr. Flowers, seconded by Mr. Kasmer, the
Committee unanimously approved the Survivorship Options.

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

The Secretary presented fifteen (15) Applications for Retire-
ment recommending that the application for James Simpson be held
in abeyance due to insufficient medical evidence. On a motion by
Mr. Kasmer, seconded by Mr. Perk, the Committee unanimously approved
the Retirement Applications including the holding in abeyance of the
application for James Simpson.
The Secretary reported that five (5) employees who are receiving Disability Retirement Benefits were examined or had their file reviewed.

The Secretary presented twenty-five (25) refunds, totaling $162,437.12 for approval. The comparison figures for the same period of time one year ago were thirty-five (35) refunds, totaling $302,024.18. On a motion by Mr. Kole, seconded by Mr. Kasmer, the Committee unanimously approved payment of the refunds of contributions to be paid May 31, 1983.

The Secretary presented the report of Deposits, Disbursements and Investments noting that as of April 31, 1983 there was a total of $487,034,308.84 in cash and investments.

The Secretary reported that there were eleven (11) Operating Bills, totaling $25,719.61; and, seven (7) Remittances, totaling $252,572.13. The Secretary also noted that the FIT Deposit for the 1st month of the 2nd Quarter of 1983, in the amount of $78,594.48, had been paid. On a motion by Mr. Kole, seconded by Messrs. Thomas and Kasmer, the Committee unanimously approved payment of the bills and remittances totaling $278,291.74.

The Secretary submitted for approval thirty-two (32) Death Benefits, totaling $86,000. The comparison figures for the same period of time one year ago were twenty-nine (29) Death Benefits, totaling $80,000. Mr. Kole requested that a year to date figure be provided in the future. The Secretary responded that this could be done. On a motion by Mr. Ashley, seconded by Mr. Flowers, the Committee unanimously approved payment of the Death Benefits, as per the attached list.
The Secretary turned the Committee's attention to a document from Capital Advisors, Inc. regarding collateralization percentage. A discussion ensued during which Mr. Kole made a motion to accept Capital Advisors, Inc.'s proposal for handling of bonds; Mr. Bartkowicz seconded the motion. Mr. Ashley raised a question regarding the letter presented by the Trustee and recommended that the Committee hear from the Plan Attorney on this matter. The Plan Attorney stated that in reviewing the relationship between Capital Advisors and Compensation & Capital there is an interest that could be conceived as a conflict of interest, however, upon further investigation the concerns have been addressed. A discussion ensued between the Committee Members during which Mr. Kole requested a brief recess. Upon reconvening of the meeting, Mr. Kole withdrew his motion and asked that the matter be deferred until a later time. Mr. Bartkowicz deferred the second to the motion.

The Secretary informed the Committee that George Mack, Jr. and Hybert Richardson had been reinstated and failed to reimburse the Fund their respective contributions that had been refunded to them, therefore, these individuals would have a new seniority date for pension purposes.

The Secretary brought to the Committee's attention a matter concerning a rehired Security Officer whose date of rehire on the Change Notice was in question. A discussion ensued during which Mr. O'Connor stated that this was an error and would be corrected.

The Secretary asked the Plan Attorney to make a presentation regarding Section 12 and Rule No. 1 of the Plan as there was a conflict between the two. The Plan Attorney read the items and explained the
conflict involved. A discussion ensued during which Mr. Ashley made a motion to revise Rule No. 1. Mr. Perk seconded the motion and the Committee unanimously approved.

The Secretary informed the Committee that Ike Rivers had withdrawn his Application for Retirement on May 1, 1983.

The Secretary informed the Committee that Fannie Williams, who retired on Disability on July 1, 1982 had returned to duty on May 6, 1983.

The Secretary informed the Committee that the Chairman had contacted his office regarding the revision of Rule No. 26 as some former Security Department personnel who had been "discontinued" were being reinstated. At the request of the Secretary, the Plan Attorney explained the proposed revisions to Rule No. 26. After discussion, Mr. Ashley made a motion to approve the revisions to Rule No. 26 as submitted. Mr. Flowers seconded the motion. Mr. O'Connor abstained from voting. The remainder of the Committee unanimously approved the revisions of Rule No. 26.

The Secretary informed the Committee that the CTA Senior Citizen Club had extended an invitation to the Committee to attend a luncheon.

There being no further business, on a motion by Mr. Thomas, seconded by Mr. Perk, the Committee unanimously agreed to adjourn at 1:08 P.M.