AGENDA
FOR THE 453RD RETIREMENT MEETING OF SEPTEMBER 15, 1986

1. Meeting will be called to order at 9:00 A.M., Western Stage Room, 14th floor, Holiday Inn Mart Plaza.

2. Approval of the Minutes of the 452nd Meeting held August 19, 1986.


5. Discussion of 333 W. Lake building proposal - Mr. Steven Grant.

6. Review of 2nd Quarter Operating Reports for Direct and Indirect Real Estate -- Dr. Robert Zerbst.

7. Announcement of deaths reported since the last Meeting.

8. Presentation of Survivorship Options.


10. Presentation of new retirement applications for approval.

11. Employees on Disability Retirement re-examined.

12. Presentation of Refunds of Contributions to be paid September 30, 1986.

13. Presentation of Bills and Remittances.


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

   a.) Micheli Ferrantelli -- request for disability benefits.
   b.) Issue of whether $600 lump sum payment and the vacation buy back will be considered pension earnings -- report by Plan Attorney.
c.) Update report on development of program to invest in CD's of local financial institutions.

d.) Report on status of the Plan's investment in Pension Realty Income Trust A.

e.) Discussion on South Africa divestment -- review of reports from the Wellesley Group.

17. New Business.

a.) James Adams -- D-2294 returned to duty 08-05-86.

b.) Robert Boldon -- D-2319 returned to duty 08-28-86.

c.) Augusta Campbell -- D-2167 returned to duty 08-28-86.

d.) Gussie Jones -- D-2344 returned to duty 08-30-86.

e.) Herbert Hodge -- D-2347 declined a position offered to him on 08-07-86. Removed from pension rolls effective 08-08-86. Returned to duty 08-25-86.

f.) Sam Costabile -- discharged employee who was subsequently reinstated on 07-08-85. Thirteen month period to repay refund of $12,033.76 expired 08-08-86. Thirty day extension to repay expired 09-08-86. Recommendation for a new pension seniority date of 07-08-85.

g.) J. Melton -- discharged employee who was subsequently reinstated 08-26-85. Thirteen month period ends 09-26-86. Recommendation for 30 day extension to 10-26-86.

18. Adjournment.
RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 453rd Meeting of the Retirement Allowance Committee was held on Monday, September 15, 1986, in the Western Stage Room, 14th Floor, Holiday Inn Mart Plaza. The following were in attendance:

Mr. C. Andersen          Mr. A. Kasmer
Ms. W. Black             Mr. G. Nagle
Mr. W. Clark             Mr. D. Perk
Mr. E. Flowers           Mr. I. Thomas
Mr. E. Gresham

Messrs. H. Hegarty, L. Brown, H. Williams, R. Jania and L. Morris were also present. Messrs. J. Mullen, Ms. P. Williams and Ms. C. Cox were present. Mr. W. Ashley, the Plan Consultant, was present. Ms. S. Luthey and Messrs C. Coleman and F. Duda of the Harris Trust and Savings Bank were present. Mr. R. Burke, the Plan Attorney, was present. Dr. R. Zerbst and Mr. Steve Grant of Piedmont Realty Advisors were present. Mr. R. Moseson of Performance Analytics was present. Mr. B. Scholz, pensioner representative, was also present.

The Chairman called the Meeting to order at 9:30 A.M.

The Chairman called for approval of the Minutes of the 452nd Meeting held August 19, 1986. Mr. Andersen made a motion for approval and Mr. Thomas seconded the motion. On the question, the Plan Attorney turned the Committee's attention to page 2, second paragraph, and noted that there was no lead in to
The Secretary noted that the Minutes would be revised on the basis of the Plan Attorney's recommendation. There being no further discussion, the Committee unanimously approved the Minutes of the 452nd Meeting held August 19, 1986.

The Chairman noted that as a result of a request by Dr. Zerbst and if the Committee had no objections he would like to alter the agenda by presenting several items out of sequence as follows; #6, Quarterly Real Estate Report, #16(d), Report on Pension Realty Income Trust A, and #5, discussion of 333 W. Lake Street building proposal.

Dr. R. Zerbst of Piedmont Realty Advisors turned the Committee's attention to and explained the 2nd quarter operating report on the Plan's direct and indirect real estate investments.

Dr. Zerbst reviewed a report on the present status of the Pension Realty Income Trust A for which his company has been serving as real estate advisors.

