AGENDA

FOR THE 433RD RETIREMENT MEETING OF JANUARY 21, 1985

1. Meeting will be called to order at 10:30 A.M., in the Board Room, Room 734, Merchandise Mart.

2. Approval of Minutes of the 432nd Meeting held December 17, 1984.


4. Announcements of Deaths Reported since last meeting.

5. Presentation of Survivorship Options.

6. Announcements of Pre-Retirement Surviving Spouse Allowances.

7. Presentation of New Applications for approval.

8. Employees on Disability Retirement re-examined.


10. Report by Secretary of Deposits, Disbursements and Investments.

11. Presentation of Bills and Remittances.


   a.) On layoff status in excess of 3 years;
      Kaye F. Williams -- layoff as of 10-17-81.
   b.) Renewal of contract with Piedmont Realty Advisors.
   c.) Chester Mazurkiewicz - ex-security employee who returned to work 04-09-84 and was unable to comply with Rule 26. Report by Mr. Gresham
   d.) Extension proposal on 3660 Lake Shore Drive property -- report by Plan Attorney on financing.

   a.) Roosevelt Smith -- D-2288 -- retired 10-01-84 -- returned to duty 01-03-85.
   b.) Robert Dennis -- D-2242 -- retired 11-01-83 -- returned to duty 12-14-84.
   c.) Earnest Neal -- D-2278 -- retired 08-01-84 -- returned to duty 01-07-85.
14. New Business (cont'd.)

d.) Sheila Watkins -- D-2269 -- Retired 06-01-84 -- returned to duty 12-31-84.

e.) George M. Isdale -- B-All Survivorship Option approved at the Meeting of April 16, 1984 -- revoked.

f.) Delaware Investment Advisors -- proposal to increase investment management fees.

g.) On layoff status in excess of 3 years:
   Georgina Fernandez -- entered service on 08-04-80 -- on layoff as of 01-03-82.

h.) Proposed change to Rule 24 -- report by Plan Attorney.

i.) February, 1985 Meeting date -- 3rd Monday falls on Washington's Birthday.

j.) Question regarding the proper balance of accumulated employee contributions upon which the 3% interest shall be applied. Reference sections 15.2, 15.5 and 15.6 (c).

15. Adjournment.
The 433rd Meeting of the Retirement Allowance Committee was held on Monday, January 21, 1985, in the Board Room, Room 734, Merchandise Mart. The following were in attendance:

Mr. C. Andersen Mr. E. Gresham
Mr. R. Andrzejewski Mr. A. Kasmer
Ms. W. Black Mr. P. Kole
Mr. J. Gallagher Mr. D. Perk

Mr. H. Hegarty, alternate for Mr. E. Flowers, was present.
Mr. L. Morris, alternate for Mr. I. Thomas, was present. Messrs.
L. Brown, C. Hall, R. Jania, J. Breckenridge, H. Reddrick, R. O'Connor, and Ms. C. Curtis were present. Messrs. G. Nagle, J. Mullen, M. Koop, Ms. P. Williams and Ms. C. Cox were present. Messrs. W. Ashley and J. Weatherspoon were present. Mr. J. Baratka of The Wyatt Company was present. Mr. G. Schedler of the Harris Trust & Savings Bank was present. Mr. R. Burke, the Plan Attorney, was present. Dr. R. Zerbst of Piedmont Realty Advisors, Inc. was present. Mr. D. Burton was present. Mr. B. Scholz, pensioner representative, was also present.

The Vice Chairman called the meeting to order at 10:49 A.M. and informed the Committee that he would chair the meeting until the Chairman arrived.

The Vice Chairman called for the approval of the Minutes of the 432nd Meeting, held December 17, 1984, in the Board Room, Room 734, Merchandise Mart. On a motion by Mr. Kole, seconded by Mr. Morris, the Committee unanimously approved the Minutes of the 432nd Meeting, held December 17, 1984.

Mr. G. Schedler of the Harris Bank passed out a report, which
he explained noting the last 30 days activity in the market, the present state of the economy, and the investment picture. Mr. Schedler also noted the total return on stocks and bonds and stated that stocks and bonds will perform better than real estate in the coming year.

