

RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY

The 560th Meeting of the Retirement Allowance Committee was held on Tuesday, September 26, 1995, at the Harris Trust and Savings, 111 West Monroe, Executive Dining Room - 37th Floor. The following were in attendance:

Mr. I. Thomas, Chairman	Mr. E. Hill, Vice Chairman
Mr. T. Collins	Mr. T. Stevens
Mr. J. Williams	
Mr. L. Brown	
Ms. W. Black	

Mr. D. Perk, Executive Director, was in attendance, Mr. C. Lang sat in Mr. Burrus' stead. Mr. L. Sanford sat in Mr. Holzman's stead. Ms. P. Beavers sat in Mr. Buetow's stead. Alternates also present were M. Caffery, B. Rayford and R. Baughn. W. Ross, J. Forte and A. Dungan of the Pension Office Staff were in attendance. B. Baker, F. Duda, C. Ambrose and C. Sullivan of Harris Trust and Savings Bank were present. Mr. R. Burke of Burke, Warren & MacKay was present. Messrs. B. Scholz, C. Spears, B. Gilmore and J. Henderson were also in attendance.

1. The Chairman called the meeting to order at 11:15 A.M.
2. A roll call was taken which indicated that a quorum of Committee members was present.
3. Mr. Stevens made an amendment to the Minutes of the 559th Meeting. On page 3, paragraph 1, after the sentence "**On 191 N. Wacker, RREEF makes sure the building is secure, the property taxes and insurance are paid.**" the following sentence should be added -- **There is no sales commission for RREEF on the 191 N. Wacker building.** -- On a motion by T. Stevens, seconded by T. Collins, the Committee unanimously approved the Minutes of the 559th Meeting With the amendment.
4. The Investment Subcommittee meeting was held on this date.

Ms. Kelli Fazler of Friess Associates, Inc. did a presentation discussing their Historical

Performance Analysis. Ms. Fazler stated from date of involvement, July 9, 1987 to and including August 31, 1995, our Portfolio Value that Friess manages indicates a change of 331.10% from \$35,403,150 to \$82,283,097.

Mr. Stevens questioned Mr. Joachimi about initial money contributions to be managed by Friess Associates, Inc. Two reports each reflect different dollar amounts.

Mr. E. Bruere of The Chicago Corporation, a large growth manager, made their periodic presentation. Thereafter, Mr. Joachimi expressed his concern that The Chicago Corporation has not performed as well as the S & P Index.

A discussion followed, the subject of which was The Wellesley Group being on-line with the Harris Bank. The purpose, to provide the Committee with up-to-date numbers on Wellesley Reports. Committee approved.

Mr. Joachimi stated that he reviewed Ark Capital Management. Ark is a minority venture capital manager. Mr. Joachimi recommended that a hold be put on Ark for the present.

Fred Duda, Colleen Ambrose and Carol Sullivan from Harris Investment Management, Inc. presented a report on short term cash management performance.

A detailed discussion about our cash account at the Harris Bank followed; fees are paid to money managers on cash balances in their accounts. Harris receives a fee on the same funds.

On a motion by Mr. Hill, seconded by Mr. Collins, the Committee unanimously approved the Investment Subcommittee Report.

5. Mr. J. Williams, Chairman of the Real Estate Subcommittee, reported on the meeting held September 5 and this date. The subject of the September 5th meeting was the Country Lake Apartments sale by Capital Associates for \$11,525,000, which will be all cash. It is expected they will close within a month on that property.

Mr. Perk said there will be a closing on September 28, 1995 for the Adams Building, and this is the last piece of real estate in the PRITA Fund.

On a motion by Mr. Hill, seconded by Mr. Brown, the Committee unanimously approved the Real Estate Subcommittee Report.

6. Mr. T. Stevens, Chairman of the General Administration Subcommittee, reported on the meeting held this date. Mr. Stevens requested approval of items 6a through 6f.

Mr. L. Brown raised the issue regarding former Security Officer James LaFollette. Plan Attorney responded by stating that the issue is a matter in litigation. Mr. LaFollette was

terminated, received a refund of his contributions, came back to work and was given an opportunity to repay the funds. He signed off on the notification but never did repay the funds. He (LaFollette) now, years later wants to repay the funds and get a much earlier retirement date.

A presentation was made by Messrs. T. Czech and M. Pollack regarding a Retirement Seminar. Mr. Pollack stated that work is in progress toward the design of a half-day seminar on pre-retirement. Seminars would probably be given on a quarterly basis through the year. An outline was distributed to members of the Committee. Mr. Pollack reported that he conducted interviews with several hundred employees considering retirement; the outline is based on those interviews. The general intent of the Retirement Seminars will be an attempt to provide employees with an understanding of their pension plan, social security, lifestyle changes and related concerns in retirement.

Employees in the 15 to 20 year employment range would be the ideal point to get involved and attend the seminar; however, there would be no restriction on who can attend.

Mr. Stevens asked Mr. Pollack to come back next month with more information on investments and different age scenarios. He told him about an article in Money Magazine stating in order to retire and live your same lifestyle, you have to get 80% of your pay. It discusses what you would have to save to retire at 80% of your pay and also stated what type of investments should be made. Mr. Stevens asked Mr. Pollack to follow-up and do a little more research on that. Mr. Stevens pointed out that this seminar will put more work on the Pension Department. Ms. Rayford suggested these seminars should be separated according to new employees and employees with 18 or more years.

Mr. Pollack was asked by Mr. Brown what the cost of the seminar would be. Mr. Pollack answered it would be minimal. As for payment, he thought it would be paid for by the pension plan.

Mr. T. Czech discussed the possible reformatting of the Statement of Benefits which are sent out to all employees on an annual basis.

On a motion by Mr. Collins, seconded by Mr. Lang, the Committee unanimously approved the General Administration Subcommittee.

7. Old Business - Mr. D. Perk informed the Committee that disability forms will be mailed to all persons on disability pension this week. Ms. Rayford voiced her concern that if someone does not answer and return their forms within the 60 day limit, their benefits will be delayed or terminated. Ms. Rayford was informed that any delay or termination of benefits will be made by the Committee.

8. New Business - None
9. Financial Report - The Executive Director then turned the Committee's attention to Report of Deposits, Disbursements and Investment in the Trustee Summary and noted that for the month of August, 1995, the performance for the total fund was .97% and the value of the total assets of the Plan as of August 31, 1995, amounted to \$1,303,212.542.
10. There being no further business, the Committee unanimously agreed to adjourn at 11:30 A.M.



Executive Director,
Retirement Allowance Committee



Chairman,
Retirement Allowance Committee

Dated: December 19, 1995

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