

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 364th Meeting of the Retirement Allowance Committee was held on Monday, March 19, 1979, in the Law Conference Room, Room 440, Merchandise Mart, and the following were in attendance:

Mr. W. Ashley	Mr. E. Langosch
Mr. S. Bianchi	Mr. S. Miller
Mr. E. Brabec	Mr. W. Spears
Mr. R. Goldman	Mr. J. Weatherspoon
Mr. P. Kole	

Mr. J. Edwards, alternate for Mr. O'Mahony, was also present. Messrs. J. Bidwill, C. Heatter, A. Kasmer, H. Hegarty, R. Juhre, L. Morris and L. Wool were also present. Messrs. E. Hamilton and W. Leszinske of Continental Bank were also present. Mr. R. Harrell of Lowry, Raclin, Harrell and Howerdd, Inc. was also present. Mr. R. Burke, the Plan Attorney was also present.

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

Mr. W. Leszinske circulated a letter, dated March 13, 1979, titled "February Market Summary" and reviewed the report.

Mr. W. Leszinske circulated a report on Fund "E" for the period December 29, 1978 - March 13, 1979. He indicated that for the period the Dollar Weighted Percent Change for Fund "E" was 4.82% as compared to the S & P Composite Average at 3.88% and the Dow Jones Industrials at 5.21%.

Mr. Leszinske stated that the Bank was forecasting the Prime Rate to go as high as 12.50%.

Mr. Brabec asked if the Bank expected short term rates to go up. Mr. Leszinske answered in the affirmative.

Mr. Harrell of Lowry, Raclin, Harrell and Howerdd, Inc. circulated a report titled "An Investment Management Analysis of Comparative Risk and Return" for the Quarter ending December 31, 1978.

Mr. Harrell reviewed the following investment characteristics; Equity Portfolio Quality Rank, Equity Portfolio Price/Earnings Multiple Rank and Portfolio Rank, and reviewed the Long Term, Intermediate Term, and Short Term Performance for the following investment advisors; E. W. Axe & Co., Inc., Capital Guardian Trust Company, Decatur Income Fund, Inc., T. Rowe Price Associates, Putnam Management Co., Inc. and Continental Illinois National Bank.

Mr. Harrell pointed out that E. W. Axe & Co., Inc.'s and Capital Guardian Trust Company's 1978 performance varied substantially from that of their respective Mutual Fund Performance. Mr. Harrell indicated that both Continental Bank and CTA Management have been in contact with advisors in order to eliminate the variance and substantiate reasons for variance.

Mr. Harrell continued his report by reviewing the Fixed Income General Investment Fund managed by the Continental Illinois National Bank. He pointed out that the fund for the year of 1978 ranked in the top 30% of all professionally managed fixed income funds and for the five years, ending December 31, 1978, ranked in the top 20% of all professionally managed fixed income funds. Mr. Harrell commented that this was very good performance.

Mr. Harrell reviewed a report titled "Actual Schedule of Funds Available for Investment with Time Weighted Rate of Return Analysis." This report depicted the value of \$100.00 for the year ended December 31, 1978 under the management of the new investment advisors.

Mr. Harrell presented a report titled "Parallel Portfolios" which depicted the variance in dollars between the investment advisor, CTA Accounts and the Investment Advisor Mutual Funds. The total variance depicted was over six million dollars. Mr. Harrell indicated that this may give the Committee some thought as to investing directly in the mutual funds as opposed to remaining in the separate accounts.

Mr. Miller asked if variances were appearing in accounts other than CTA's. Mr. Harrell answered in the affirmative.

Mr. Harrell completed his report at 11:15 A.M.

Mr. Burke, the Plan Attorney, reported that the Penn Central Case was referred by the Federal Court of Appeals to the Federal District Court for review and indicated he will keep the Committee advised as to any action on this case.

Mr. Burke also reported that he was working with Mr. Edward Egan, General Attorney of the Chicago Transit Authority, relative to the mandatory retirement age matter.

Messrs. Leszinske and Hamilton left the meeting at 11:20 A.M.

The Chairman asked for approval of the Minutes of the 363rd Meeting, held February 20, 1979.

On a motion by Mr. Miller, seconded by Mr. Bianchi, the Committee unanimously approved the Minutes of the 363rd Meeting, held February 20, 1979.

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

The Secretary submitted one (1) Survivorship Option for approval. On a motion by Mr. Goldman, seconded by Mr. Spears, the Survivorship Option as submitted, were unanimously approved.

The Secretary advised that there were twenty-nine (29) Applications for Retirement submitted for approval.

On a motion by Mr. Kole, seconded by Mr. Spears, the Committee unanimously approved the twenty-nine (29) Applications for Retirement.

The Secretary reported that during the month, three (3) employees on Total and Permanent Disability were examined by the Medical Department or their records reviewed.

The Secretary presented thirty-nine (39) refunds, totaling \$193,581.54, for approval at this meeting.

On a motion by Mr. Langosch, seconded by Mr. Spears, the refunds to be paid March 31, 1979, as per the attached statement, were unanimously approved.

The Secretary presented a Report of Deposits, Disbursements and Investments for the month of February, 1979. The Secretary also circulated a corrected Report of Deposits, Disbursements and Investments for the month of January, 1979 due to the fact contributions on the original report were lumped in the line titled "Contributions from Employer."

The Secretary presented the Chicago Transit Authority bills, totaling \$19,250.32, and other bills, totaling \$153,796.06, for approval.

On a motion by Mr. Goldman, seconded by Mr. Spears, the Committee unanimously approved payment of these bills.

The Secretary presented for payment on March 31, 1979, Death Benefits numbering twenty-six (26) and amounting to \$66,000.00. On a motion by Mr. Spears, seconded by Mr. Miller, the Committee unanimously approved the Death Benefits, as per the attached list.

The Secretary reported that Mr. Louis Wade was reviewed by the Medical Department on March 14, 1979 and found fit for duty with certain restrictions. On February 2, 1979 and March 14, 1979, Mr. Wade was offered a station janitor's position and indicated that, after reviewing the job duties, his doctor indicated he could not perform the duties of station janitor. Mr. Wade has been totally uncooperative in this matter.

The Secretary requested that Mr. Wade furnish the Secretary's Office with a statement from his physician.

The Secretary reported the Option Application for Mr. William G. Neesler, approved at the meeting of August 21, 1978, was withdrawn and the Option Application for Mr. Mitchell P. Romas, approved at the meeting of October 16, 1978, was withdrawn.

The Secretary reported that on March 6, 1979, Mr. Charles E. Johnson, D-1952, failed to appear for testing for a ticket agent position and has found that Mr. Johnson is currently in Louisiana.

The Secretary reported that Mr. Thears Judkins refused a position as a collector on December 28, 1978, indicating he wanted only clerical work and on March 6, 1979 refused to take the test for ticket agent indicating he did not want the position. Mr. Judkins was removed from the disability rolls on December 27, 1978.

The Secretary reported that James A. Reynolds, on March 6, 1979, was reinstated. He had withdrawn his contributions and interest from the Fund totalling \$6,430.24 and has until June 5, 1979 to reimburse the Fund in order to retain pension seniority and credit back to his entered service date of August 15, 1968.

There being no further business, on a motion by Mr. Miller, seconded by Mr. Bianchi, the Committee unanimously agreed to adjourn at 11:58 A.M.

SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED _____