

AGENDA
FOR THE SPECIAL MEETING OF NOVEMBER 2, 1989

1. Meeting will be called to order at 8:30 A.M., M & M Club,
Room No. 8.
2. Roll call.
3. Selection of Investment Manager(s).
 - a) Total amount to be allocated in this manager selection.
 - b) Types of managers to be considered.
 - c) Number of managers to be selected.
 - d) Categories of managers to be selected (minority, Chicago based, others).
 - e) Selection of and allocation of funds to specific investment managers.
4. Pension Office personnel matters.
5. Adjournment.

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

A Special Meeting of the Retirement Allowance Committee was held on Tuesday, November 2, 1989 at 8:30 A.M., in the M & M Club - Room No. 8. The following were in attendance:

	Mr. C. Andersen
Ms. W. Black	C. Burrus, Chairman
Mr. E. Gresham	E. Hill
C. Knox	M. Holzman
I. Thomas	A. Mandolini

Mr. D. Perk, Executive Director, was present. Alternate L. Brown sat in A. Kasmer's stead. Alternate H. Reed sat in W. Black's stead who arrived late to the meeting. Alternates H. Williams and H. Hegarty were in attendance. Alternates A. Curtis, D. Carter and W. Buetow were present. Messrs. R. Pirovano, W. Ross and Ms. P. Williams of the Pension Office staff were present. Ms. S. Luthy of the Harris Trust and Savings Bank was in attendance. Mr. N. Joachimi of the Wellesley Group was also present. Mr. T. Paravola of Burke, Wilson & McIlvaine was in attendance. Mr. B. Scholz, pensioner representative was present.

- (1) The Chairman called the meeting to order at 8:43 a.m.
- (2) A roll call was taken which indicated that a quorum of the Committee members was present.
- (3) Mr. D. Perk then noted that the amount of funds which could be allocated in this manager selection is \$55,877,363.87.
 - (3b) The types of managers to be considered are to be in the growth subsector.
 - (3c) Mr. Mandolini noted that the Investment Subcommittee interviewed the candidates and had narrowed the number to three (3). He also noted that with additional presentations by Weiss, Peck & Greer and the Kenwood Group at the Committee meeting of October 24, brings the total number of potential managers to be considered to five (5).

(3d) There was a discussion among Committee members and the Consultant regarding the categories of managers to be selected and it was agreed upon that there should be a manager selected to be based on economic criteria, a minority manager, and a Chicago-based manager.

(3e) There was a concurrence by Committee members that a sizeable portion of the funds should be allocated to GAMCO Investors, Inc. There was also a concurrence by Committee members that both Chicago based firms (Chicago Corporation and Weiss, Peck & Greer) and NCM Capital be selected. After some discussion, there was a proposal by the Committee members that additional funds be added from the Harris cash flow account making the total amount to be allocated \$65 million. The recommendation for allocation to these firms are as follows:

\$30 million - GAMCO Investors, Inc.
\$15 million - NCM Capital
\$10 million - Chicago Corporation
\$10 million - Weiss Peck & Greer

On a motion by Mr. Holzman, seconded by Mr. Andersen, the Committee unanimously approved the above mentioned allocation.

There was a discussion by the Chairman regarding the implementation of criteria which would allow budding minority firms to participate in the investment of the Plan's funds. The Chairman spoke of the Kenwood Group in particular and made a proposal to the Committee to allocate a very small portion of the Fund in order that this firm be able to participate. The Plan Attorney then stated that the Committee and its Members do have a fiduciary responsibility to adhere to the Plan Document rules and provisions as stated in the Trust Agreement. He noted that there could be some criteria established for the allocation of funds in a seed money account which could be set aside from the regular Fund for this purpose. There was a discussion by Committee members resulting in a motion by Mr. Thomas, seconded by Mr. Andersen to allocate \$500,000 to the Kenwood Group. The Committee unanimously approved. The Plan Attorney stated that he would review the Trust Agreement and have discussions with the Trustee regarding this allocation. He also noted that there should be a document drawn up to address the allocation of funds to "start up" firms.

Management Subcommittee reported that his subcommittee was not prepared to make a recommendation and requested that this issue be deferred until the next full Committee meeting. It was noted by the Executive Director that this issue should be addressed at this meeting due to a severe shortage of time in filling key positions that need to be filled immediately. There was a consensus that this matter and all Pension Office personnel matters should be discussed in an executive session.

The Committee unanimously agreed to go into an executive session for discussion of personnel matters.

(5) There being no further business, the Committee unanimously agreed to adjourn at 10:12 a.m.