

**RETIREMENT PLAN FOR CTA EMPLOYEES**

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**NOTICE**

**TO: Retirement Allowance Committee Members and Alternates**

**FROM:**

  
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**John V. Kallianis**  
**Executive Director**

**DATE: April 16, 2002**

**RE: RETIREMENT ALLOWANCE COMMITTEE MEETING**

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This is to announce that the meetings listed below will be held Tuesday, April 30, 2002, at the Northern Trust Company, 50 S. LaSalle Street, in the Director's Dining room on the 6<sup>th</sup> floor. The agenda for the full Retirement Allowance Committee Meeting is attached.

- The Subcommittee on General Administration at 8:30A.M.
- The Investment Subcommittee will immediately follow the Subcommittee on General Administration.
- The Real Estate Subcommittee will immediately follow the Investment Subcommittee.
- The Retirement Allowance Committee Meeting will immediately follow the Real Estate Subcommittee.

If you have any questions on the agenda, please call me at (312) 463-0350.

JVK:gmb  
attachment

**AGENDA**  
**For the 639<sup>th</sup> Retirement Allowance Committee Meeting of**  
**April 30, 2002**

1. Meeting will be called to order at 8:30 A.M., Northern Trust Co., 50 South LaSalle Street, Directors' Dining Room, 6<sup>th</sup> floor.
2. Roll call
3. Approval of the Minutes of the 638<sup>th</sup> meeting held March 26, 2002.
4. Investment Subcommittee
  - a.) WPG Presentations
  - b.) Investment Policy
  - c.) Asset Allocation
5. Real Estate Subcommittee
  - a.) Update on RREEF and Paine Webber
6. Subcommittee on General Administration
  - a.) Announcements of deaths reported since last meeting.
  - b.) Presentation of pre-retirement surviving spouse allowances for approval.
  - c.) Presentation of new retirement applications for approval.

**Charlotte Dunn #5789** applied for retirement effective 05-01-02 and revoked her application.

**George McCarthy #8466** applied for disability allowance effective 05-01-02 and is requesting retroactivity to 11-01-01.

**Robert G. Williams #8877** applied for disability allowance effective 05-01-02 and is requesting retroactivity to 02-01-02

  - d.) Presentation of death benefits for approval.
  - e.) Presentation of refunds of contributions for approval.
  - f.) Presentation of bills and remittances.
  - g.) Disability Allowance costs to the Plan.
7. Old Business
  - a.) Part-time union officials

**AGENDA**  
**For the 639<sup>th</sup> Retirement Allowance Committee Meeting of**  
**April 30, 2002**

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8. New Business
9. Executive Session
10. Adjournment

# **The 638<sup>th</sup> Retirement Allowance Committee Meeting for the Retirement Plan for Chicago Transit Authority Employees.**

## **I. Full Meeting Minutes**

A regular meeting of the Retirement Allowance Committee was held on March 26, 2002 at The Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at approximately 10:00 a.m..

A roll call was taken indicating that the following members were present:

Dennis Anosike  
Marcellus Barnes  
Wanda Black  
Loid Brown  
Pam Beavers as an alternate for Dorval Carter  
Robert Smith as an alternate for Sue Leonis  
Claudette Ogletree  
Jerry Williams  
Richard Winston

On a motion by Mr. Barnes, the minutes of the 638<sup>th</sup> meeting were approved.

### **General Administration Subcommittee Report**

A brief report was given by Mr. Barnes on the General Administration Subcommittee Meeting. The report of the Subcommittee, including items 6a through 6g, with the addition of item 6h regarding Mrs. Harris, on the subcommittee agenda, dealing with various benefits, bills and remittances was approved on a motion by Mr. Brown.

The Committee also discussed the issue related to Mrs. Harris' request and asked to be notified when someone who had applied for their pension, died prior to their retirement date.

### **Investment Subcommittee Report**

Mr. Winston gave a brief report on the meeting of the Investment Subcommittee, including the presentation by Kneeland Youngblood of Pharos Capital Management and the financial report given by Mr. Ross.

Mr. Winston also reported on the discussion regarding the proposed asset allocation contained in the investment policy. He asked Mr. Kallianis to set up a meeting of the Investment Subcommittee before the next RAC meeting to discuss the issue.

