

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 340th Meeting of the Retirement Allowance Committee was held on Monday, June 20, 1977, in the Board Room, Room 734, Merchandise Mart, and the following were in attendance:

Mr. E. Barley, Sr.	Mr. W. Spears
Mr. S. Bianchi	Mr. J. Tiffy
Mr. P. Kole	Mr. J. Touhy
Mr. S. Miller	

Mr. Kasmer, alternate for Mr. Langosch; Mr. Heatter, alternate for Mr. Ashley; Mr. Wool, alternate for Mr. Brabec, were present. Messrs. Lemm, Mullen and Schmidt were also present. Mr. Schuster and Mr. Hamilton of Continental Bank, and Mr. Klimkowski of Becker Securities Corporation were also present.

The Chairman called the meeting to order at 10:55 A.M.

The Chairman called for the election of a Secretary Pro Tempore due to the absence of Mr. Ashley. On a motion by Mr. Kasmer, seconded by Mr. Touhy, the Committee unanimously approved Mr. Heatter, Secretary Pro Tempore.

The Chairman introduced the new Members of the Retirement Allowance Committee to all other Committee Members. Mr. Touhy asked why the Transportation Department was not represented on the Committee. The Chairman responded that if

any information is needed from the Transportation Department, it would be made available to the Committee.

Mr. Touhy asked what Mr. Hastings' role on the Committee would be. The Secretary responded that although Mr. Hastings was no longer on the Committee, he was still the Plan Attorney.

A presentation was made by Mr. Charles Klimkowski of Becker Securities Corporation relative to the Retirement Fund's performance for the First Quarter of 1977.

Each Committee Member was given their personal copy of the Becker Securities Corporation Report for the First Quarter of 1977, dated March 1977. A copy of this report is part of the Committee's records in the Secretary's Office.

Mr. Klimkowski concluded his presentation at 11:39 A.M.

Mr. Schuster of Continental Bank began his presentation by referring the Committee to the written report as was in each Committee Member's file, relative to current economic environment, pointing out factors which attributed to the strength and weaknesses of the current and projected economic scene.

Mr. Schuster continued his presentation by circulating Point to Point Measurements on the Basic Fund and on the New Fund "E". He pointed out that the New Fund "E" outperformed the S&P 500 for the period from March 31, 1977 to June 16, 1977 on a Dollar Weighted Percent Change Basis.

Each Committee Member was given their personal copy of Continental's Reports. A copy of each report is part of the Committee's records in the Secretary's Office.

Mr. Schuster concluded his presentation at 11:45 A.M. and he, Messrs. Hamilton and Klimkowski left the meeting.

The Chairman asked for the approval of the Minutes of the 339th Meeting, held May 16, 1977.

On a motion by Mr. Touhy, seconded by Mr. Bianchi, the Minutes of the 339th Meeting, held May 16, 1977, were unanimously approved.

Mr. Kasmer requested that all the Alternates of the Retirement Allowance Committee receive a copy of the agenda and all information relative to Retirement Allowance Committee Meetings. The Chairman directed the Secretary's Office to insure that all Alternates to the Retirement Allowance Committee receive the agenda and all information relative to Retirement Allowance Committee Meetings.

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

The Secretary presented ten (10) Survivorship Options for approval at this meeting. On a motion by Mr. Touhy, seconded by Mr. Miller, the Committee unanimously approved the ten (10) Survivorship Options submitted by the Secretary.

The Secretary advised that sixteen (16) Applications for Retirement were submitted for approval. The Secretary pointed out that among the applications to be approved was one for Mr. Earl H. Washington, who was being recommended to begin

an early retirement retroactive to June 1, 1977 as a result of a misunderstanding in the procedure for filing an application for an early retirement. On a motion by Mr. Touhy, seconded by Mr. Kasmer, the Committee unanimously approved the sixteen (16) applications submitted by the Secretary.

The Secretary reported that during the month, thirteen (13) employees on Total and Permanent Disability were examined by the Medical Department or their records reviewed.

The Secretary presented fifty-four (54) refunds totaling \$258,586.34 for approval at this meeting. On a motion by Mr. Touhy, seconded by Mr. Barley, the refunds to be paid June 30, 1977, as per the attached statement, were unanimously approved.

