

AGENDA

FOR THE 487TH RETIREMENT MEETING OF JULY 17, 1989

1. Meeting will be called to order at 10:00 a.m., Mark Beaubien Room, 16th floor, Holiday Inn - Mart Plaza.
2. Roll call
3. Approval of the Minutes of the 486th Meeting held June 19, 1989.
4. Investment Subcommittee report.
5. Real Estate Subcommittee report.
6. General Administration and Annuities Management Subcommittee report.
 - a) Announcement of deaths reported since the last meeting.
 - b) Presentation of Pre-Retirement Surviving Spouse Allowances for approval.
 - c) Presentation of new retirement applications for approval.
 - d) Presentation of Death Benefits for approval.
 - e) Presentation of Refunds of Contributions for approval.
 - f) Presentation of Bills and Remittances for approval.
 - g) Jean G. Eves - D-2483 - returned to duty on 6-7-89.
7. Report by Secretary of Deposits, Disbursements and Investments.
 - a) Report on results of the asset allocation model.
8. Unfinished Business.
 - a) Discussion of the calculation of compensation for pension earnings purposes for all union officers.
9. Adjournment.

RETIREMENT PLAN FOR CTA EMPLOYEES

The 487th Meeting of the Retirement Allowance Committee was held Monday, July 17, 1989 at 10:00 A.M., in the Mark Beaubien Room, 16th floor, Holiday Inn - Mart Plaza. The following were in attendance:

Ms. W. Black	C. Andersen
Mr. E. Gresham	C. Burrus, Chairman
A. Kasmer, Jr.	E. Hill
C. Knox	M. Holzman
I. Thomas	A. Mandolini

Mr. D. Perk, Executive Director, was present. Alternates L. Morris, H. Reed, H. Williams, L. Brown and H. Hegarty were present. Alternates A. Curtis, D. Carter and W. Buetow were also present. Mr. W. Ross and Ms. P. Williams of the Pension Office staff were in attendance. Ms. S. Luthy and Mr. F. Duda of the Harris Trust and Savings Bank were present. Mr. R. Burke of Burke, Wilson & McIlvaine was in attendance. Mr. B. Scholz, pensioner representative.

- (1) The Chairman called the meeting to order at 10:05 A.M.
- (2) A roll call was taken which resulted in a quorum of the Committee members.
- (3) On the call for approval of the Minutes of the 486th Meeting, held June 19, 1989, Mr. Mandolini made a motion for

approval, Ms. Curtis seconded and the Committee unanimously approved.

(4) Mr. Mandolini, Chairman of the Investment Subcommittee, reported on the topics of discussion at his meeting (copy of Minutes attached). There was a discussion among Committee members regarding the selection of minority and female contractors and whether or not the Committee has a policy with regard to MBE/WBE commitment. The Chairman stated that there should be some goals documented in the form a policy statement to make sure there is adequate minority and female participation in managing the portfolio. There was a consensus by the Committee members that at the next meeting the Chairman of the Investment Subcommittee submit a draft of a policy directing the activity of the Committee with regard to the participation of minority and female firms in the management of the portfolio. On a motion by Mr. Gresham, seconded by Mr. Mandolini, the Committee unanimously agreed to accept the Investment Subcommittee report.

(5) The Chairman of the Real Estate Subcommittee reported on the topics of discussion at his meeting (copy of Minutes attached). After a discussion among Committee members the Chairman recommended that this subcommittee draft a policy which would outline investment criteria for investing in the local community and report back to the full Committee.

There was also a discussion regarding the FSI bankruptcy case wherein the Plan Attorney reviewed the specifics (copy of correspondence attached). On a motion by Mr. Kasmer, seconded by Mr. Hill, the Committee unanimously agreed to subtract the amount of \$33,400.00 due the Retirement Plan from Piedmont's quarterly fees over the next seven quarters. On a motion by Mr. Mandolini, seconded by Mr. Kasmer, the Committee unanimously agreed to accept the report of the Real Estate Subcommittee.

(6) The Chairman of the General Administration and Annuities Management Subcommittee reported on the topics of discussion at his meeting (copy of Minutes attached). He noted that there was a review of Agenda items 6 (b) - (f). A motion was then made by Mr. Kasmer, seconded by Mr. Gresham to approve these agenda items.

Mr. Andersen mentioned that his subcommittee received an audit report from Arthur Young giving a clean opinion of the operations of the Fund. He also noted that there was no management letter or adjustments and all functions were in good order. There was a brief discussion and the desire of the Committee was that Arthur Young submit a management letter directed to the Committee with their report dealing with internal controls, operations and recommendations from the auditors.

There was also a discussion among Committee members

regarding the auditing of calculations for the Pension Department, whereby Mr. Andersen stated that he would look into this issue and report back to the full Committee. On a motion by Kasmer, seconded by Mr. Gresham, the Committee unanimously agreed to accept the report of the General Administration and Annuities Management subcommittee.

(7) The Executive Director turned the Committee's attention to the Report on Deposits, Disbursements and Investments in the Trustee Summary and noted that the June 1989 performance for the total Fund was $-.57\%$ and the value of the total assets of the Plan as of June 30, 1989 amounted to \$898,907,399.40.

(7a) Mr. W. Ross then presented a report on the results of the asset allocation model which indicated that from inception to date (thru 06/30/89) value added by the Boston Company was $-.11\%$. The report also identified the asset allocation changes since inception and indicated that the market value of the Boston Company account was \$57,190,565.00 as of June 30, 1989. There was a discussion among Committee members regarding the Boston Company's discrepancies in their year to date since inception numbers whereby the Committee suggested that there be an immediate reconciliation from the Boston Company via a letter verifying what their year to date performance has been.

There was a brief discussion among Committee members to move the Retirement Allowance Committee meeting dates to the fourth Monday of each month. On a motion by Mr. Holzman, seconded by Mr. Kasmer, the Committee unanimously agreed to move the regular monthly meetings to the fourth Monday of each month.

(8a) Mr. Hill reported that he was assigned to the task of reviewing this issue with the Finance, Audit and Budget Committee. He stated that he would attend the FAB meeting scheduled for July 26th and report back to the full Committee.

(9) There being no further business, on a motion by Mr. Holzman, seconded by Ms. Black, the Committee unanimously agreed to adjourn at 11:35 A.M.