

NOTICE

RETIREMENT ALLOWANCE COMMITTEE MEMBERS AND ALTERNATES

THIS IS TO ANNOUNCE THAT THE MEETING OF THE SUBCOMMITTEE ON GENERAL ADMINISTRATION WILL BE HELD TUESDAY, MAY 21, 1996 AT 8:30 A.M.

THIS WILL BE FOLLOWED BY THE INVESTMENT SUBCOMMITTEE AT 9:30 A.M., THE REAL ESTATE SUBCOMMITTEE AT 10:30 A.M., AND THE RETIREMENT ALLOWANCE COMMITTEE MEETING AT 11:30 A.M.

THE MEETINGS WILL BE HELD AT THE HARRIS BANK, 111 W. MONROE, IN THE EXECUTIVE DINING ROOM ON THE 37TH FLOOR IN ROOMS A AND B.



## AGENDA

### FOR THE 568TH RETIREMENT MEETING OF MAY 21, 1996

1. Meeting will be called to order at 11:30 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 567th Meeting held April 23, 1996.
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) Carmen G. Calderon - #4563 - (disability) - request for retroactivity to 05-01-96.
    - (ii) James E. Marble - #1726 - (disability) - request for retroactivity to 05-01-96.
    - (iii) Antonio Nunez - #8751 - (disability) - request for retroactivity to 05-01-96.
    - (iv) Maria H. Vinas - #13758 - (disability) - request for retroactivity to 05-01-96.
  - d) Presentation of Death Benefits for approval.
  - e) Presentation of Refunds of Contributions for approval.
  - f) Presentation of Bills and Remittances for approval.
  - g) Roy Nelson - #19881 - Resigned and vested under Section 11 of the Plan.
  - h) Charles Hill - #22057 - returned to duty - 04-15-96
  - i) Michele Calzolaio - #17604 - returned to duty - 05-06-96
  - j) Ana Ponce - #2623 - returned to duty - 05-09-96
7. Old Business
8. New Business
9. Financial Report
10. Adjournment.

## RETIREMENT PLAN FOR CHICAGO TRANSIT AUTHORITY

The 568th Meeting of the Retirement Allowance Committee was held on Tuesday, May 21, 1996, at the Harris Trust and Savings Bank, 111 West Monroe Street, Executive Dining Room - 37th Floor. The following were in attendance:

Mr. J. Williams  
Mr. T. Collins  
Mr. L. Brown

Mr. E. Hill, Vice Chairman  
Mr. T. Stevens  
Mr. M. Holzman

Mr. D. Perk, Executive Director, was in attendance. Mr. L. Morris sat in Mr. Thomas' stead. Mr. C. Lang sat in Mr. Burrus' stead. Louis Sanford sat in Mr. Buetow's stead. Alternates also present were L. Murray. Mr. L. Smith, J. Forte and Ms. J. Huston of the Pension Office Staff were in attendance. Paul Goodrich of Harris Trust and Savings Bank was present. Mr. R. Burke of Burke, Warren & MacKay was present. Messrs. B. Scholz and J. Henderson were also in attendance.

1. The Vice-Chairman, Mr. Hill called the meeting to order at 11:05 A.M.
2. A roll call was taken which indicated that a quorum of Committee members was present.
3. On a motion by L. Brown, seconded by T. Collins, the Committee deferred approval of the Minutes of the 567th Meeting pending a further review as requested by Committee Member T. Stevens.
4. Mr. T. Collins, Chairman of the Investment Subcommittee, reported on the meeting held this date.

Mr. Joachimi made a presentation during which he discussed the growth of money managers for periods of one, three and five years. Fourth quarter reports in greater detail will be available in early July. A discussion of required managers in any sub-sector followed; is there a need for two or three as opposed to five or more managers in any group. This will be discussed at subsequent committee meetings.

A discussion of W. R. Lazard and Company resulted in a consensus of committee opinions that the Management Agreement with the Lazard Company will be terminated. On a motion by Mr. Hill, seconded by Mr. Brown, the Committee unanimously approved the motion.

Mr. Granger, representing Ark Direct Capital Fund, sought consideration and/or

approval from the Committee, seeking an investment with Ark Direct Capital Fund. Mr. Stockley of Ark and Mr. Edward Gardner of Soft Sheen Products, an investor and advisor to Ark were present. Mr. Granger reported that Ark has commitments from Aon Corp., Bechtel, Cook County, Northwestern Mutual, State Farm. The Plan Attorney received investment documents to be reviewed.

Committee Members requested that Mr. Joachimi contact other properties in an effort to determine status of other investors.

Mr. Jerry Williams moved that \$3 million be invested with Ark contingent on Ark securing investments totaling \$26 million from five additional investors. The Plan Attorney, Richard W. Burke, is to be the contact person. The motion was seconded by Mr. Brown.

An inquiry received at the Pension Office from Mark Realty with reference to 191 N. Wacker Drive was directed to Mr. Jerry Williams, Chairman, Real Estate Subcommittee.

Mr. Milton Holzman asked for and received information relative to fees paid to Consultant Ned Joachimi.

On a motion by Mr. Stevens, seconded by Mr. Brown, the Committee unanimously approved the Investment 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 6j. The Plan Attorney reported on the status of Pensioner Hendricks, currently in prison, and this office is awaiting a letter from Mr. Hendricks' physician describing his physical condition.

A discussion ensued relative to Employee Raul M. Rojas, who retired on May 1, and did not select an option. The Committee discussed and approved Option B for Mr. Rojas on or at the Committee Meeting held May 21, 1996.

Subsequent to approval of Mr. Rojas' option, there was a discussion by Plan Counsel who will develop an outline describing a 45 day period within which a pensioner could, if he or she chooses, select or change an option.

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

7. Old Business - None

8. New Business - None
9. Financial Report - the Executive Director then turned the Committee's attention to Report of Deposits, Disbursements and Investments in the Trustee Summary and noted that for the month of May, the performance for the total fund was 1.29%, and the value of the total assets of the Plan as of May 20, 1996, amounted to \$1,416,265,454.50.


Mr. Perk reported that Robert Wolcoff is leaving RREEF as of May 24, 1996. Mr. Brian L. Rieger will assume the duties and responsibilities of Mr. Wolcoff. In addition, the Executive Director stated that authority to move funds up to \$20 million from Ariel Capital was previously given at the February, 1996 Committee Meeting. To date \$12 million was withdrawn from Ariel, \$5 million additional was withdrawn on May 20, 1996. Prior to movement of any monies, the Executive Director notified the Investment Subcommittee Chairman, T. Collins.

Mr. Stevens questioned authorization to withdraw up to \$5 million from 20th Century. The Executive Director responded that the authorization is reflected in the Minutes of the February 27, 1996 Meeting.


Mr. Collins moved to accept the Financial Report and it was seconded by Mr. Brown.

10. At the request of the Vice-Chairman, the Committee moved to Executive Session at 11:30 A.M.

The Committee reconvened; there being no further business on a motion by Mr. Brown, seconded by Mr. Williams, the Committee unanimously agreed to adjourn at 12:05.

  
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Executive Director,  
Retirement Allowance Committee

Dated: 6/26/96

  
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Chairman,  
Retirement Allowance Committee  
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