The 430th Meeting of the Retirement Allowance Committee was held on Monday, October 15, 1984, in the Board Room, Room 734, Merchandise Mart. The following were in attendance:

Mr. C. Andersen
Mr. R. Andrzejewski
Ms. W. Black
Mr. E. Flowers
Mr. E. Gresham
Mr. J. Gallagher

Mr. A. Kasmer
Mr. P. Kole
Mr. D. Perk
Mr. I. Thomas

Messrs. L. Brown, R. Bartkowicz, L. Morris, J. Breckenridge, H. Hegarty, R. O'Connor, H. Reddrick and Mrs. A. Curtis were present. Messrs. G. Nagle, J. Mullen, Ms. P. Williams and Ms. C. Cox were present. Messrs. W. Ashley and J. Weatherspoon were present. Mr. G. Schedler of the Harris Trust & Savings Bank was present. Messrs. R. Harrell and C. Heatter of Lowry, Raclin, Harrell and Howerdd were also present. Mr. J. Baratka of the Wyatt Co., was present. Mr. R. Burke, the Plan Attorney, was present. Mr. B. Scholz, retiree representative, was also present.

The Chairman called the meeting to order at 10:45 A.M.

The Chairman called for approval of the Minutes of the 429th Meeting, held September 17, 1984. On a motion by Mr. Thomas, seconded by Mr. Perk, the Committee unanimously approved the Minutes of the 429th Meeting, held September 17, 1984.

Mr. R. Harrell of Lowry, Raclin, Harrell & Howerdd recommended that the report scheduled for presentation at this meeting be dispensed with at this time as the restructuring of the portfolio
which was approved by the Committee in June and completed in September made the June 30 report somewhat irrelevant.

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

The Assistant Secretary informed the Committee that there were nine (9) Survivorship Options to be approved which included an Option for Tony W. Crumpler, pending receipt of a doctor's statement showing good health; Lulling Williams, pending receipt of adoption papers and proof of age for spouse; Nino Gero, pending receipt of proof of age for spouse; Thaddeus Gutt, pending receipt of proof of age for spouse and Joseph Benson, pending receipt of proof of age for spouse. On a motion by Mr. Kole, seconded by Mr. Perk, the Committee unanimously approved the Survivorship Options including those pending receipt of necessary documents.

The Assistant Secretary informed the Committee that there were no Pre-Retirement Surviving Spouse Allowances for approval. The Assistant Secretary noted, however, that in response to Mr. Kole's inquiry at the last meeting regarding whether or not it was necessary to have the Committee's approval of these items at each meeting, he had conferred with the Plan Attorney who stated that since the Pre-Retirement Surviving Spouse Allowance was an automatic option it was not necessary to have Committee approval but could be presented in the form of an announcement at each monthly meeting.

The Assistant Secretary presented twelve (12) Retirement Applications for approval, including the August 1 retroactive retirement for Maxcel Nobles whose application had been held in abeyance pending receipt of a medical evaluation from the
Authority's Medical Department. On a motion by Mr. Kole, seconded by Mr. Kasmer, the Committee unanimously approved the retirement application including the August 1, 1984 retroactive retirement for Maxcel Nobles.

The Assistant Secretary reported that nine (9) employees who are presently receiving Disability Retirement Benefits were examined or had their file reviewed.

The Assistant Secretary presented nineteen (19) Refunds of Contributions, totaling $165,382.86 for approval. The comparison figures for the same period of time one year ago were sixteen (16) refunds, totaling $167,131.26. On a motion by Mr. Kole, seconded by Mr. Flowers, the Committee unanimously approved the Refunds of Contributions to be paid on October 31, 1984.

The Assistant Secretary turned the Committee's attention to the Trustee Summary and presented the report of Deposits, Disbursements and Investments noting that the total portfolio has a market value of $565,828,139.84 at a cost of $542,334,701.31.

The Assistant Secretary reported that there was one (1) Chicago Transit Authority bill, totaling $36,600.36; twenty-three (23) Operating bills, totaling $45,826.88; nine (9) Remittances, totaling $404,534.37; and the FIT Deposit, totaling $99,670.16, to be approved for payment. On a question posed by Mr. Gallagher regarding a $15,000 payment, the Assistant Secretary noted that this was a monthly advance payment being made to Dr. R. Zerbst of Piedmont Realty Advisors on his quarterly fee schedule for services rendered. He further noted that these payments would be made in this manner until such time as Dr. Zerbst's fee schedule catches up to the advances at which time payment would be made according to the fee schedule. On a motion by Mr. Kole, seconded by Mr. Flowers, the
Committee unanimously approved payment of the bills and remittances, totaling $586,631.77, to be paid October 31, 1984.

