

AGENDA

FOR THE 544TH RETIREMENT MEETING OF MAY 24, 1994

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 543rd Meeting held April 26, 1994.
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) Edward Havlicek - #32092 - request for retroactivity to 04/01/94.
 - (ii) Aida Duany - #16738 - request for retroactivity to 05/01/94.
 - (iii) Edward Brown - #7312 - request for retroactivity to 05/01/94.
 - (iv) Raphael Emery - #9600 - request for retroactivity to 05/01/94.
 - (v) George Walker - #27025 - request for retroactivity to 05/01/94.
 - d) Presentation of Death Benefits for approval.
 - e) Presentation of Refunds of Contributions for approval.

- f) Presentation of Bills and Remittances for approval.
- g) Adrian Miller - #9926 - Retirement approved effective 05/01/94 - request for retroactivity to 02/01/94.
- h) Richard Tesch - #15688 - retirement approved effective 05/01/94 - request for retroactivity to 03/01/94.
- i) Alexandra V. Eiva - #19805 - Resigned and vested under Section 11 of the Plan.
- j) Jose L. Velazquez - #6604 - Repaid his refund of contributions and interest under Rule No. 21. His original seniority date of 5/20/76 is restored.

8. Report by Executive Director.

10. New Business.

- a) Wyatt Report
- b) Compensation - Exempt Pension Office Personnel.

11. Adjournment.

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 544th Meeting of the Retirement Allowance Committee was held on Tuesday, May 24, 1994 at the Harris Trust and Savings Bank, 111 West Monroe Street, Executive Dining Room - 37th floor. The following were in attendance:

Ms. W. Black
Mr. T. Collins
J. Williams
M. Holzman

Mr. E. Hill, Chairman
L. Brown
T. Stevens
W. Buetow

Mr. R. Pirovano sat in Executive Director's stead. Alternate R. Baughn sat in I. Thomas' stead. Mr. C. Lang sat in Mr. C. Burrus' stead. Messrs. J. Forte, W. Ross, and C. Lewis of the Pension Office staff were in attendance. Mr. B. Baker of the Harris Trust and Savings Bank was present. Mr. R. Burke of Burke, Warren & MacKay was present. Messrs. B. Scholz, C. Spears, R. Goldman and J. Henderson were also in attendance.

- (1) The Chairman called the meeting to order at 10:15 A.M.
- (2) A roll call was then taken which indicated that a quorum of Committee members was present.
- (3) On a motion by Mr. M. Holzman, seconded by Mr. L. Brown, the Committee unanimously approved the Minutes of the 543rd Meeting held April 26, 1994.
- (4) Mr. Buetow, Chairman of the Investment Subcommittee, reported on the meeting held Tuesday, May 24, 1994. He reported on the presentation made by The Wellesley Group (Rol Hoffman and Steve Bobo, Mr. Joachimi who was not present due to illness in his family). Major items discussed were the cash account balance which is a little over \$26.2M and issues involving W.R. Lazard & Company. W. R. Lazard has \$25.4M involved with the Authority which is being handled by Harris Bank. The recommendation of the Investment Subcommittee, based on the discussion with the Wellesley Group, is that the holding mechanism continue, and that Lazard will be brought in as quickly as possible to discuss the process and what their firm is going to do regarding our relationship.

There was further discussion on Newbold. It was voted and affirmed at their last session that Newbold be terminated. It is the recommendation of the Investment Subcommittee that Newbold continue as a structured sell off. Also discussed was the necessity for a special meeting during the first part of June organized by Mr. Buetow. During that time they will bring in Global Fixed Income Managers. The Investment Subcommittee received the correspondence the Board requested involving union involvement and other items that were identified in the letter presented to the Board's counsel, and the contract to involve us with ARK Capital. These items will be drawn up and presented to Harris and 1.4M will be drawn on initially. On a motion by

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M. Holzman, seconded by T. Collins, the Committee unanimously approved the report of the Investment Subcommittee.

(5) Mr. Stevens, Chairman of the Real Estate Subcommittee, reported on the meeting held May 17, 1994. There were three items. (1) RREEF restructuring. Investment analyst fee of 7-1/2%. Disposition fee of 2% of the gross sales, 1/4% of the mortgages in land and asking management fee 2.5% current value - disposition fee 2% of gross sales. The Committee feels that the gross sales fee was high, and agreed that 1% would be more in the ball park. They also wanted Kevin Lynch to go back and work on an incentive fee schedule. Also, discussed was the mortgage at 20 North Michigan. (2) Metric Institution - one change was made - reschedule an incentive fee of 1.5% to 1% based on current market value. (3) A proposal by Kennedy & Associates, represented by Bob Apodaca. He discussed the possibility of expanding the Dallas Industrial Portfolio, which we currently have 15% equity position, by the addition of 4 buildings with 100,000 sq. ft. and another one 150,000 sq. ft. This would need \$15M in additional capital. By the Retirement Plan being involved, our portion of the additional investment would be \$2.25M. It was then moved and seconded to accept the recommendation regarding Dallas property. On a motion by M. Holzman and seconded by L. Brown, the Committee unanimously approved the report of the Real Estate Subcommittee.

A recommendation by the Plan Attorney that an alternate be appointed Trustee to PRITA until Dan Perk returns. It was recommended that Mr. Stevens be appointed the Alternate Trustee of PRITA. It was then moved and seconded. The Subcommittee unanimously approved the appointment of Mr. Stevens to be Alternate Trustee of PRITA.

(6) Mr. Collins, Chairman of the General Administration Subcommittee reported on the meeting held Thursday, May 19, 1994 and reviewed and asked that items 6(a) - (j) be reviewed and requested approval. The other items discussed were: (1) the letter written to Mr. Collins, by Bill Buetow concerning Lorraine Garrett and the fact that no doctor's permit was being provided at that time. Mainly to establish some type of procedure; the recommendation of the Committee was that if anyone would go off sick, they would have to provide the necessary medical documentation. (2) Romana Bolden situation was discussed. They spoke with Thomas Czech and found that all full-time people on the property was given a particular code which was code #1, and it was determined that the person never changes, only the job changes. So therefore, anyone that is a code #1 will remain a code #1. That would then set the stage for Romana Bolden to get the benefits that she was seeking for the last few months. (3) Two other employees were also asking for career earnings, which is something that is normally done if the proper documents are completed. Mr. Forte asked that the documents be executed for Edward Townsend, asking for 1983 and Rafael Emery, asking for years 1982 & 1983, to be part of the highest core in the calculations. On a motion by L. Brown, seconded by T. Stevens, the subcommittee unanimously approved the report of the General Administration Subcommittee.

(8) The Executive Director report was given by Mr. R. Pirovano. The value of the Plan as of April 30, 1994 \$1,215,142,800, with a monthly performance of 1.09%.

(9) Ramona Bolden situation was discussed and solved in the General Administration Subcommittee report.

(10) Representatives of the Harris Bank Investors Center gave a presentation on Investment Planning for Participants.

(11) There being no further business the Committee unanimously agreed to adjourn.