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

The Secretary presented the Chicago Transit Authority bills, totaling \$1,072.09, and other bills totaling \$120,986.83. On a motion by Mr. Touhy, seconded by Mr. Kasmer, the Committee unanimously approved payment of these bills.

The Secretary reported for the payment of June 30, 1977, Death Benefits numbering forty-one (41) and amounting to \$83,833.33 were submitted for approval. On a motion by Mr. Touhy, seconded by Mr. Spears, the Committee unanimously approved the Death Benefits, as per the attached list.

The Secretary reported that when Mr. Ashley returns, he will contact Mr. Touhy and they will contact the Employee's

Welfare Fund Committee relative to the matter of using the Welfare Fund for collateral of loans made by reinstated employees who are required to reimburse the Retirement Fund for any withdrawn contributions and interest.

The Secretary reported that Mr. Bruno J. Trutty, who was approved for Total and Permanent Disability Retirement for June 1, 1977, returned to duty on May 17, 1977. Mr. Bianchi asked the name of the department from which Mr. Trutty was originally assigned. The Secretary responded by indicating that Mr. Trutty was originally from the Transportation Department stationed at Archer Depot as a Bus Operator. Mr. Kasmer indicated that he was not clear as to Mr. Trutty's current status. The Secretary responded that Mr. Trutty, subsequent to filing his application for Total and Permanent Disability, accepted a File Clerk's position in the Claims and Real Estate Department and after approximately two (2) weeks found that he could not perform the duties of the position. On May 26, 1977, Mr. Trutty filed a Disability Notice and is currently receiving twenty-six (26) weeks in accordance with the Authority's Group Insurance Plan.

The Secretary advised that it will be necessary to appoint an Actuary and Auditor for the Plan Year 1977. The Secretary recommended that because of satisfactory performance The Wyatt Company be named Actuary and the Arthur Young Company be named Auditors. On a motion by Mr. Miller, seconded by Mr. Barley, the Committee unanimously approved The Wyatt Company as Actuary and Arthur Young Company as Auditor for the Plan Year 1977.

The Secretary requested approval for Mr. Craig Heatter, Superintendent of Pensions, to attend the 23rd Annual Educational Conference of the International Foundation of Employee Benefit Plans, to be held in San Francisco, August seventh (7th) through the tenth (10th). The Secretary explained that certain areas of interest will be presented some of which include Pension Plan Administration and Investments. He indicated that the approximate cost requested to be expended from the Retirement Fund will be \$800.00. Mr. Miller indicated that he attended these conferences and indicated that they were worthwhile experiences. On a motion by Mr. Touhy, seconded by Mr. Bianchi, the Committee unanimously agreed to have Mr. Heatter attend the Conference.

Mr. Kole then presented the matter of multiple money managers. He stated that he received some indication from Continental Bank that they are in favor of multiple money management of the Retirement Fund.

Mr. Kole further stated that it appears that the Committee is very receptive to the concepts relative to investments as presented by Mr. Robert Harrell, Pension Consultant, from Eppler, Guerin and Turner, Inc. Mr. Kole recommended that the Committee meet with Mr. Harrell and spend time reviewing Mr. Harrell's concepts and then decide on a course of action to be taken to set up the multiple money manager arrangement for the Retirement Fund.

Mr. Kole recommended that the Committee meet as soon as possible after July 6, 1977, when Mr. Harrell returns from his vacation.

The Committee tentatively set up a Special Meeting date of July 11, 1977, at 9:00 A.M. The Secretary indicated that his office will notify the Committee Members in advance of the meeting or change in the meeting date.

The Secretary referred the Committee Members to the pass out material regarding the Callan Associates, Inc. Report for the Quarter Ended, March 31, 1977, and the three (3) articles as follows: "10.3%: The New Magic Figure for Pension Funds"; "Consultants Say Good Objectives Important in Picking Right Manager"; and "Can Advisors Play Poker and Drink at a Bar Too?" He recommended that each Committee Member read the Report and the articles.

There being no further business, on a motion by Mr. Touhy, seconded by Mr. Spears, the Committee agreed to adjourn at 12:03 P.M.



SECRETARY
RETIREMENT ALLOWANCE COMMITTEE



CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED: JUL 18 1977