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 ten (10) Survivorship Options to be approved including the following pending receipt of various documents: Charles H. James, CTA medical approval; John A. Russell, doctor's statement and CTA medical approval; and, L. B. Jeffries, proof of age of spouse. On a motion by Mr. Kole, seconded by Ms. Black, the Committee unanimously approved the Survivorship Options including those pending receipt of various documents as listed above.

The Assistant Secretary informed the Committee that there was one (1) Pre-Retirement Surviving Spouse Allowance to report.

The Assistant Secretary presented thirty (30) Retirement Applications for approval. On a motion by Mr. Kole, seconded by Ms. Black, the Committee unanimously approved the Retirement Applications.

The Assistant Secretary reported that seven (7) employees who are presently receiving Disability Benefits were examined or had their file reviewed.

The Assistant Secretary presented fifteen (15) Refunds of Contributions, totaling $129,904.27, for approval. The comparison figures for the same period of time one year ago were sixteen (16) refunds, totaling $113,325.22. On a motion by Mr. Kole, seconded by Mr. Perk, the Committee unanimously approved the Refunds of
Contributions to be paid January 31, 1985.

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 $575,787,861.32 at a cost of $545,633,844.86. The Assistant Secretary noted that some discrepancies had been found in the report and asked Mr. J. Mullen to explain. Mr. Mullen stated that the performance figures were found to be incorrect for several of the managers in the portfolio. He gave the Committee Members the correct figures on those that had been detected and noted that after further study a corrected copy of this portion of the report would be given to the Committee.

The Assistant Secretary reported that there was one (1) Chicago Transit Authority bill, totaling $41,096.32; twenty-four (24) Operating bills, totaling $151,256.56; nine (9) Remittances, totaling $16,918.20; and the FIT Deposit, totaling $99,898.50, to be approved for payment. The Assistant Secretary also informed the Committee that legal fees for work on property located at 20 N. Michigan Avenue had been reimbursed to the Plan in the amount of $46,450.00. On a motion by Mr. Kole, seconded by Ms. Black, the Committee unanimously approved the bills and remittances, totaling $709,169.58, to be paid January 31, 1985.

The Assistant Secretary presented for approval twenty-six (26) Death Benefits, totaling $73,000.00. The comparison figures for the same period of time one year ago were twenty-nine (29) Death Benefits, totaling $81,500.00. On a motion by Mr. Kole, seconded by Mr. Andrzejewski, the Committee unanimously approved payment
Contributions to be paid January 31, 1985.

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of the Death Benefits.

The Assistant Secretary turned the Committee's attention to the Kay Williams case, which had been held in abeyance at the last meeting in order that the Plan Attorney could investigate the matter and report back to the Committee. At the Assistant Secretary's request, the Plan Attorney presented his report informing the Committee that he had spoken with Mr. B. Ford and was informed that Ms. Williams did have a lawsuit pending in federal court. He stated that he felt it would be premature and possibly prejudicial for the Committee to take any action on the matter at this time and recommended that no action be taken until the lawsuit has been settled. Mr. Kole made a motion to hold the Kaye Williams case in abeyance pending the final court decision. Messrs. Morris and Hegarty seconded the motion, and the Committee unanimously approved.

The Vice Chairman turned the Committee's attention to the renewal of the contract with Piedmont Realty Advisors, Inc. and recommended that it be held in abeyance for discussion after the Chairman's arrival.

The Vice Chairman turned the Committee's attention to the Chester Mazurkiewicz case noting that he had contacted Mr. Mazurkiewicz and advised him that in order for him to be in compliance with Rule No. 26 and retain his original pension seniority date he would have to increase the amount of his monthly payment. The Vice Chairman informed the Committee that Mr. Mazurkiewicz stated that he could not increase his payments and was aware that he would be given a new pension seniority date. A discussion ensued between Committee Members during which Mr. Kasmer made a motion that Mr. Mazurkiewicz be given a new
pension seniority date of April 9, 1984, Mr. Kole seconded the motion, and the Committee unanimously approved.

