

RETIREMENT PLAN

FOR

CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 357th Meeting of the Retirement Allowance Committee was held on Monday, August 21, 1978, in the Board Room, Room 734, Merchandise Mart, and the following were in attendance:

Mr. S. Bianchi	Mr. P. Kole
Mr. E. Brabec	Mr. E. Langosch
Mr. R. Goldman	Mr. W. Spears

Mr. J. Edwards, alternate for Mr. T. O'Mahony, Mr. C. Hall, alternate for Mr. J. Weatherspoon, and Mr. C. Heatter, alternate for Mr. W. Ashley, were also present. Neither Mr. S. Miller nor his alternate were present. Messrs. H. Hegarty, A. Kasmer, Jr., and L. Morris were also present. Messrs. E. Hamilton and W. Leszinske of Continental Bank were also present.

The Chairman called the meeting to order at 10:36 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. Langosch, seconded by Mr. Spears, the Committee unanimously approved Mr. Heatter, Secretary Pro Tempore.

Mr. Leszinske of Continental Bank began his presentation by circulating a written report to each Committee Member and reviewed the report relative to the Fixed Income Portion of the Fund.

Mr. Leszinske indicated that Continental is watching interest rates closely and will determine whether some of the cash reserves will be used for Fixed Income Investments.

Mr. Kole asked Mr. Leszinske how Fund "E" was performing. Mr. Leszinske circulated a Point to Point Measurement on Fund "E". Mr. Leszinske pointed out that Fund "E", for the period from June 30, 1978 to August 17, 1978, underperformed both the S&P 500 Index and the Dow Jones Industrials.

Mr. Spears asked Mr. Hamilton to clarify the policy of Continental relative to loans being made to South Africa. Mr. Hamilton indicated that he would check with Continental Bank's foreign loan officers and would respond to Mr. Spears at the next meeting.

Mr. Hamilton indicated that he completed his visits with the Retirement Fund's five (5) new investment advisers and indicated that the advisers would like to meet with the Committee. The Chairman instructed the Secretary to coordinate meeting dates with Mr. Hamilton during the next few Retirement Allowance Committee Meetings. The Chairman indicated that the meetings should be for the purpose of becoming familiar with the new investment advisers and be as short as possible due to the fact that the Committee receives a monthly report on each advisers' performance.

Mr. Kole asked Mr. Leszinske's opinion on the new investment advisers' performance to date.

Mr. Leszinske indicated that he could not respond due to the fact this is the first time he has had the opportunity to review a performance report.

Mr. Leszinske concluded his presentation at 10:48 A.M.. Messrs. Leszinske and Hamilton left the meeting.

The Chairman called the Committee's attention to the report from Compensation & Capital, Incorporated for the month of July and pointed out the Equity Portfolio's market value exceeds the book value. The Chairman indicated that this has not happened for a long period. The Secretary referred the Committee Member's attention to the performance figures of each of the new investment advisers and indicated that some have done quite well.

The Chairman asked for the approval of the Minutes of the 356th Meeting, held July 17, 1978.

On a motion by Mr. Wool, seconded by Mr. Langosch, the Committee unanimously approved the Minutes of the 356th Meeting, held July 17, 1978.

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

The Secretary submitted seven (7) Survivorship Options for approval. On a motion by Mr. Spears, seconded by Mr. Brabec, the Survivorship Options, as submitted, were unanimously approved.

The Secretary advised that there were eleven (11) Applications for Retirement submitted for approval. On a motion by Mr. Wool, seconded by Mr. Hall, the Committee unanimously approved the eleven (11) Applications for Retirement as submitted.

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 forty-eight (48) refunds, totaling \$276,129.11 for approval at this meeting. On a motion by Mr. Brabec, seconded by Mr. Spears, the refunds, to be paid on August 31, 1978, as per the attached statement, were unanimously approved.

The Secretary presented a report of Deposits, Disbursements, and Investments for the month of July.

The Secretary presented the Chicago Transit Authority bills totaling \$15,981.99 and other bills totaling \$130,682.53 for approval. On a motion by Mr. Langosch, seconded by Mr. Bianchi, the Committee unanimously approved payment of these bills.

