The 415th Meeting of the Retirement Allowance Committee was held on Monday, July 15, 1983, at 10:30 A.M., in the Board Room, Room 734, Merchandise Mart. The following were in attendance:

Mr. C. Andersen  Mr. P. Kole  
Mr. R. Fleming  Mr. D. Perk  
Mr. E. Flowers  Mr. I. Thomas  
Mr. A. Kasmer  Mr. J. Weatherspoon

Mr. A. Kemp, alternate for Mr. C. Hall, was present. Mr. H. Reddrick, alternate for Mr. J. Gallagher, was present. Messrs. R. Goldman, L. Morris, L. Brown, H. Hegarty, R. Bartkowicz and Mrs. A. Curtis were present. Messrs. D. Lemm, G. Nagle, J. Mullen and Ms. C. Cox were present. Mr. R. Burke, the Plan Attorney, was present. Messrs. J. Fitzpatrick, J. Hamilton, J. Cyr and J. Holsteine of the Continental Bank were present. Messrs. J. Bidwill and S. Miller were present. Mr. B. Scholz, pensioner, was also present.

The Chairman called the meeting to order at 10:38 A.M.

Mr. Holsteine of Continental Bank turned the Committee's attention to a letter, dated July 15, 1983, entitled "June Market Summary" and noted that the market continues to be fairly volatile with the rates drifting a little bit higher. However, it is the Trustee's opinion that rates will decrease by year end.

Mr. Hamilton informed the Committee that he had visited with Mr. John Shroeder, the new Chairman of the Axe organization.
Mr. Hamilton noted that Mr. Shroeder stated that the company would continue to be the same and he is in the process of hiring a new Director of Research as well as one or two portfolio managers. Mr. Hamilton stated that his meeting with Mr. Shroeder was very positive.

The Chairman welcomed the newly appointed members to the Committee; Mr. C. Andersen, member, and Mr. H. Reddick, alternate member.

The Chairman asked for approval of the Minutes of the 414th Meeting, held June 20, 1983. Mr. Kole made a motion for approval of the Minutes of the 414th Meeting and Mr. Flowers seconded the motion. Mr. Hegarty questioned the Disability Retirement of Fotis Bouras, which was reported in the Minutes. After a discussion between the Secretary and Mr. Hegarty, it was agreed that the matter concerning Mr. Bouras be held in abeyance until it would be discussed with the Plan Attorney. The Committee unanimously approved the Minutes with the exception of the Disability Retirement of Fotis Bouras.

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

The Secretary presented a total of nine (9) Survivorship Options for approval. On a motion by Mr. Kole, seconded by Mr. Kemp, the Committee unanimously approved the Survivorship Options.

The Secretary presented two (2) Pre-Retirement Surviving Spouse Options for approval. On a motion by Mr. Kole, seconded by Mr. Perk, the Committee unanimously approved the Pre-Retirement Surviving Spouse Options.
The Secretary presented fourteen (14) Applications for Retirement. On a motion by Mr. Kole, seconded by Mr. Flowers, the Committee unanimously approved the Retirement Applications.

The Secretary reported that eleven (11) employees who are receiving Disability Retirement Benefits were examined or had their file reviewed.

The Secretary presented ten (10) refunds, totaling $65,132.21. The year to date totals are one hundred thirty-five (135) refunds, totaling $1,206,619.59. The comparison figures for the same period of time one year ago are twenty-seven (27) refunds, totaling $223,573.73. The year to date totals for last year are three hundred fourteen (314) refunds, totaling $2,519,478.42. On a motion by Mr. Kole, seconded by Mr. Kemp, the Committee unanimously approved the refunds of contributions to be paid July 31, 1983.

The Secretary presented the report of Deposits, Disbursements and Investments noting that as of June 30, 1983 there was a total of $505,497,630.35 in cash and investments.

The Secretary reported that there was one (1) Chicago Transit Authority bill, totaling $63,978.37; nine (9) Operating bills, totaling $90,582.88; seven (7) Remittances, totaling $251,262.03, for a sub-total of $405,823.28. The Secretary reported that the Federal Income Tax Deposit for the month was $79,597.51. On a motion by Mr. Kole, seconded by Mr. Kemp, the Committee unanimously approved payment of the bills and remittances, totaling $485,420.79.

The Secretary submitted for approval seventeen (17) Death Benefits, totaling $28,500.00. The year to date total is
one hundred ninety-six (196) Death Benefits, totaling $479,500.00. The comparison figures for the same period of time one year ago are thirty-six (36) Death Benefits, totaling $73,500.00. The year-to-date figures for 1982 are one hundred ninety-one (191) Death Benefits, totaling $468,500.00. On a motion by Mr. Kole, seconded by Messrs. Flowers and Kasmer, the Committee unanimously approved payment of the Death Benefits, as per the attached list.

The Secretary brought to the Committee's attention the matter Mrs. Octavia Perrin's request for change of her retirement date, which was discussed at the last meeting. The Secretary informed the Committee that after research and communication with the Manager of the department from which she retired and discussion with the Plan Attorney, it was decided that Mr. Perrin's retirement date would not be changed.

