

**AGENDA**  
**Of the 670<sup>th</sup> Retirement Allowance Committee Meeting of**  
**January 27, 2005**

1. Meeting will be called to order at 9:30 A.M. at the Amalgamated Bank, One West Monroe, on the 3<sup>rd</sup> floor, in the boardroom.
2. Roll call
3. Consideration of the Minutes of the 668<sup>th</sup> and 669<sup>th</sup> meetings.
4. General Administration Subcommittee Issues
  - a.) Announcements of deaths reported since last meeting
  - b.) Presentation of pre-retirement allowances for approval
  - c.) Presentation of new retirement applications for approval
  - d.) Request for retroactive benefits
  - e.) Returned to work from disability
  - f.) List of retirement applications that were revoked
  - g.) Presentation of death benefits for approval
  - h.) Presentation of refunds of contributions for approval
  - i.) Presentation of bills and remittances
  - j.) Recalculation of Benefits – Joyce Crump
  - k.) Retirement benefits for Lenora Townsen, #07571
5. Investment Subcommittee Issues
  - a.) SSARIS Presentation
  - b.) Private Equity
  - c.) Alternative Investments
  - d.) Large Capitalization Domestic Equity Managers
6. Real Estate Subcommittee Issues

No Issues
7. Old Business
  - a.) Report on Administration of Arbitration Award/Survivors
  - b.) Part-time union board members
  - c.) Proposed Rule on Reinstatements
  - d.) Update from Corvel

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- 8.) New Business
  - a.) Election of Chair and Vice-Chair
  - b.) Appointment of Chair and Vice-Chair to Standing Subcommittees
- 9.) Executive Session
  - a.) Personnel Matters
  - b.) Pending Litigation
  - c.) Disability Cases
- 10) Adjournment

# **The 669th Meeting of the Retirement Allowance Committee of the Retirement Plan for Chicago Transit Authority Employees**

## **Meeting Minutes**

A regular meeting of the Retirement Allowance Committee was held on December 15, 2004 at Amalgamated Bank. The Chairman and the Executive Director were present.

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

Dennis Anosike  
Marcellus Barnes  
Ethel Carter  
Paul Fish as an alternate for Dorval Carter  
Carl Lingenfelter  
Leon London  
Rodney Richmond  
Lynn Sapyta  
Richard Winston

The Committee deferred consideration of the 668<sup>th</sup> meeting minutes until the January, 2005 meeting of the RAC.

### **Investment Subcommittee Items**

Mr. Ivory Day from Gray and Company gave the Committee an update on the investment results of the Plan through the third quarter of 2004. Year to date the Plan's overall return was at approximately 3.6% versus the Plan index of 2.9%.

After some discussion regarding the results and the Investment Subcommittee meeting from the day before, the Committee voted to defer any action on items 5b through 5e on the agenda.

Mr. Ross then read from the FCS report the summary of investments, indicating that the fund's total value was approximately \$1.301 Billion.

### **Real Estate Subcommittee Items**

Mr. Rob Cochus and Ms. Sarah Cachat from the Townsend Group then gave the Committee an update on its Real Estate investments through the 3rd quarter of 2004. Mr. Cochus indicated that the Plan had a benchmark of 5.5% net real return over rolling five year periods. During the rolling 5 year period in the 3rd quarter report, the Plan had a return

of 5.6%. During the third quarter, the Plan's gross return was 2.6% including 1.1% in appreciation and 1.6% income.

On a motion by Mr. Barnes, the Committee accepted the report.

### **General Administration Subcommittee Items**

Mr. Barnes presented for approval items 4a through 4j. including the pre-retirement surviving spouse allowances, the regular retirements, revoking of applications, disability allowances, death benefits, refunds of contributions, payment of bills and remittances and requests for retroactive payment of disability benefits. Mr. Barnes stated that the total of bills and remittances for the month was \$7,380,096.09.

On a motion by Mr. London, the Committee approved items 4a through 4j.

### **Old Business**

Mr. Kallianis presented the "Deceased Retiree / Survivor Categories" for an update. He indicated that the Plan staff was preparing to examine approximately 1,100 files to determine the correct beneficiary to receive retroactive checks. He also passed out a letter that would go along with the approximately 780 surviving spouses who would receive retro checks in the next few weeks.

Mr. Kallianis indicated that the CTA had informed him that Unicare was fairly certain how a deficit of \$74,000 had come to be and that they would like to meet to discuss the issue. Mr. Anosike indicated that this item should be removed from the agenda and apologized to the Committee for it being brought up.

Mr. Richmond gave the Committee an update on the Part Time union officer issue and indicated that he thought they were very close to a resolution on that issue. He expected that it would be resolved at the next meeting.

### **New Business**

There was then a lengthy discussion regarding the proposed Amendment of Rule 20. Mr. Anosike made a motion that people who are currently covered by Area 3.7 of the Plan be able to apply for retirement to the Committee without having to ask for reinstatement at the CTA. After some additional discussion, the Committee approved the motion. Mr. Lingenfelter voted against the motion.

