The 420th Meeting of the Retirement Allowance Committee was held on Monday, December 19, 1983, at 10:30 A.M., in the Board Room, Room 734, Merchandise Mart. The following were in attendance:

Mr. C. Andersen
Mr. A. Kasner
Mr. D. Perk
Mr. P. Kole

Mr. R. Goldman, alternate for Mr. J. Weatherspoon, was present. Mr. A. Kemp, alternate for Mr. C. Hall, was present.

Mr. R. Andrzejewski, alternate for Mr. J. Gallagher, was present. Neither Mr. I. Thomas nor his alternate was present. Neither Mr. E. Flowers nor his alternate was present. Neither Mr. R. Fleming nor his alternate was present. Mr. L. Brown was present. Messrs. G. Nagle, J. Mullen and Ms. C. Cox were present.

Messrs. D. Lemm, W. Ashley and J. Bidwill were present.

Messrs. J. Fitzpatrick and M. O'Leary of Continental Bank were present. Mr. J. Baratka of The Wyatt Company was present.

Mr. R. Burke, the Plan Attorney, was also present.

The Assistant Secretary called the meeting to order at 10:34 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. Goldman, seconded by Mr. Kemp, the Committee unanimously approved the appointment of Mr. D. Perk as Chairman Pro Tempore.
In the absence of Mr. Leszinske, Mr. O'Leary presented the Trustee's Report. Mr. O'Leary turned the Committee's attention to a letter, dated December 15, 1983, entitled "November Market Summary." Mr. O'Leary noted that there were two items he wished to highlight; first, the yield curve had flattened, or, the difference between long term and short term interest rates had narrowed. This came about because short term rates rose slightly and long term rates declined. The second item was that the Trustee's expectations are that interest rates will fall slightly in 1984.

Mr. Fitzpatrick informed the Committee that in keeping within the Plan's Investment Policy guidelines a letter had been received from Mr. Bob Harrell directing the liquidation of the Mutual Funds which total approximately 30 million dollars and the managers have been advised accordingly and asked to effectuate the liquidation at their discretion but prior to the end of the year. Mr. Fitzpatrick also noted that this is done to bring the equity portion of the total portfolio down to 60 per cent.

The Chairman called for approval of the Minutes of the 419th Meeting, held November 21, 1983. On a motion by Mr. Goldman, seconded by Mr. Kemp, the Committee unanimously approved the Minutes of the 419th Meeting, held November 21, 1983.

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

The Assistant Secretary presented a total of twenty-one (21) Survivorship Options for approval including an Option for Jack T. Smith and Chester C. Zielinski pending proper proof of
age and for John Tiffy pending receipt of medical records proving good health. On a motion by Mr. Kemp, seconded by Mr. Goldman, the Committee unanimously approved the Survivorship Options including the Option for Jack T. Smith and Chester C. Zielinski pending receipt of proof of age documentation and for John Tiffy pending receipt of medical records proving good health.

The Assistant Secretary presented nine (9) Pre-Retirement Surviving Spouse Options for approval. On a motion by Mr. Goldman, seconded by Mr. Kemp, the Committee unanimously approved the Pre-Retirement Surviving Spouse Options.

The Assistant Secretary presented one hundred ten (110) Applications for Retirement, which included a request that Loyce Wright's disability retirement be made retroactive to December 1, 1983 as Mr. Wright was not made aware that he was eligible to retire at that time. On a motion by Mr. Kasmer, seconded by Mr. Goldman, the Committee unanimously approved the Applications for Retirement including the retroactive disability retirement to December 1, 1983 for Loyce Wright.

The Assistant Secretary reported that six (6) employees who are presently receiving Disability Retirement Benefits were examined or had their file reviewed.

The Assistant Secretary presented seventeen (17) refunds of contributions, totaling $120,868.09 for approval. The comparison figures for the same period of time one year ago were twenty-one (21) refunds, totaling $209,880.30. On a motion by Mr. Goldman, seconded by Mr. Kasmer, the Committee unanimously approved the refunds of contributions to be paid December 31, 1983.
The Assistant Secretary presented the report of Deposits, Disbursements and Investments noting that as of November 30, 1983 there was a total of $524,519,508.79 in cash and investments at book value, which totaled $610,954,840.99 at market value.