The Secretary presented, for payment on August 31, 1978, Death Benefits numbering thirty-nine (39) and amounting to \$74,000.00. On a motion by Mr. Bianchi, seconded by Mr. Spears, the Committee unanimously approved the Death Benefits, as per the attached list.

The Secretary reported to the Committee that Messrs. Hall and Heatter have met relative to Mr. James B. Edwards' Contributions to the Retirement Fund and have found that Mr. Edwards owes the Fund \$1,714.76. The Secretary recommended that Mr. Edwards reimburse the Fund at the rate of \$100.00 per bi-weekly pay. A discussion ensued between Committee Members and Mr. Hall recommended that Local 241 deduct 14% of Mr. Edwards' union pay until the \$1,714.76 is paid back to the Fund. He also indicated that Local 241 will monitor Mr. Edwards' deduction to determine if the outstanding contributions due the Fund will be paid in a reasonable time.

The Chairman indicated that this was an acceptable solution.

The Secretary reported that Mr. Hall had asked his office to review Mr. Edward Pala's contributions to the Fund. The Secretary indicated that it appears that Mr. Pala owes money to the Retirement Fund. The Secretary indicated that he will meet with Mr. Hall relative to this matter.

The Secretary reported that Ms. Lillie M. Willis, approved for Total and Permanent Disability, effective November 1, 1977, was approved to return to duty on July 20, 1978.

The Secretary reported that Mr. Robert G. Gafeney, approved for Total and Permanent Disability, effective August 1, 1978, returned to duty on July 31, 1978 and his application for retirement was withdrawn.

The Secretary reported that Mr. Ronald L. McKnight, approved for Total and Permanent Disability, effective October 1, 1977, returned to duty on July 5, 1978.

The Secretary indicated that it would be necessary for an individual to be appointed to sign documents in the absence of the Chairman of the Retirement Allowance Committee. On a motion by Mr. Hall, seconded by Mr. Spears, the Committee unanimously elected Mr. Weatherspoon to sign in the absence of the Chairman of the Retirement Allowance Committee.

The Secretary reported that in response to the Chairman's request, his office obtained an estimated annual fee of \$8,800.00 for the Plan Year 1978 from the Plan's Auditor, Arthur Young and Company.


The Secretary called each Committee Member's attention to the booklet titled, "How to Use Your Pension to Protect Your Survivors" as was in each Member's pass out material. The Secretary explained that lists of all employees 53 years of age and older were circulated to Area Heads throughout the Authority with instructions to insure each employee age 53 and older receives a copy of the booklet. He explained that election forms are enclosed in the booklet and that a form is also in the booklet to request additional information on the Pre-Retirement Option.

In addition, he showed the Committee Members a poster that was being circulated to every work location throughout the Authority to be placed on bulletin boards announcing the Pre-Retirement Option Benefit. He also indicated that an article is going to be placed in the next issue of Transit News announcing the Pre-Retirement Option.

The Chairman indicated that the Subcommittee to elect the Plan Attorney has met and has reviewed the resumes of Mr. Martin Burns and Mr. Dick Burke. The Chairman requested that a vote be taken for the election of a Plan Attorney. On a motion by Mr. Wool, seconded by Mr. Bianchi, Mr. Dick Burke was nominated as the Plan Attorney. The Chairman asked for a vote on the nomination of Mr. Burke; nine Members voted for Mr. Burke and Mr. Spears voted against Mr. Burke. Thusly, a majority of votes elected Mr. Burke as the Plan Attorney. The Chairman asked the Secretary to notify Mr. Burke of his appointment as the Plan Attorney.

The Secretary called the Committee's attention to an article, dated July, 1978, from the Institutional Investor titled, "Searching for a Prudent Man" which Mr. Robert Harrell asked each Committee Member to review. The Secretary also called the Committee's attention to the Becker Securities' Annual Report for the Plan Year 1977 and asked each Committee Member to review the Report.

There being no further business, on a motion by Mr. Langosch, seconded by Mr. Brabec, the Committee unanimously agreed to adjourn at 11:32 A.M.


SECRETARY
RETIREMENT ALLOWANCE COMMITTEE


CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED SEP 18 1978