

REVISED AGENDA

FOR THE 535TH RETIREMENT MEETING OF AUGUST 24, 1993

1. Meeting will be called to order at 10:30 a.m., Harris Trust & Savings Bank, 111 West Monroe Street, Executive Dining Rooms - 37th floor.
2. Roll call.
3. Approval of the Minutes of the 534th Meeting held July 27, 1993.
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) Carlos Tamayo - #03953 - request for retroactivity to 8/1/93.
 - (ii) Derrell Norton - #8111 - request for retroactivity to 8/1/93.
 - (iii) Henry Sims - #13323 - request for retroactivity to 8/1/93.
 - (iv) Earnest Mitchell - #34832 - request for retroactivity to 8/1/93.
 - (v) Harry Purnell - #7158 - request that 1980 earnings be used in benefit calculation.
 - d) Presentation of Death Benefits for approval.
 - e) Presentation of Refunds of Contributions for approval.
 - f) Presentation of Bills and Remittances for approval.
 - g) Billy McKnight - #335 - retirement approved for 8/1/93 - request for retroactivity to 7/1/93.

7. New business.

a) Travel expense guidelines.

8. Report by Executive Director.

9. Adjournment.

rev. 08/18/93

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 535th Meeting of the Retirement Allowance Committee was held Tuesday, August 24, 1993 at the Harris Trust & Savings Bank, 111 West Monroe Street, Executive Dining Rooms, 37th floor. The following were in attendance:

Mr. I. Thomas, Vice Chairman
J. Forte
Ms. W. Black
L. Brown
T. Collins

Mr. E. Hill, Chairman
W. Buetow
T. Stevens
M. Holzman

Mr. D. Perk, Executive Director was present. Mr. C. Lang sat in Mr. C. Burrus' stead. Alternates L. Morris, M. Caffery, R. Baughn and P. Beavers were in attendance. Messrs. R. Pirovano, W. Ross and Ms. P. Williams of the Pension Office staff were present. Mr. F. Duda and Mrs. S. Ross of the Harris Trust and Savings Bank were in attendance. Messrs. N. Joachimi and S. Bobo of the Wellesley Group was present. Messrs. B. Scholz, C. Spears and R. Goldman, pensioner representatives were also in attendance. Mr. T. Paravola of Burke, Warren & MacKay was also present.

- (1) The Chairman called the meeting to order at 10:30 A.M.
- (2) A roll call was taken which indicated that a quorum of Committee members was present.
- (3) On a motion by Mr. Brown, seconded by Mr. Forte, the Committee unanimously approved the Minutes of the 534th Meeting held July 27, 1993.

(4) Mr. W. Buetow, Chairman of the Investment Subcommittee reported on the meeting held August 24, 1993. On a motion by Mr. Holzman, seconded by Mr. Baughn, the Committee unanimously agreed to accept the report of the Investment subcommittee.

(5) Mr. T. Stevens, Chairman of the Real Estate Subcommittee reported on the meeting held August 17, 1993. He reported that there were two major items that were discussed, one being the 711 Jorie mortgage. He indicated that Mr. Keller of the Townsend Group would contact G. Egan of RREEF for a further discount on the mortgage. The other item that was discussed was the Real Estate Strategic Plan and it was noted that Mr. Keller would give a synopsis of this document to the subcommittee in order to have a better understanding of this document. On a motion by Mr. Holzman, seconded by Mr. Brown, the Committee unanimously agreed to accept the report of the Real Estate subcommittee.

(6) Mr. T. Collins, Chairman of the General Administration Subcommittee reported on the meeting held Thursday, August 19, 1993 noting that the subcommittee reviewed agenda items 6 (b) - (g). On a motion by Mr. Holzman, seconded by Mr. Forte, the Committee unanimously agreed to approve agenda items 6 (b) - (g).

(7) There was then discussion regarding the travel expense guidelines for the Retirement Allowance Committee. It was noted that there were some minor verbage changes made to the guidelines with reference to the number of seminars that the Retirement Allowance Committee members and the Executive Director could attend, noting that Committee members could attend two seminars per year and that alternates could attend one seminar per year. The only change that occurred was the addition of staff members that could attend one seminar for which expenses are to be borne by the Plan. On a motion by Mr. Stevens, seconded by Mr. Brown, the Committee unanimously agreed to approve the travel expense guidelines.

(8) The Executive Director then turned the Committee's attention to the Report of Deposits, Disbursements and Investments in the Trustee Summary and noted that for the month of July, 1993 the performance for the total Fund was .17% and the value of the total assets of the Plan as of July 31, 1993 amounted to \$1,202,676,975.00. At the close of business on August 23, 1993, the Executive Director reported that the Fund had a value of \$1,217,213,936.47. He also noted that with regards to the Pan Agora account there was an increase in the value of the portfolio from June 30th through July 31st of

\$134,000 and the account at the end of business on August 23, 1993 was valued at \$78,937,631.37 and they had the Fund portfolio invested 90% in stocks and 10% in bonds. He also reported that the cash position of the Retirement Fund at the close of business on August 23, 1993 was at \$2,013,775.21.

He also turned the Committee's attention to the East-West Tech building which was appraised and valued at \$2,050,000 and which has been sold to the Illinois Credit Union League for \$2,300,000. He also noted that there would be a \$2,175,000 disbursement into the PRITA cash account and a decision by the two Trustees of this Fund and Mr. Burke to make a determination as to how these funds will be distributed to the Retirement Fund and the five other pension funds in this commingled investment. The Executive Director also mentioned that he has been in contact with Mr. Egan at RREEF as to the probability of negotiating a further discount on the 711 Jorie mortgage and that in a few days, Mr. Egan will have a response on this.

The Executive Director also noted that there were two bids received on the DFW East and DFW West property that is up for auction. The first bid received was for \$5.2M with a 7 year mortgage. Mr. Perk indicated that the RREEF people stated that they wanted \$5.8M cash. The other bid received was for \$4.2M cash and the RREEF people are trying to negotiate this amount upwards. Mr. Perk indicated that he and Mr. Gibeaut agreed that \$5.2M cash on these two properties would be acceptable.

There was then some discussion as to the bond ratings in the Plan portfolio and the Executive Director noted that the Committee had not made a decision to limit the bonds in the portfolio to "A" or better. He reported that there was a number of bonds in the fixed income portfolio rated "BAA". It was noted by the representative from the Harris Bank that as long as the bond meets the guideline, the manager has to be held accountable for the issue on making the decision and if it fails then you hold the manager accountable for this.

(9) There being no further business, the Committee unanimously agreed to adjourn at 11:00 A.M.

EXECUTIVE DIRECTOR,
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN,
RETIREMENT ALLOWANCE COMMITTEE

DATED