After some discussion on the matter, Mr. Winston made the motion to rescind the prior approval of Mr. Roland Michalak's retirement application. The motion was approved by the Committee.

After some discussion on the issue of the administration of grievance results, the Committee approved a motion by Ms. Sapyta to use the termination date, unless changed by arbitration award, as the date to calculate benefits, penalties, etc. for people seeking benefits from the Plan.

### **Executive Session**

The Committee entered Executive Session on a motion by Mr. Richmond to discuss the Stamelos suit filed against the Plan.

When the Committee came back to the regular meeting, on motion by Ms. Carter, the Committee approved adjournment.

# **The 668<sup>th</sup> meeting of the Retirement Plan for Chicago Transit Authority Employees**

## **Meeting Minutes**

A regular meeting of the Retirement Allowance Committee was held on November 22, 2004 at LaSalle Bank. The Chairman and the Executive Director were present.

A quorum was present. On a motion by Mr. Anosike, the Committee voted to conduct all of the business of the subcommittees as a committee of the whole.

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

Dennis Anosike  
Marcellus Barnes  
John Burkard  
Ethel Carter  
Mark Maloney as an alternate for Carl Lingenfelter  
Leon London  
Rodney Richmond  
Lynn Sapyta  
Richard Winston

On a motion by Ms. Carter, the Committee approved the minutes of the 667<sup>th</sup> meeting of the RAC.

## **II. General Administration Subcommittee Items**

Mr. Barnes presented for approval items 6a through 6i, including the pre-retirement surviving spouse allowances, the regular retirements, revoking of applications, disability allowances, death benefits, refunds of contributions, payment of bills and remittances and requests for retroactive payment of disability benefits. Mr. Barnes stated that the total of bills and remittances for the month was \$6,784,849.34.

There was brief discussion on the bills for BWM&S and the associated cases. There was lengthy discussion about the people who had been found fit to return to work at the CTA, with no job available. There was concern that the RAC was in the position of paying benefits to people who were not disabled any longer. A number of people on the Committee stressed the need for a policy to address this issue.

There was also discussion on the people who were requesting retroactive benefits for disability. After the discussion, on a motion by Mr. London, the Committee approved

payment for the individuals going forward, but delayed a decision on their retroactive requests.

### **III. Investment Subcommittee Items**

Mssrs. Jim Tyree, Marc Sacks, Tom Hynes and Paul Rice from Mesirow Financial then gave the Committee an update on the investment the Plan has with Mesirow's most recent fund of funds and direct fund. They indicated that the returns for the fund of funds was 5.7% versus a benchmark for the industry of -10.9% and that the direct fund had a total return of 16.6% versus a benchmark for the industry of 4.2%. They then gave the Committee a summary of a new fund of funds and a direct fund that they were soliciting investments for.

On a motion by Mr. Barnes, the Committee voted to defer discussion of the items related to Ark Capital and AA Capital.

Mr. Kallianis then distributed the Brokerage Policy adopted by the RAC in April of 2003, which has a Commission Recapture component, as well as an MWBE directed commission component. After some discussion, Mr. Kallianis indicated that he would send out summaries for 2002, 2003 and ytd 2004. Mr. Anosike asked Mr. Kallianis to solicit information from other local funds on the participation they have with their brokerage policies.

### **IV. Real Estate Subcommittee Items**

Mr. Steve Burns and Ms. Sarah Cachat from the Townsend Group then gave the Committee an update on its Real Estate investments through the 2<sup>nd</sup> quarter of 2004. Mr. Burns indicated that the Plan had a benchmark of 5.5% net real return over rolling five year periods. During the rolling 5 year period in the 2<sup>nd</sup> quarter report, the Plan had a return of 5.3%.

### **Old Business**

Mr. Kallianis presented the "~~Deceased Retiree / Survivor Categories~~" for consideration. He indicated that the two parties to the Plan had said that categories 1 through 6 could be paid and that category 7 would be paid via a written agreement between the parties that would be forwarded to him. On a motion by Mr. Barnes, the Committee authorized Mr. Kallianis to pay the people indicated on the chart.

Mr. Richmond gave the Committee an update on the Part Time union officer issue and indicated that he thought they were very close to a resolution on that issue.

### **New Business**

Mr. Barnes asked that there be a special meeting of the Subcommittee on General Administration to talk about the HMO premium request and on medical bills in general. He would like Mr. Larry Wall, GM of Benefit Services to be at the meeting. On a

motion by Mr. Barnes, the Committee deferred action on this item until the special meeting could be held.

After some discussion, on a motion by Mr. Barnes, the Committee approved the application to the IRS for a private letter ruling on the pre-tax status of contributions to the Plan.

After some discussion, on a motion by Mr. Barnes, the Committee approved the process of having Northern Trust provide us with death check services once a quarter versus once a year. Ms. Sapyta abstained from the vote.

**Executive Session**

No Business

On motion by Ms. Carter, the Committee approved adjournment.