The Assistant Secretary presented for approval twenty-six (26) Death Benefits, totaling $54,500.00. The comparison figures for the same period of time one year ago were twenty-six (26) Death Benefits, totaling $54,500.00. On a motion by Mr. Kole, seconded by Mr. Perk, the Committee unanimously approved payment of the Death Benefits.

The Assistant Secretary informed the Committee that Antonio Gray, who went on Disability Retirement on June 1, 1984, returned to duty on September 10, 1984; and, Ophelia Ellis, who went on Disability Retirement on August 1, 1984, returned to duty on September 28, 1984.

The Assistant Secretary turned the Committee's attention to the Quarterly Report on Capital Advisors' Security Lending Income program and asked Mr. Mullen to expound on the matter. Mr. Mullen explained the report, a copy of which was included in the meeting material. A discussion ensued during which the Secretary suggested that the comparative figures for the same period of time during the preceding year be included in the next quarterly report.

The Assistant Secretary turned the Committee's attention to the matter pertaining to Robert Costley and brought the Committee up to date on the facts surrounding this case. The Assistant Secretary noted that Mr. Costley, who is an ex-Security Department employee, had been contacted and notified of the correct amount he was expected to repay bi-weekly under Rule No. 26, and, that if unable to commit to that amount all monies which he had repaid would be reimbursed to him and he would receive a new pension seniority date of January 27, 1983. The Chairman brought the Committee up to
date on his contact with Mr. Costley. A discussion ensued during which the Chairman asked for another opportunity to contact Mr. Costley and apprise him of the ramifications involved and report back to the Committee at the next meeting. Mr. Thomas made a motion that the matter be held in abeyance until the next meeting. Mr. Gallagher seconded the motion, and the Committee unanimously approved.

The Assistant Secretary turned the Committee's attention to item 13(e) on the agenda, a list of ex-Security Department employees who have not worked since September 29, 1981 and, therefore, for Retirement Plan purposes should be considered terminated according to Rule No. 26. He further noted the individuals should be contacted. A discussion ensued between Committee Members, Mr. Bidwill, Mr. Weatherspoon, and the Plan Attorney during which Mr. Gallagher expressed his concern over what effect voting on the matter by the Committee at this time would have on the individuals involved and suggested that these individuals be informed of the total impact of any action taken as well as the options available. Mr. Thomas made a motion that Committee go along with Mr. Gallagher's suggestion and Mr. Kasmer seconded the motion. Mr. Weatherspoon noted that the Committee could not suggest in any way that there were positions available for these individuals. The Plan Attorney suggested that motion be rephrased as follows: The Secretary's Office prepare a letter to be sent to the 23 individuals advising them of the expiration of the time period under Rule No. 26 and explaining the provisions of Rule No. 26. The notification would indicate any eligibility for retirement or refund due with a request for a written response where eligible for retirement. Messrs. Thomas and Kasmer agreed with the rephrasing of
the motion, and the Committee unanimously approved.

The Assistant Secretary brought to the Committee's attention the problem his office was having in getting Datair to perform on its service agreement, noting that they are the data processing service bureau that maintains the pension contribution accounting and flexible benefit quote systems. He further noted that since Datair had not performed the system maintenance including the master file updates necessitated by the "special" refund of employee contributions made in February, 1984, the pension benefit statements had not yet been produced. A discussion ensued between Messrs. Nagle, Mullen, Burke and Committee Members during which a sub-Committee, consisting of Messrs. Gallagher, Andersen, Kole and the Assistant Secretary was appointed to pursue a solution to the problem and are to report back to the Committee at the next meeting.

Mr. Gallagher asked how the presentation of the Pension Department budget to the Transit Board was going to be handled. A discussion ensued between the Assistant Secretary and Committee Members during which it was agreed that the budget be presented to the Transit Board with attached correspondence noting that the presentation was for information purposes only and that the Plan budgets for and pays its own expenses.

There being no further business, on a motion by Mr. Flowers, seconded by Mr. Kasmer, the Committee unanimously agreed to adjourn at 11:51 A.M.