

AGENDA

FOR THE 522ND RETIREMENT MEETING OF JULY 28, 1992

1. Meeting will be called to order at 10:30 a.m., Harris Trust & Savings Bank, 111 W. Monroe Street, Executive Dining Room, 37th floor, West Side.
2. Roll call.
3. Approval of the Minutes of the 521st Meeting held June 25, 1992.
4. Investment Subcommittee report.
5. Real Estate Subcommittee report.
6. Subcommittee on General Administration.
  - 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.
    - (i) Emma Allen - request for retroactivity to 5/1/92.
    - (ii) Imelda Brown - request for retroactivity to 4/1/92.
    - (iii) Catherine Bares - request for retroactivity to 12/1/88.
    - (iv) Donald Phillips - request for retroactivity to 7/1/92.
    - (v) Roscoe Smith - request for retroactivity to 7/1/92.
    - (vi) Leo Smith - request for retroactivity to 7/1/92.
  - d) Presentation of Death Benefits for approval.
  - e) Presentation of Refunds of Contributions for approval.
  - f) Presentation of Bills and Remittances for approval.
  - g) Gloria Danzie - #4430 - returned to duty on 6/23/92.
  - h) Frank Foster - #22680 - returned to duty on 6/22/92.
  - i) Leamuel Taylor - #7807 - returned to duty on 6/16/92.

7. Report by Executive Director of Fund performance.

8. Unfinished Business.

a) Settlement Agreement Task Force Report (Rule No. 31).

9. New Business.

a) Report by Actuary.

10. Adjournment.

07/17/92

## RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 522nd Meeting of the Retirement Allowance Committee was held Tuesday, July 28, 1992, 10:30 A.M. at the Harris Trust & Savings Bank, 111 West Monroe Street - 37th floor. The following were in attendance:

Mr. I. Thomas, Chairman	C. Andersen
W. Black	E. Hill
T. Collins	M. Holzman
L. Brown	
J. Forte	

Mr. D. Perk, Executive Director was in attendance. Alternate W. Buetow sat in A. Mandolini's stead. Alternate D. Hillock sat in C. Burrus' stead. Alternates L. Morris, M. Caffery, B. Rayford, R. Baughn, D. Washington and J. Lawrie were present. Messrs. R. Pirovano, L. Smith and Ms. P. Williams of the Pension Office staff were in attendance. Messrs. J. Baratka and N. Losk of the Wyatt Company were present. Mr. N. Joachimi, Wellesley Group was present. Messrs. B. Scholz and R. Goldman, pensioner representatives were present. Mr. R. Burke, Plan Attorney was in attendance. Mr. M. Dzinciolski, pensioner was also present.

- (1) The Chairman called the meeting to order at 10:40 A.M.
- (2) A roll call was taken which indicated that a quorum of Committee members was present.
- (3) On a motion by Mr. Hillock, seconded by Mr. Collins, the Committee unanimously approved the Minutes of the 521st Meeting, held June 25, 1992.

The Chairman then requested that there be a deviation from the agenda in order that J. Baratka of the Wyatt Company make his presentation regarding the actuarial study and valuation results of the Plan. He then turned the Committee's attention to a hand-out discussing the three types of assumptions that can be used for the Plan valuation. He mentioned that with regards to the expected rates of return to the Plan, we are currently at a 8.25% expected rate of return and is proposing that we increase this to 9.00%. He also brought the Committee's attention to a discussion regarding the actuarial assumptions and stated that the Plan is currently 86% funded and if the proposed rate is used the Plan will be approximately 103% funded.

He then discussed the valuation and stated that the Plan is currently comfortably funded, but stated that additional contributions could be needed in the future because of required additional benefits. He also mentioned that a 4% inflation rate and a 5% real rate of return are reasonable for the Fund.

Mr. Joachimi then recapped the allocation of the funds from the termination of Franklin Asset Management and turned the Committee's attention to a discussion of the Kenwood Group and asked the Committee what their pleasure would be concerning the distribution of funds to Kenwood.

There was then a request by J. Forte that Members and alternates from the unions break for a discussion at 11:40 A.M.

The meeting reconvened at 11:58 A.M. and there was a recommendation made by I. Thomas to allocate an amount to the Kenwood Group which would bring their total commitment from the Plan to \$4.0M. On a motion by Mr. Hill, seconded by Mr. Brown, the Committee unanimously approved the recommendation. There was then a motion made by Mr. Forte, seconded by Mr. Brown to concur with the recommendation of the consultant as to the allocation for the remaining managers as recommended by the subcommittee at its special meeting of July 16, 1992 (minutes attached).

(4) Mr. T. Collins, Chairman of the Investment Subcommittee reported on the meeting of June 25, 1992 (copy of meeting minutes attached). He noted that the issues voted on previously by the subcommittee were passed unanimously and unchanged by the Committee.

(5) Mr. E. Hill, Chairman of the Real Estate Subcommittee reported on his meeting of Tuesday, July 21, 1992 (copy of meeting minutes attached). He also noted that there is a special 3-way meeting between RREEF and the other investors regarding the Meridian Business Center and there would be recommendations after the meeting to determine what the course of action would be on this property. It was also noted that Metric Institutional Realty Advisors had submitted a request to use the Apartment Fund Index which would substantially reduce the fees paid to Metric by the Retirement Plan. On a motion by Mr. Hill, seconded by Mr. Collins, the Committee unanimously agreed to concur with Metric to use this new fee structure. Also, on a motion by Mr. Collins, seconded by Ms. Black, the Committee unanimously agreed to accept the report for filing.

(6) Ms. W. Black, Chairperson of the General Administration Subcommittee reported on the special meeting held Thursday, July 23, 1992 (copy of meeting minutes attached). She noted that the subcommittee members reviewed items 6 (a) - (i) and requested approval for items 6 (b) - (f). On a motion by Mr. Collins, seconded by Mr. Holzman, the Committee unanimously approved the requested agenda items. There was also discussion regarding the approval of the pay rate increase for ASI and subsequently the salary increase for Carleton Lewis. There was a recommendation made at the meeting for Mr. Lewis to receive a bonus equivalent to one week's vacation at his rate of pay. On a motion by Mr. Forte, seconded by Mr. Collins, the Committee unanimously approved the recommendation.

(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 1992 performance for the total Fund was -1.29% and the value of the total assets of the Plan as of June 30, 1992 amounted to \$1,097,343,246.00. He also noted that Metric Institutional Apartment Fund will wire \$175,526.00 to the Retirement Plan account from the Apartment fund investment.

(8) The Plan Attorney then turned the Committee's attention to the issue of Rule #31 recapping what this rule entails and noting that this rule affects those individuals who were employed by the Authority and were terminated by the Authority or were constructively discharged and subsequently reinstated as a result of a grievance procedure finding, court order, or a settlement agreement between the individual and the Authority. This rule does not apply to rehires. On a motion by Mr. Thomas, seconded by Mr. Andersen, the Committee unanimously approved the adoption of Rule #31.

The Chairman then requested that the Committee enter into an Executive Session at 12:25 p.m. for discussion of Pension personnel matters.

The Committee then reconvened at 1:20 p.m. and it was noted that the consensus of the Committee is to direct the Plan Attorney to contact the Authority to retrieve the contracts for all individuals who are receiving a pension benefit from the Plan and also receiving a salary or any other type of compensation from the Authority.

There was also Committee decision that the issue concerning Mr. R. Pirovano be deferred until the next Retirement Allowance Committee meeting in order that Messrs. Thomas and Hill can meet and come back to the Committee with recommendations.

There being no further business, the Committee unanimously agreed to adjourn at 1:20 P.M.