The Assistant Secretary reported that there was one (1) CTA bill, totaling $45,165.84; eight (8) Operating bills, totaling $24,964.68; and, nine (9) remittances, totaling $266,846.48, for a sub-total of $33,977.00. The Federal Income Tax deposit for the second month, fourth quarter of 1983, was $78,034.50. On a motion by Mr. Kemp, seconded by Mr. Goldman, the Committee unanimously approved payment of the bills and remittances, totaling $415,011.50.

The Assistant Secretary submitted for approval twenty-four (24) Death Benefits, totaling $65,000.00. The comparison figures for the same period of time one year ago were nineteen (19) Death Benefits, totaling $50,000.00. On a motion by Mr. Goldman, seconded by Mr. Andrzejewski, the Committee unanimously approved payment of the Death Benefits, as per the attached list.

At the request of the Assistant Secretary, the Chairman asked for a motion to hold in abeyance until the next meeting the appointment of the Plan Actuary for Plan Year 1983. On a motion by Mr. Goldman, seconded by Mr. Andersen, the Committee unanimously agreed to hold in abeyance until the next meeting the appointment of the Plan Actuary for Plan Year 1983.

The Assistant Secretary turned the Committee's attention to Items 13(b), 14(a) and 14(b) on the Agenda and requested that they be deferred to the next meeting to allow further discussion by the full Committee. On a motion by Mr. Kasmer, seconded by
Mr. Goldman, the Committee unanimously agreed to hold in abeyance until the next meeting Items 13(b), 14(a) and 14(b) on the Agenda.

The Assistant Secretary informed the Committee that Clarence Works, who was reinstated on August 16, 1983, failed to reimburse the Fund $10,271.34 in refunded contributions within the 90-day period as provided in Rule 21 of the Plan. Therefore, Mr. Works has been assigned a new Pension Seniority Date of August 16, 1983.

The Assistant Secretary informed the Committee that Quinshela Brown, who was reinstated on August 15, 1983, failed to reimburse the Fund $5,134.04 in refunded contributions within the 90-day period as provided in Rule 21 of the Plan. Therefore, Ms. Brown has been assigned a new Pension Seniority Date of August 15, 1983.

The Assistant Secretary informed the Committee that Simon O. Jones, who went on Disability Retirement September 1, 1982, had returned to duty November 30, 1983. The Assistant Secretary informed the Committee that Harvey O. Smith, who went on Disability Retirement July 1, 1983, returned to duty November 21, 1983.

The Assistant Secretary informed the Committee that Norman J. Kujawa revoked his Pre-Retirement Surviving Spouse Option of September 1, 1981, effective December 1, 1983. The Assistant Secretary informed the Committee that John A. Kurinec revoked his A-1/2 Option to have become effective January 1, 1984.

As a point of information, the Assistant Secretary turned
the Committee's attention to their meeting material which included a letter and revised statement of loan terms from Stephen Grant, an associate of Dr. Zerbst, regarding the investment in the Country Lake Apartments in Naperville. The Assistant Secretary noted that the agreement had been executed on November 26, 1983. The Assistant Secretary also noted that the revised loan terms slightly reduces the Plan's anticipated yield from 15.75 per cent to 15.6 per cent, assuming a 6 per cent inflation rate. However, this substantially reduces the risk as, under the new terms, the Plan does not have to fund the loan until the project has reached a "break even" occupancy.

The Assistant Secretary informed the Committee that a motion was necessary to set the interest rate on the Plan as provided under Section 15, Paragraph 6c. On a motion by Mr. Kole, seconded by Mr. Perk, the Committee approved the declaration of three (3) per cent interest on the Plan Contributions.

There being no further business, on a motion by Mr. Kasmer, seconded by Mr. Kemp, the Committee unanimously agreed to adjourn at 10:55 A.M.
ASSISTANT SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED

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