Mr. Steve Grant then turned the Committee's attention to the 333 W. Lake Street proposal and reviewed the letter dated September 4, 1986 (a copy is attached to these Minutes) which listed 8 defects as contained in a formal report from McDonough & Associates. He further explained that defects number 2 through 8 would be resolved prior to closing and noted that the remaining defect revolved around the fact that asbestos had been found in the structure in various areas of the building, however, he noted that Beatrice, the present owner of
the building, had agreed to implement the corrective measures as recommended by the McDonough study. A discussion ensued between Mr. Grant, Dr. Zerbst, Committee Members, and the Plan Attorney during which Mr. Clark inquired as to whether ESA had formed a separate partnership to handle the 333 W. Lake Street investment and therefore attempt to form a protective "shell" around the individual's assets. Mr. Grant stated that this was possible and as the Plan Attorney had alluded to earlier, as part of the negotiations we want to assure that the entity to this partnership has the financial capabilities so that the Plan is protected.

The Chairman then asked that this matter be interrupted in order that the Plan Attorney could present a report on Arbitrator Healy's determination on the treatment of the lump-sum payment and vacation buy-back as it related to employee compensation after which there would be a short recess.

The Plan Attorney turned the Committee's attention to Arbitrator Healy's determination on the lump-sum payment and vacation buy-back issues (a copy was distributed to all present) and noted that it was Arbitrator Healy's view that the $600 lump sum payment should be considered as part of an employee's compensation and therefore subject to payment of retirement contributions by the employer. He further noted that there is a proposed finding by the arbitrator to the extent that the vacation buy-back will also be considered as compensation for the purpose of the computation of retirement benefits. He further noted that the position of the arbitrator was in accord with the position taken by the Retirement Allowance Committee which had
been communicated to the arbitrator.

The Chairman then called for a brief recess.

Upon reconvening the meeting, the Chairman asked the Committee if there were any additional questions regarding the 333 W. Lake Street proposal. There being none, the Chairman called for a motion. The Chairman interjected that Mr. Clark had to leave the meeting, however, prior to his departure he had stated that he would abstain from voting on this issue as he had not had an opportunity to study the related material. The Secretary then moved for acceptance of the 333 W. Lake Street proposal subject to the subsequent resolution of all eight (8) defects as outlined in the letter of September 4, 1986 from Piedmont Realty Advisors, additionally, the resolution, to the Plan Attorney's satisfaction, of the issue regarding the protection of the Plan in the years ahead against any potential liabilities resulting from asbestos exposure. Messrs. Flowers and Thomas seconded the motion. The motion was passed by an 8 to 1 vote.

Mr. Gresham then made a motion that if any problems should develop regarding the 333 W. Lake Street proposal between now and Thursday, September 18, 1986, the Committee be informed either by telephone poll or the calling of a special meeting to discuss the problem and determine whether or not the Committee wanted to proceed with this project. Mr. Thomas and Ms. Black seconded the motion, and the Committee unanimously agreed.

Mr. R. Moseson then turned the Committee's
attention to and explained the 2nd Quarter Performance Analytics Report.

Ms. S. Luthey of the Harris Trust & Savings Bank presented a report on the activity in the market during the past 30-day period.

The Chairman then requested that item 16(c) on the agenda, the update report on the development of the program to invest in CD's at local financial institutions be discussed next. The Secretary noted that Mr. F. Duda of the Harris Trust & Savings Bank had drawn up some guidelines which had been reviewed by the Chairman and Secretary and revised by the Plan Attorney. Mr. Duda turned the Committee's attention to the guidelines, a copy of which was in the meeting material, and after allowing time for the guidelines to be read, explained them and the Harris Bank's responsibilities in the program.

The Secretary noted that representatives from Seaway, Independence, and Highland banks, as well as Uptown Federal Savings & Loan had expressed an interest in the program. The Chairman reminded the Committee that their input was needed and asked that they provide the Secretary with the name of the institution and contact person of any bank that might be interested in the program. Mr. Thomas asked that Amalgamated Bank be contacted.

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

The Secretary presented three (3) Survivorship Options for approval noting that the option for James L. Short should be approved pending receipt of a marriage certificate,
proof of age, and signatures of his spouse and department head; and the option for Frances Mularski should be approved pending receipt of department head signature. On a motion by Mr. Kasmer, seconded by Mr. Jania, the Committee unanimously approved the Survivorship Options pending receipt of the aforementioned documentation for James L. Short and Frances Mularski.

The Secretary informed the Committee that there were no Pre-Retirement Surviving Spouse Allowances to report.