The report on the Investment Subcommittee meeting was approved on a motion by Mr. Anosike.

### **Real Estate Subcommittee Report**

Ms. Ogletree gave a brief report on the Real Estate Investment Committee meeting, including the report by Mr. Kallianis on the RREEF acquisition. The report was approved on a motion by Mr. Williams.

### **Old Business**

The Part Time union member issue was discussed and it was agreed that there would be a meeting set up prior to the next full RAC meeting to try to finalize the issue.

### **New Business**

The Committee then had a discussion regarding the CTA's decision to remove the prescription drug Viagra from the eligible drug list. They also discussed the general administration of benefits through the Benefit Services Department.

There was an indication that the issues related to prescription drugs and would be discussed at a separate forum.

The Retirement Allowance Committee meeting was adjourned at approximately 11:00 a.m. on a motion made by Mr. Brown.

### **Executive Session**

There was no Executive Session.

## **II. General Administration Subcommittee Minutes**

A regular meeting of the General Administration Subcommittee was held on March 26, 2002 at The Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at 9:00 a.m..

Mr. Barnes presented for approval items 6a through 6g, including the pre retirement surviving spouse allowances, the regular retirements, disability allowances, death benefits, refunds of contributions and payment of bills and remittances. Mr. Barnes stated that the total of bills and remittances for the month was \$4,439,900.84.

Mr. Barnes also added item 6h to the agenda which was the appeal by Mrs. Eddie Harris to receive the A- All option from her husband's pension benefit. Mr. Harris (#08101) had applied on January 8, 2002 and died prior to February 1, 2002, so he was still considered an active employee and his wife received the automatic A-1/2 option. After a brief discussion, the General Administration Committee recommended that the full Committee approve the A-All option retroactively, on a motion by Ms. Black.

On a motion by Mr. Winston, the various benefits, bills and remittances including items 6a through 6h, with the exception of item 6g were recommended to the Full Committee for consideration.

The Subcommittee on General Administration was adjourned on a motion made by Ms. Black.

### **III. Investment Subcommittee Minutes**

A regular meeting of the Investment Subcommittee was held on March 26, 2002 at The Northern Trust. The Chairman of the Subcommittee and The Executive Director were present. A quorum being present, the meeting was called to order at 9:30 a.m..

Mr. Kneeland Youngblood gave a report on the status of the \$155 M Pharos Capital Management fund.. Mr. Youngblood indicated that Pharos had invested \$71.3 million of the \$155 million raised so far. Most of the investments have been in health care, business services and telecommunications, in the later stages so they're generally not the majority investor.

Mr. Youngblood indicated that their focus was on growth capital for mid to later stage companies and not with start-up businesses or venture capital. Pharos also focuses on staged investments so that they can continue to monitor the progress of companies without committing all of the capital up front.

Mr. Youngblood indicated that, although the current private equity environment was difficult, most of the portfolio companies in the fund are cash flow positive.

The Committee, along with representatives from Marco Consulting and Gray and Co. discussed the proposed asset allocation in the investment policy adopted in 2000. According to the policy, the Committee could move towards a new asset allocation over the course of the next year, if it was prudent. The Committee asked that Mr. Kallianis schedule an Investment Subcommittee meeting prior to the next RAC meeting to discuss the issue.

Mr. Kallianis then spoke to the Committee about the finalization of the investment policy, adopting all of the changes that had occurred in the past year with respect to Committee Directed Accounts, etc.. Mr. Kallianis went through the various changes that have occurred in the policy and their purposes. At the Committee's request, the policy would be considered at the next month's meeting.

Mr. Winston then asked Mr. Ross to give a brief financial report.

The Subcommittee on Investments was adjourned on a motion made by Mr. Barnes.

**IV. Real Estate Subcommittee Minutes**

A regular meeting of the Real Estate Subcommittee was held on March 26, 2002 at The Northern Trust. The Chairman and the Executive Director were present. A quorum being present, the meeting was called to order at 10:30 a.m..

Mr. Kallianis gave a brief report on the Deutsche Asset Management acquisition of RREEF and indicated that the sale had been agreed upon after our last meeting, and that Townsend would give us an opinion after they had the specifics from RREEF.

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Executive Director

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Chairman