The Vice Chairman turned the Committee's attention to the matter of the extension of payment of interest on the property at 3660 N. Lake Shore Drive which was held in abeyance at the last meeting and asked the Plan Attorney to expound. The Plan Attorney gave an updated report on the interest payment due the Plan from the borrower and noted that he and Dr. Zerbst had reached an extended agreement with the borrower whereby the note would be modified so that the unpaid interest which was to be payable in January 1985 will earn interest at the rate of 18% (instead of the original 14%) from January 15, 1985 until he begins construction or June 1, 1985, whichever comes first. The balance of the note which did not mature will continue to earn interest at the rate of 14%. A discussion ensued between the Plan Attorney and Committee Members after which Mr. Kole made a motion to approve the recommendation by the Plan Attorney and Dr. Zerbst to extend the interest payment on the property at 3660 N. Lake Shore Drive which is due from the borrower in accordance with the terms in the aforementioned extension agreement. Mr. Andrzejewski seconded the motion. On the question, Mr. Andersen asked if this was being financed through the Mellon Bank and if the Plan Attorney has talked to these individuals and seen documentation to support this fact. The Plan Attorney responded in the affirmative. The Committee unanimously approved the motion.

Mr. Gallagher turned the Committee's attention to the renewal of the contract with Piedmont Realty Advisors, Inc. which had been approved for one (1) month at the last meeting pending further review. Mr. Gallagher then brought the Committee up-to-date on the matter noting that the Plan Attorney, Dr. Zerbst and himself had conferred
pension seniority date of April 9, 1984, Mr. Kole seconded the motion, and the Committee unanimously approved.

The Vice Chairman turned the Committee's attention to the matter of the extension of payment of interest on the property at 3660 N. Lake Shore Drive which was held in abeyance at the last meeting and asked the Plan Attorney to expound. The Plan Attorney gave an updated report on the interest payment due the Plan from the borrower and noted that he and Dr. Zerbst had reached an extended agreement with the borrower whereby the note would be modified so that the unpaid interest which was to be payable in January 1985 will earn interest at the rate of 18% (instead of the original 14%) from January 15, 1985 until he begins construction or June 1, 1985, whichever comes first. The balance of the note which did not mature will continue to earn interest at the rate of 14%. A discussion ensued between the Plan Attorney and Committee Members after which Mr. Kole made a motion to approve the recommendation by the Plan Attorney and Dr. Zerbst to extend the interest payment on the property at 3660 N. Lake Shore Drive which is due from the borrower in accordance with the terms in the aforementioned extension agreement. Mr. Andrzejewski seconded the motion. On the question, Mr. Andersen asked if this was being financed through the Mellon Bank and if the Plan Attorney has talked to these individuals and seen documentation to support this fact. The Plan Attorney responded in the affirmative. The Committee unanimously approved the motion.

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and had come to an agreement on certain changes in the contract and asked the Plan Attorney to expound. The Plan Attorney explained the changes which included the lowering of fees for services performed relating to present investments, separate fees for the acquisition of any new properties, and a longer term contract; three (3) years instead of one (1). A discussion ensued during which Mr. Gallagher made a motion that the contract with Piedmont Realty Advisors, Inc. which was submitted at the December 17, 1984 meeting be amended to reflect the lower fees and longer time period as described by counsel be approved. Mr. Kole seconded the motion. On the question, Mr. Perk stated that he felt the data concerning matters of this type should be presented to the Committee Members on a more timely basis in order that they could have an opportunity to review it before making a decision. Mr. Gallagher withdrew his motion. Mr. Gallagher then made a motion that the matter be deferred to the next meeting and that the necessary information be disseminated to the Committee Members for review. Mr. Kasmer seconded the motion, and the Committee unanimously agreed.

The Assistant Secretary informed the Committee that the following employees who were on Disability Retirement had returned to duty: Sheila Watkins, Robert Dennis, Earnest Neal, and Roger Smith.

