

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 323rd Meeting of the Retirement Allowance Committee was held on Monday, March 15, 1976, in the Conference Room, Room 444, Merchandise Mart and the following were in attendance:

Mr. W. A. Ashley Mr. J. Blaa
Mr. E. Barley Mr. E. Brabec
 Mr. J. Tiffany

Mr. Brown, alternate for Mr. Kole; Mr. Hegarty, alternate for Mr. Spears; and Mr. A. W. Kasmer, Jr., alternate for Mr. Langosch and Mr. Mullen, alternate for Mr. Hastings, were also present. Neither Mr. Touhy nor his alternate were present. Mr. R. Donovan of Continental Bank, Mr. Turner of Callan Associates and Mr. C. Heatter, Superintendent of Pensions, were also present.

The Chairman called the meeting to order at 10:32 A.M.

A presentation was made by Mr. John Turner of Callan Associates regarding the performance of the Trust as compared to various market indicators and selection of funds managed by a diversity of institutions. He reviewed the Trust's Total Asset Growth on an Annual and Cumulative (5 year) Basis including both Net New Investment and Investment Return. He pointed out that for the year ending December 31, 1975 the total Asset Growth on a Dollar Weighted Return was 18.17% and the Total Asset Growth on a cumulative basis for the five year period ending December 31, 1975 on a Dollar Weighted Return was .90. Each Committee Member was given their personal copy of the Investment Measurement Review for the period ending December 31, 1975, which was discussed in

detail by Mr. Turner. A copy of this report is part of the Committee records in the Secretary's Office. After general discussion by the Committee regarding the various facets of the report, Mr. Turner concluded his presentation at 11:30 A.M. and he and Mr. Donovan left the meeting.

Mr. Brabec then commented that he is used to groups where individuals are Trustees and have fiduciary responsibility. (He stated that during his experience with retirement funds, the question that arises frequently is when to sell equities.) He also stated that banks appear to have more of a problem because they are public and have controls as compared to other Investment Groups. However, sometimes Investment Groups don't perform as well either. Mr. Brabec then stated he will be interested to see Mr. Leszinske's report on the comparison between the Trust's performance to other funds of similar composition.

Both Messrs. Ashley and Brabec were of the opinion that the Trustee should be at every meeting of the Retirement Allowance Committee. Mr. Brabec stated that with the size of the Trust this should be a requirement.

A general discussion ensued regarding the merits of diversification by splitting the Fund among several Trustees. Mr. Brabec stated that there should be substantiated rationale justifying the splitting of a Fund. Splitting Funds was a good idea years ago during more lucrative markets but not lately.

Mr. Ashley advised that if a decision is made to diversify the Fund among several Trustees, the Retirement Plan would have to be amended.

The Chairman asked for approval of the Minutes of the 322nd Meeting, held February 17, 1976.

Mr. Brabec questioned the statement by Mr. Leszinske as recorded on Page 2 of the minutes concerning Fixed Income Investments and advised that the term should be changed from "the move toward Fixed Income Investments" to "the move toward Fixed Equities." The Secretary was instructed to contact Mr. Leszinske for verification. Mr. Leszinske was contacted immediately after the meeting and verified that the statement should read "the move toward Equity Investments."

On a motion by Mr. Brown, seconded by Mr. Blaa, the Minutes of the 322nd Meeting, held February 17, 1976, were unanimously approved with clarification of the statement on Page 2.

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

The Secretary advised that three (3) Survivorship Options were submitted for approval at this meeting. On a motion by Mr. Tiffy, seconded by Mr. Hegarty, the Committee unanimously approved the three (3) Survivorship Options submitted by the Secretary.

The Secretary advised that thirty-three (33) Applications for Retirement were submitted to this office for presentation at this meeting. An application for Mr. Robert Crawford was submitted with a request to be made retroactive to March 1, 1976 as a result of new documentation submitted on date of birth. An application for Mr. Alexander R. Gasick was also submitted with a request to be made retroactive to March 1,

1976. Mr. Gasick had been off on the sick list until February 20, 1976 and his papers were submitted late through no fault of his own. On a motion by Mr. Kasmer, seconded by Mr. Hegarty, the Committee approved the thirty-three (33) applications submitted by the Secretary.

The Secretary reported that during the month, eight (8) employees on Total and Permanent Disability were examined by the Medical Department or their records reviewed.

The Secretary presented twenty-seven (27) refunds totaling \$101,232.61 for approval at this meeting. On a motion by Mr. Tiffy, seconded by Mr. Brown, the refunds to be paid March 31, 1976, as per the attached statement, were unanimously approved.

Mr. Barley advised that he had several inquiries from retired employees who reside in Florida requesting that their monthly Retirement Allowance Benefit Checks be deposited directly to a bank account. The Secretary advised that Committee regulations of many years required a personal endorsement, which was a control measure to verify that the retired employee was alive at the time the check was endorsed and that he was actually getting the proceeds. It was agreed that the present regulation be continued.

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

Mr. Brabec referred to the "List of Securities Transactions During the Period January 1, 1976 through January 31, 1976," he asked for clarification of meaning of "approximate

yield" as written on the list. He also questioned the low rate of approximate yield on this list. The Secretary was instructed to contact the Trustee for verification and report at the next meeting.

The Secretary presented the Chicago Transit Authority bills totaling \$9,514.49 and miscellaneous bills totaling \$87,949.09 for approval. On a motion by Mr. Brown, seconded by Mr. Hegarty, the Committee unanimously approved payment of these bills.

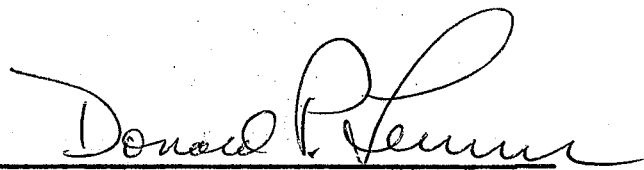
The Secretary reported that for the payment of March 31, 1976, Death Benefits numbering twenty (20) and amounting to \$23,500.00 were submitted for approval. On a motion by Mr. Tiffy, seconded by Mr. Brown, the Committee unanimously approved payment for the Death Benefits, as per the attached list.


The Secretary gave a progress report on Whitted Hart, Jr. Mr. Hart was on Disability Pension and was requested to report to the Medical Department, which he has failed to do. He was sent a request by Registered Letter and the return receipt was received but no response. No benefit checks have been sent since last October. There is now a belief that he may be living in Asheville, North Carolina, and the Secretary's Office is waiting for an investigation report.

The Secretary responded to the question raised by Mr. Aurand at the 322nd Meeting regarding paying Retirement Contribution Refund Checks prior to the office payment date at

the end of each month. He advised that no funds are withdrawn from the Retirement Account until certification by the Chairman and Secretary. Upon certification at the end of each month, the Trustee withdraws the appropriate amount from the Fund which is placed into a Payment Account. Any checks issued prior to the payment date, which is the last day of the month, would not be covered since the Trustee would not have funds to cover the amount of the check. After general discussion, the Committee agreed unanimously to continue the present practice of releasing the checks only at the end of the month.

On a motion by Mr. Tiffy, seconded by Mr. Mullen, the Committee unanimously agreed to adjourn at 12:15 P.M.


SECRETARY PRO TEM
RETIREMENT ALLOWANCE COMMITTEE


CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED: APR 19 1976