

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 317th Meeting of the Retirement Allowance Committee was held on September 15, 1975, in the Board Room, Room 734, Merchandise Mart, and the following were in attendance:

Mr. W. A. Ashley	Mr. J. Blaa
Mr. J. L. Aurand	Mr. E. Langosch
Mr. E. Barley, Sr.	Mr. J. Tiffy
Mr. L. Beatty	Mr. J. Touhy

Mr. H. Brown, alternate for Mr. P. Kole, and Mr. Mullen, alternate for Mr. Hastings, were also present. Mr. W. Johnson was also present.

The Chairman called the meeting to order at 10:35 A.M.

The Chairman introduced Transit Board Member, Wallace Johnson to discuss the Ordinance Amending the Trust Agreement allowing the Trustee to invest in Real Estate. Mr. Johnson stated the reason he did not present the Ordinance to the Board at the July meeting was because of the Retirement Fund's adverse position at this time with Penn Central and TWA. He also stated that he had reviewed the record of the Trustee and found that their record in Bond Investments and Common Stock was not good. He stated that an article in the July 21, 1975 issue of the publication, "Pensions and Investments" warned against this commingling type of investment in Real Estate.

The Secretary interjected that the Investment Subcommittee had been working on the problem of investment measurement and that Becker and Associates were in the process of preparing a report to be presented at the October meeting, which would provide the Committee with facts on how the Fund performance compared to other funds.

Mr. Johnson recommended that the Committee withdraw requests that the Trustee invest in Real Estate. He asked how the Committee originally became involved with Real Estate Investments, and the Secretary stated that the Committee had made the original request to the Trustee.

Mr. Johnson also stated that the Plan was underfunded rather significantly. He stated that this was not a unique situation with the growth of the inflation rate during the past years.

Mr. Johnson also suggested that the Fund might have better balance and results if it were divided among a maximum of four (4) Trustees rather than being handled by one (1).

The Chairman thanked Mr. Johnson for giving his time to the Committee and providing the Committee with his expert opinion.

The Chairman requested that the Secretary send a letter to Mr. Johnson thanking him for his time and opinions provided during the meeting.

On a motion by Mr. Brown, seconded by Mr. Blaa, the minutes of the 316th Meeting, held on August 18, 1975, were unanimously approved.

The announcements of deaths since the last meeting were made by the Secretary, as per the attached list.

The Secretary advised that six (6) Survivorship Options were submitted for approval at this meeting. On a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously approved the six (6) Survivorship Options submitted by the Secretary.

The Secretary advised that sixteen (16) applications for retirement were submitted to this office for presentation at this meeting. These included an application for Mr. Sam Glover. The Secretary again reviewed the case of Mr. Glover and advised that even though the Committee, at the August meeting, had unanimously agreed to recompute Mr. Glover's monthly pension to provide an additional year of credit earnings for the period October 1, 1974 to October 1, 1975, which increased by 17 per cent the amount originally computed when he retired on October 1, 1973, Mr. Glover called on Friday, September 12, 1975, and stated that he was suing the Authority for a year's salary. Mr. Mullen was to be given the file and particulars to obtain a legal opinion as to the suit.

On a motion by Mr. Tiffy, seconded by Mr. Blaa, the Committee approved the sixteen (16) applications submitted by the Committee.

The Secretary reported that during the month four (4) employees on Total and Permanent Disability were examined by the Medical Department or their records reviewed.

The Secretary presented thirty-four (34) refunds totaling \$99,272.93 for approval at this meeting. At this time, the Chairman brought up the case of Roger Williams, who had been discharged and was now being reinstated. He stated that since Mr. Williams had taken out his contributions from the Fund at the date of discharge, he now wants to pay back these contributions at the rate of \$50.00 every two weeks. On a motion by Mr. Langosch, seconded by Mr. Brown, the Committee approved the repayment by Mr. Williams of his contributions at the rate of \$50.00 every two weeks.

On a motion by Mr. Touhy, seconded by Mr. Langosch, the refunds to be paid September 30, 1975, as per the attached statement, were unanimously approved.

The Secretary read a report of the deposits, disbursements, and investments during the month of August, as per the attached statement.

The Secretary advised that the Trustees will be present for the October meeting and at the same time a representative from A. G. Becker & Associates will provide a presentation of a report on the Trustee's performance.

The Secretary presented the Chicago Transit Authority bills totaling \$10,405.08 and miscellaneous bills totaling \$77,043.43 for approval. On a motion by Mr. Blaa,

seconded by Mr. Tiffy, the Committee unanimously approved payment of these bills.

The Secretary reported that for the payment of September 30, 1975, Death Benefits numbering twenty-two (22) and amounting to \$28,500.00 were submitted for approval. On a motion by Mr. Barley, seconded by Mr. Tiffy, the Committee unanimously approved payment of the Death Benefits, as per the attached list.

The Secretary advised that a motion was needed for the Secretary to write to the Trustee to withdraw requests for Real Estate Investments. On a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously agreed to instruct the Trustee not to invest in Real Estate, at this time.

The Secretary advised that the Subcommittee had met on September 9, 1975 and at that time listened to the two (2) service companies, Callan Associates, Inc. and Blythe Eastman Dillon & Company. It was agreed that the Investment Subcommittee would recommend Callan Associates, Inc. be engaged to perform the Portfolio, Audit and Investment Performance Service for the Retirement Allowance Committee. The Secretary advised that a motion was needed to carry out the Subcommittee's recommendation.

On a motion by Mr. Barley, seconded by Mr. Touhy, the Committee unanimously approved the recommendation of Callan Associates, Inc. to provide the services requested.

The Secretary advised that an insert was included with the Retirement Checks mailed August 31, 1975 regarding check endorsements. It is required that retirees must sign their Retirement Check. Under no circumstances can a Retirement Check be sent to a bank for direct deposit into the retiree's account without personal endorsement.

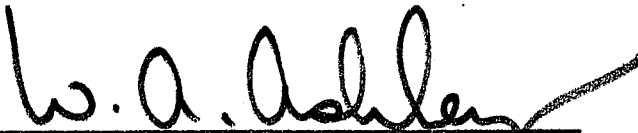
The Secretary also advised that new Hospital Policies would be mailed out beginning September 19, 1975.

The Secretary advised that a quotation was received for reproducing the Retirement Plan Booklet "in house". A quote of \$3,630.00 for 20,000 copies was made. This seemed a reasonable figure since Knowlton Printing Company, who is now out of business, printed our 1971 booklets at a cost of \$3,170,00. The Secretary indicated that he needed the approval of the Committee to accept this cost and to have the booklets printed. On a motion by Mr. Barley, seconded by Mr. Tiffy, the Committee unanimously approved the printing of the pension booklet "in house" at the price quoted. There was a question on the estimated time it would take to type and reproduce the booklet. The Secretary estimated that the work should be completed by November 1, 1975.

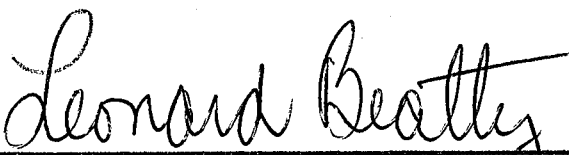
Mr. Tiffy asked the question regarding the loss on Penn Central Stock by the Trustee and when this loss was discussed at a previous Retirement Allowance Committee Meeting. The Secretary advised Mr. Tiffy that he would review the minutes of previous meetings and inform him of

when this loss was discussed.

There being no further business, on a motion by Mr. Tiffy, seconded by Mr. Touhy, the Committee unanimously agreed to adjourn at 11:20 A.M.



SECRETARY
RETIREMENT ALLOWANCE COMMITTEE



CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED: OCT 20 1975