

Meeting of the Retirement Plan for CTA Employees
Board of Trustees
September 29, 2022
VIA MICROSOFT TEAMS

Regular Session
Meeting Minutes

The Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees, by way of Microsoft Teams and telephone conference calls, and in compliance with the Illinois COVID-19 Executive Order, convened a meeting on September 29, 2022 at 9:37 a.m. and adjourned at 11:51 a.m.

At the direction of the Chairman, a roll call was taken and established that the following Trustees were participating.

Mr. Tom McKone, Chairman
Mr. Keith Hill, Vice-Chairman
Mr. Marqueal Williams (for Toi Bowers)
Mr. John Burkard
Mr. Woodrow Eiland
Mr. Eric Dixon
Mr. Jeremy Fine
Ms. Theresa Fletcher-Brown
(Left the meeting in progress)
Mr. Andrew Fuller
Ms. April Morgan
Mr. Mike Bowen (upon the withdrawal of Ms. Fletcher-Brown)

Also present were:

Mr. Paul Sidrys
Interim Executive Director

Mr. Richard Burke
General Counsel

Appearances:

Dowd Bloch Bennett & Cervone
8 South Michigan Avenue, 19th Floor
Chicago, IL 60603

By: Mr. Ron Willis on behalf of the ATU 241 Union Trustee

Anita Tanay on behalf of the ATU 308 Union Trustee

Morgan Lewis & Bockius
77 W. Wacker Drive
Chicago, IL 60601
By: Mr. Dan Salemi,

On behalf of the RTA appointed Trustee

Mr. Jeff Bora on behalf of the CTA Trustees

Also Present:

Mr. Kweku Obed
Representing Marquette Associates

Mr. Gary Behnke
Mr. Jeffrey Mills
Representing Segal

Mr. Brent Baccus
Mr. Khaleel Baig
Representing Mitchell & Titus

Mr. Mark Weems

Consideration of Minutes from prior Meetings

Chairman McKone called the meeting to order at 9:37 a.m. A roll call was taken, and Mr. Sidrys reported the quorum was present. The Trustees then considered the minutes of the August meeting. Mr. Hill moved to approve the minutes of the meeting of August 25, 2022, which motion was seconded by Mr. Morgan. A roll call vote was taken. The minutes were approved on a vote of seven yeases and three abstentions, namely from Mr. Burkard, Mr. Dixon and Mr. Eiland. Trustees considered the minutes from the Executive Session of the August 25, 2022 meeting. A motion was made to approve the minutes of the Executive Session meeting of August 25, 2022 by Mr. Williams and was seconded by Ms. Morgan. A roll call vote was taken, and a motion passed on a vote of eight yeases and two abstentions, namely Mr. Burkard and Mr. Dixon.

Investment Committee

The Chairman called for the report of the Investment Committee. The Investment Committee report was given by Mr. Obed of Marquette Associates. Mr. Obed stated that as of the close of business on September 28, 2022, the market value of the investment portfolio was \$1,857,904,400.85 and of that the cash component was \$16,595,136.24. During the report Mr. McKone asked Mr. Obed that in light of the depressed market conditions, that there would be a

review of fees paid to investment managers with hopeful reduction. Mr. Obed said he would undertake that and would provide a report the October meeting.

Mr. Sidrys asked that the Trustee give consideration to the subject matter of individuals who had a credit in the Plan but who no longer were in the Plan and how that credit should be implemented insofar as the adoption of the new Amendment and Rules to the Plan which permit a prospective enrollment in the Plan. After some discussion, Mr. McKone directed that the questions be held over to the October meeting thereby giving all the parties an opportunity to consider the impact of the credit before an individual could now join the Plan on a perspective basis. Mr. Burke stated that Mr. Sidrys is undertaking to have a study prepared in regard to the amount of credits in the Plan, the people involved and the history in terms of what course of action would be appropriate to implementing the now recently enacted now opt-in provision. Also, to be considered would be whether if there were to be a refund of funds, should it be interest bearing? Mr. Sidrys then stated that preliminary number of the people with credit is 190 and it is those files which we are to review incidental to the opt-in provisions.

Mr. McKone stated to the Trustees that there was going to be a draft of the presentation by Segal in regard to the proposed operational assessment. The report was given by Mr. Mills and Mr. Behnke who joined in the meeting. Certain of the Trustees expressed a desire to have dialogue with the two gentlemen, including Representatives from Local 241. The presentation was directed to be given to all of the Trustees for their consideration. Part of the presentation would relate to personnel in the office. Mr. Hill stated that the jobs in the Plan Office really belong to 241 and this had to be considered in filling the jobs.

In regard to the summary of litigation, Mr. Richard Burke directed the Trustee's attention to a report which was obtained in the file of the Trustees.

General Administration

Mr. Dixon gave the report of the General Administration Committee. He asked for consideration of the report but for the one correction that Mr. Gregory L. Brown wished to defer his request for benefits for a month. A motion to approve the report with corrections for Mr. Gregory L. Brown was made by Mr. Burkard and seconded by Mr. Hill. At this point in time, Mr. McKone noted that Mr. Bowen had replaced Theresa-Fletcher Brown as a Trustee. A vote was taken on the motion which passed on a vote of ten yeses. Mr. Dixon stated that there are no requests to attend the annual IFEBP Conference.

There was a presentation by Mr. Baccus of Mitchell & Titus in regard to the financial statements and the independent auditor's report for the most recently concluded year. The report comprised of statements of the fiduciary in that position on the December 31, 2021, and December 31, 2020, for the Plan and changes in the fiduciary position for the years and the notes for those financial statement. He stated that Mitchell & Titus had issued an unmodified or clean opinion. He stated that there were not any issues with the financial statements or anything during the course of the audit. So, at a high level Mitchell & Titus assessed that the Plan's analysis for significant accounting matters was deemed it was appropriate as was its own assessments of the documentation received during the course of the audit. He stated that the accounting firm had

received outstanding cooperation and communication with the management. Mr. McKone made a motion to accept the auditor's report. The motion was seconded by Mr. Bowen and passed on a vote of 10 yeses and 0 nos.

Mr. Sidrys recommended that the Trustees consider retaining an internal controls review. Mr. McKone asked that Mitchell & Titus write a letter in regard to their procedures incidental to replacing the head of the audit on a cyclical basis in order that there would be fresh-eyes periodically on the audit procedures. The motion passed on a vote of ten yeses.

Mr. McKone stated that he hoped to have a report for the next Trustees' meeting in regard to procedures to be followed incidental to retaining a new Executive Director.

The Executive Director stated that there is no reason for an Executive Session.

There was motion made by Mr. Dixon to adjourn the meeting which was seconded by Mr. Eiland. A roll call was taken and passed on a motion of ten yeses.