The Assistant Secretary turned the Committee's attention to a request by Delaware Investment Advisors for an increase in investment management fees, a copy of which was included in the pass out material. The Assistant Secretary then asked Mr. Mullen to present a report on current investment management fees. Mr. Mullen presented a brief report on fees charged by other investment managers in the Fund's portfolio. The Assistant Secretary further noted that the requested increase
would put Delaware's fees more in line with the fees being charged by other investment managers. He further noted that 50 per cent of the increase would be put in effect in January, 1985 and the remaining 50 per cent would become effective in 1986. Mr. Kole made a motion for approval of the fee increase for Delaware Investment Advisors, Ms. Black seconded the motion, and the Committee unanimously approved.

The Assistant Secretary brought to the Committee's attention the case of Georgina Fernandez, who has been on layoff status in excess of three years and asked the Plan Attorney to address the matter. The Plan Attorney stated that he had not received any response to a letter which had been sent to the Authority regarding the employee's statute and asked that the matter be deferred. Mr. Kole made a motion that the matter regarding Georgina Fernandez be deferred to the next meeting, Mr. Morris seconded the motion, and the Committee unanimously agreed.

The Assistant Secretary asked the Plan Attorney to present a report on the proposed change to Rule No. 24. The Plan Attorney noted that there was a question regarding the circumstances under which the Committee would allow benefits to be paid to someone other than the individual named as beneficiary by the employee. He then explained that the courts can now order payment of these benefits to another individual, explained the circumstances under which this can be done, and noted that the proposed Amendment to Rule No. 24 brings the Plan into compliance with the law. After discussion, Mr. Kole made a motion for approval of the Amendment to Rule No. 24, Mr. Morris seconded the motion, and the Committee unanimously approved. (A copy of the Amended Rule No. 24 is attached to these Minutes).
The Assistant Secretary informed the Committee that since the regular meeting date for the February Meeting was a holiday it would be necessary that the meeting be scheduled for another day and suggested that it be held on Tuesday, February 19, 1985. On a motion by Mr. Kole, seconded by Ms. Black, the Committee unanimously approved the rescheduling of the February Meeting to Tuesday, February 19, 1985.

The Assistant Secretary turned the Committee’s attention to the question regarding the proper balance of accumulated employee contributions upon which the 3 per cent interest shall be applied and referred to Sections 15.1, 15.5 and 15.6(c) of the Plan. Further, he noted that the 3 per cent interest for the 1984 Plan Year is applied to the contribution balances as of December 31, 1983; the question was in regard to the refund of contributions which was made in February 1984. The Plan Attorney informed the Committee that it was within their power to decide whether or not the refund should be included in the December 31, 1983 contribution balance before application of the 3 per cent interest. A discussion ensued during which Ms. Black made a motion that the refund should be included in the balance of accumulated contributions for the purpose of the application of the 3 per cent interest for the Plan Year 1984. Mr. Morris seconded the motion, and the Committee unanimously approved.

Mr. Gallagher informed the Committee that several members of the Committee and staff had been contacted by a reporter from WGN-TV News regarding the recent change in the Plan’s investment consultant. He further noted that a request had been made for a copy of all the pertinent documents involved including the Minutes of the meeting when the change was approved. Mr. Gallagher indicated that he would not
turn anything over to anyone until it has been discussed and approved by the Committee. He further noted that he recommended that representatives of the Committee meet with the reporter and that only that portion of the Minutes which relate to the matter in question be released. A discussion ensued between the Committee Members and the Plan Attorney during which Mr. Gallagher made a motion that only that portion of the Minutes which deal with the matter in question be released to WGN-TV News, along with Mr. Kole's contract and the termination of services letter to Mr. Harrell of the Lowry organization. Mr. Perk seconded the motion, and the Committee unanimously agreed.

Mr. Perk brought up the retirement of Donald J. Burton who was requesting that six years of previous service with the Authority be applied to his present years of service and asked that the matter be placed on the agenda for next month's meeting. The Vice Chairman directed the Assistant Secretary to have the matter placed on the agenda for next month's meeting.

There being no further business, on a motion by Mr. Kole, seconded by Mr. Kasmer, the Committee unanimously agreed to adjourn at 12:26 P.M.
SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED