

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 331st Meeting of the Retirement Allowance Committee was held on Monday, November 15, 1976, in the Board Room, Room 734, Merchandise Mart and the following were in attendance:

Mr. W. A. Ashley	Mr. P. J. Kole
Mr. E. Barley, Sr.	Mr. E. Langosch
Mr. J. R. Blaa	Mr. J. F. Tiffy
Mr. J. E. Hastings	Mr. J. E. Touhy
Mr. W. C. Spears	

Neither Mr. Brabec nor his alternate were present. Messrs. E. Hamilton, W. Leszinske of Continental Bank; Messrs. H. Hegarty, A. Kasmer, D. Lemm and C. Heatter, Superintendent of Pensions, were also present.

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

Mr. Leszinske presented each Committee Member with their personal copy of a report concerning the past, current and future economic environment, pointing out factors which have attributed to the strength of the economy and factors which point to an improvement in the future economic environment.

A copy of Mr. Leszinske's report is part of the Committee's records in the Secretary's Office.

In response to an inquiry from the Secretary's Office, a presentation was made by Mr. E. Hamilton of Continental Bank indicating that the Fund was

credited on August 15, 1976 with interest due on an AT&T 7-1/8% Debenture totaling \$71,250.00. He indicated that the Fund would receive the average demand note rate of interest for the period from June 1, 1976, the date the interest should have been credited to August 15, 1976, the date the interest was actually credited.

Mr. Hamilton also indicated that the Fund will receive credit in the Fund's November Cash Statement for the period the Fund lost use of money during the period between the date interest was payable and the date of actual payment of interest as noted in the Callan Associates, Incorporated 2nd Quarter Portfolio Audit Report under the Section titled, "Discrepancies".

Mr. Barley presented Mr. Leszinske with a copy of a handwritten pamphlet relative to the Retirement Fund as of the end of 1975, which was distributed by a CTA employee throughout the Authority. Mr. Barley requested that Mr. Leszinske review the letter and provide the Retirement Allowance Committee with input in order that the Committee may respond to the letter. Mr. Leszinske indicated that he would review the letter and prepare a response to be utilized by the Committee. Messrs. Hamilton and Leszinske left the Meeting at 11:05 A.M.

After a display of concern by many Committee Members over the aforementioned pamphlet and discussion as to whether the Committee should formally respond to the letter, a motion was made by Mr. Touhy, seconded by Mr. Tiffy, and approved by a majority of the Committee, directing the Secretary to prepare

a report relative to the Retirement Fund. The Chairman indicated the Secretary should use own discretion as to the content of the report.

Mr. Ashley passed out a revised "Application for Refund of Retirement Contributions" and called the Committee's attention to the phrase "Employment Terminated by Chicago Transit Authority" followed by the sentence "I understand that if I am reinstated for any reason I cannot return to active service until I have reimbursed the Retirement Fund the total amount refunded, and I agree to make such refund in accordance with the provision prior to return". Mr. Ashley indicated that this verbage was developed at the direction of Mr. Hastings in accordance with the provisions of the Plan.

Mr. Hastings indicated that as a Fiduciary each Committee Member has an obligation to all other employees participating in the Plan to ensure all provisions of the Plan are carried out and in this particular circumstance that a reinstated employee is required to reimburse the Fund, prior to returning to work, the total contributions and interest which was refunded.

After discussion between many of the Committee Members, Mr. Spears recommended this item be held in abeyance until next meeting.

The Chairman asked for approval of the Minutes of the 330th Meeting held on October 18, 1976. The Secretary interjected and passed out a Corrected Copy of Page 5 of the Minutes, indicating that part of the 5th paragraph was omitted and should read as follows:

"Mr. Schuster explained the details of this new concept and indicated that for the period 1967 through 1975 if a fund was managed under this concept, it would have realized a +8.3% Rate of Return as compared to the Retirement Fund for Chicago Transit Authority Employees Rate of Return of +2.9% and the Beckers Securities Corporation Median Fund Rate of Return at +2.5%."

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

The Secretary presented three (3) Survivorship Options for approval at this meeting. On a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee un-animously approved the three (3) Survivorship Options submitted by the Secretary.

The Secretary advised that eleven (11) Applications for Retirement were submitted for approval at this meeting. On a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously approved the eleven (11) applications submitted by the Secretary.

The Secretary reported during the month, ten (10) employees on Total and Permanent Disability were examined by the Medical Department or their records reviewed.

The Secretary presented thirty-seven (37) refunds totaling \$154,163.22 for approval at this meeting. On a motion by Mr. Spears, seconded by Mr. Touhy,

the refunds to be paid November 30, 1976, as per the attached statement, were unanimously approved.

The Secretary read a report of deposits, disbursements and investments during the month of October.

The Secretary presented the Chicago Transit Authority bills totaling \$12,837.96 and miscellaneous bills totaling \$87,685.67. On a motion by Mr. Tiffy, seconded by Mr. Touhy, the Committee unanimously approved payment of these bills.

The Secretary reported that for the payment of November 30, 1976, Death Benefits numbering eighteen (18) and amounting to \$40,500.00 were submitted for approval. On a motion by Mr. Touhy, seconded by Mr. Tiffy, the Committee unanimously approved payment for Death Benefits as per the attached list.

Mr. Touhy asked if the Continental Bank is going to notify the Chairman of the Retirement Allowance Committee of the date Retirement Plan Contributions are deposited. Mr. Ashley indicated that he reviewed the Minutes and that the Committee did not formally request that Continental send the date contributions are deposited to the Chairman but did direct the Secretary to report to the Chairman the date on which contributions are forwarded to Continental.

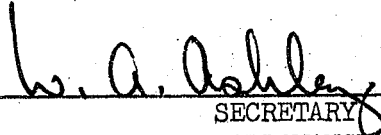
The Secretary indicated that he requested this information in compliance with the Chairman's request through the CTA Treasury Department and to date has not received a response.


On a motion by Mr. Touhy, seconded by Mr. Tiffy, and agreed to by the Committee, the Secretary was directed to notify the Chairman of the Retirement Allowance Committee, the date contributions are deposited with Continental Bank.

The Secretary recommended to the Committee to have a Special Retirement Allowance Committee Meeting on December 6, 1976 to hear a presentation by Eppler, Guerin and Turner, an Investment Consulting Firm, relative to improving the Retirement Fund's performance. The Committee unanimously agreed to meet on December 6, 1976, at 9:30 A.M.

The Secretary distributed a booklet titled, "An ERISA Notice of Interest from Compensation and Capital Incorporated and William W. Lory & Associates, Incorporated." and referred to the article included in each Committee Members pass-out material titled, "Panelist Give Ideas on Improving Selection of Money Managers" and recommended that all Committee Members read both articles.

There being no further business, on a motion by Mr. Tiffy, seconded by Mr. Touhy, the Committee unanimously agreed to adjourn at 12:44 P.M.


SECRETARY
RETIREMENT ALLOWANCE COMMITTEE


CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED DEC 20 1976