The Secretary informed the Committee that there were nine (9) Retirement Applications being presented for approval. The Secretary further noted that the Disability Retirement Applications for David Davney, Jr. and Brazetti Lipscomb be approved pending receipt of a medical evaluation. On a motion by Mr. Flowers, seconded by Mr. Kasmer, the Committee unanimously approved the Retirement Applications as presented.

The Secretary reported that sixteen (16) employees who are presently receiving Disability Retirement Benefits were examined or had their file reviewed.

The Secretary presented eighteen (18) Refunds of Contributions, totaling $157,567.42. The comparison figures for the same period of time one year ago were fifteen (15) Refunds, totaling $118,953.85. On a motion by Mr. Flowers, seconded by Mr. Kasmer, the Committee unanimously approved the Refunds of Contributions to be paid September 30, 1986.

The Secretary presented one (1) Chicago Transit Authority bill, totaling $32,543.60; twenty-two (22) Operating Bills, totaling $139,957.99; eleven (11) Remittances, totaling
$442,198.87; and the FIT Deposit, totaling $134,156.53. On a motion by Ms. Black, seconded by Mr. Kasmer, the Committee unanimously approved payment of the Bills and Remittances, totaling $748,856.99 to be paid September 30, 1986.

The Secretary presented for approval twenty-two (22) Death Benefits, totaling $63,500.00. The comparison figures for the same period of time one year ago were twenty-three (23) Death Benefits, totaling $66,500.00. On a motion by Mr. Kasmer, seconded by Mr. Jania, the Committee unanimously approved payment of the Death Benefits, as per the attached list.

The Secretary turned the Committee's attention to the report on the Deposits, Disbursements and Investments in the Trustee Summary noting that as of August 30, 1986 the total portfolio had a market value of $752,502,000.00.

At the Secretary's request, Mr. J. Mullen presented a report on the Certificate of Indebtedness noting that a payment in the amount of $705,825.30 had been received from the Authority leaving a balance of $11,293,270.00.

The Secretary informed the Committee that his office was waiting for a medical report on Micheli Ferrantelli to ascertain whether or not he is entitled to disability retirement benefits and asked that the matter be deferred to the next meeting.

The Secretary turned the Committee's attention to the item on the agenda pertaining to a report on South Africa divestments and noted that he received a letter from Ned Joachimi of The Wellesley Group stating that his firm did
I did not have enough time to prepare this report for presentation at this meeting but hopefully would be able to do so at the next meeting. After a brief discussion, it was agreed that the matter be placed on the agenda for the next meeting.

The Secretary informed the Committee that the following individuals who were on disability retirement had returned to duty: James Adams, Robert Boldon, Augusta Campbell, and Gussie Jones.

The Secretary further noted that Herbert Hodge had been taken off the disability retirement rolls on August 1, 1986 after declining a bus operator position, but had subsequently returned to duty as a bus operator on August 25, 1986.

The Secretary informed the Committee that Sam Costabile, a discharged employee who had been reinstated, informed of the 13-month repayment of contributions, and given a 30-day repayment period had not responded. The Secretary recommended that Mr. Costabile be given a new pension seniority date of July 8, 1985. A discussion ensued during which Mr. Flowers made a motion that Mr. Costabile be given a new pension seniority date of July 8, 1985, Mr. Jania seconded the motion, and the Committee unanimously approved.

The Secretary then informed the Committee that Josiah Melton's 13-month repayment of contributions period had expired and made a recommendation that he be given a 30-day repayment extension. Mr. Flowers made a motion that Mr. Melton be granted a 30-day extension of repayment, Mr. Kasmer seconded
the motion. On the question, Mr. Kasmer asked what Mr. Melton's date of hire was and his age. A discussion ensued between Committee Members during which Ms. Black noted that she was aware that Mr. Melton had been reinstated but was uncertain as to if or when he had actually returned to duty and asked that she be allowed to ascertain this information. The motion was not brought to a vote.

The Secretary then brought to the Committee's attention the matter of Luis Reyes who had been discharged, given a refund of contributions, was subsequently reinstated and returned to duty on January 19, 1986, however, was never informed of the payback of contributions ruling. Therefore, the Secretary recommended that Mr. Reyes' 13-month repayment period begin on September 4, 1986, the date that he was made aware of and signed the repayment documents. Ms. Black made a motion that Mr. Reyes' 13-month repayment period date begin on September 4, 1986, Mr. Nagle seconded the motion, and the Committee unanimously approved.

There being no further business, On a motion by Mr. Kasmer, seconded by Mr. Jania, the Committee unanimously agreed to adjourn at 1:29 P.M.
CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE
DATED OCTOBER 20, 1986