The Secretary informed the Committee that Mr. Baratka of The Wyatt Company would be present at the next meeting to explain the Actuarial Valuation which was given to the Committee at the last meeting.

At the request of the Chairman, the Plan Attorney explained the Proposed Revised Rule No. 26. A discussion ensued between Committee Members and the Plan Attorney during which a motion for adoption of Revised Rule No. 26 was made by Mr. Kasmer, seconded by Mr. Kemp and unanimously approved by the Committee.

The Secretary asked Mr. Kole to expound on the Securities Lending program as presented by Capital Guardian several months ago. Mr. Kole stated that this matter had not been reviewed by the subcommittee and made a motion that it be deferred until the next
meeting. Messrs. Flowers and Perk seconded the motion and the Committee unanimously agreed.

The Secretary turned the Committee's attention to the 34th Annual Report, a copy of which was included in the meeting material, and noted that general distribution would be made in the near future.

The Secretary also noted that the Condensed Annual Report was in the printing stage and should be completed by the August Meeting and distributed to all employees shortly thereafter.

Mr. Flowers questioned the membership of the Real Estate Subcommittee as reported in the Annual Report and noted that he had not been included as a member of this subcommittee. The Secretary stated that his office would research the Retirement Allowance Committee Minutes again as this is where certain information is abstracted for the annual report.

The Chairman turned the Committee's attention to the proposed resolution regarding the Real Estate Subcommittee and asked the Plan Attorney to explain the document. The Plan Attorney noted that at the last Committee Meeting there was a discussion regarding operating procedures with regard to the Real Estate Subcommittee. The Plan Attorney noted that under the By-Laws there is a specific prohibition about delegation of duties and responsibilities and this Committee is not empowered to delegate its responsibility. However, in the real estate area there is a need, on occasion, to move promptly if the Committee is to make a direct real estate investment because of the exposure of the investment to other investors and the desire on the part of the Committee to move forward. The Plan
Attorney explained the proposed resolution and its function. A discussion ensued between the Committee Members and the Plan Attorney during which the question of the telephone polling of Committee Members was brought up as outlined in the proposed resolution. Mr. Perk suggested that the first paragraph of the resolution regarding the telephone poll be rewritten. The Chairman, Mr. Perk and the Plan Attorney engaged in dialogue to rewrite the first paragraph of the resolution. Mr. Kole made a motion for adoption of the Proposed Revised Resolution, Mr. Perk seconded the motion, and the Committee unanimously agreed.

The Secretary informed the Committee that Alfred C. Bowman, who was reinstated on March 29, 1983, had failed to reimburse the Retirement Fund $10,822.13 in withdrawn contributions within the 90-day period as provided in Rule 21, therefore, his new seniority date for pension purposes is June 29, 1983.

The Secretary informed the Committee that it was necessary to appoint the Plan Actuary and Plan Auditor for Plan Year 1983 and recommended the retention of The Wyatt Company as Actuary and Arthur Young & Company as Auditor. The Chairman called for other recommendations. Mr. Flowers recommended that the firm of Wolfman & Moscovitch be considered as Actuary and agreed to supply the Committee with background information for discussion at the next meeting. Mr. Kole made a motion that Arthur Young & Company be retained as the Plan Auditor for Plan Year 1983, Mr. Flowers seconded the motion and the Committee unanimously agreed.

The Secretary informed the Committee that at the request of Mr. Kasmer, the question of Mr. Terrence Murtaugh’s request to "buy
back" service under the Retirement Plan was being brought before the Committee. The Secretary noted that Mr. Murtaugh was previously discussed at the October 1982 Committee Meeting. The Secretary informed the Committee of all the pertinent information regarding Mr. Murtaugh's dates of service. Mr. Kasmer explained to the Committee the circumstances surrounding Mr. Murtaugh's breaks in service and noted that the time span which Mr. Murtaugh wanted to "buy back" was for the years 1946 through 1954 when he was laid-off due to a reduction in work force. A discussion ensued between Committee Members during which Mr. Perk made a motion that the Plan Attorney be asked to conduct a study regarding this matter and find out how many people would be involved. Mr. Kasmer seconded the motion. Mr. Kole asked if this was a matter that the Committee could resolve or was it a negotiable matter. The Plan Attorney stated that it is negotiable, however, a study would provide the Committee with pertinent information for possible presentation during negotiations. The Chairman noted that the motion be withdrawn as it was not necessary in order to request the study.

The Secretary informed the Committee that his office was in receipt of a favorable determination letter from the Internal Revenue Service on the changes in the Plan outlined in the March 1982 Supplemental Agreement.

The Secretary also informed the Committee that the latest copy of the Pre-Retirement Option booklet had been printed and reflects the changes in the Plan.

There being no further business, on a motion by Mr. Kasmer seconded by Mr. Kemp, the Committee unanimously agreed to adjourn.
at 11:48 A.M.

SECRETARY
RETIEMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIEMENT ALLOWANCE COMMITTEE

DATED ____________________________