

Meeting of the Retirement Plan for CTA Employees
Board of Trustees
May 25, 2023
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 May 25, 2023, at 9:46 a.m. Participants in the meeting were:

Mr. Keith Hill, Chairman
Mr. Thomas McKone, Vice-Chairman
Mr. Joseph Burke
Mr. John Burkard
Mr. Mark Weems
Mr. Woodrow Eiland
Ms. Theresa Fletcher-Brown
Mr. Michael Bowen
Mr. Andrew Fuller
Mr. Tiant Gatewood
Ms. Michelle Curran
Ms. April Morgan

Also present:

Mr. Paul Sidrys
Interim Executive Director

Mr. Richard W. Burke
General Counsel

Appearances:

Mr. Kweku Obed, Marquette Associates

Mr. John Kerulis, Legacy Professionals

Zack Cziryak, Financial Investment News

Consideration of Minutes from prior Meeting

Mr. Sidrys called for a roll call attendance. Mark Weems was sitting in for Eric Dixon and Mike Bowen was sitting in for Jeremy Fine. Michelle Curran sat in until April Morgan was in attendance. Mr. Sidrys stated that there were 11 present virtually and six present physically and a quorum was in attendance.

Chairman Hill called to the attention of those present consideration of the minutes of the April 27, 2023 meeting. Mr. Gatewood moved for their approval. The motion was seconded by Mr. Burke. There was a correction to the minutes brought to the attention of the Trustees, namely the spelling of Mr. Burkhard's name. A roll call vote was taken. Mr. Bowen abstained from voting on the motion. The motion passed on a vote of ten yeases, one abstention and no zeros.

Investment Committee

The Chairman called for the report of the Investment Committee which was given by Mr. Obed.

Mr. Obed stated that the market value of the portfolio at the close of business on May 24, 2023, was \$1,892,885,607.34, and of that amount \$2.3 million was held in cash. Mr. Obed gave a report in regard to general market conditions. Mr. Obed reviewed the investment portfolio and stated that the fixed income was performing in line with expectations as was equity; real assets is going through a rotation and private equity has been a good diversifier. No changes in the investment portfolio were recommended.

Old Business

The Chairman called for a report on the Legacy Audit. Mr. Kerulis gave the report. Mr. Kerulis reported that the audits were moving fairly smoothly. At the CTA, the field work is done. With Local 308 a majority of the field work is done. A few more items are anticipated to come from Local 241. He stated that by the time of the June meeting we hope to be in a position to give a date as to the anticipated completion of the audits.

Mr. Weems called to the attention of the Trustees that the past practice has been for there to be a gathering of the payroll audit team to review the initial draft of the Legacy Report. Chairman Hill stated that the same procedure would be followed this year once the initial draft of the payroll audit is prepared.

Mr. McKone summarized the report from EFL in regard to the Executive Search for the Executive Director in regard to which there were 25 applicants. He stated that the professional reference conversations had been completed with summary reports provided. He added that the comprehensive background check report is largely completed but there is one core check for which they are awaiting a response.

Mr. Richard Burke gave the report on outstanding litigation and called to the attention of the Trustees the report which is included in the packet of information which they had received. Zack Cziryak of the Financial Investment News exited the meeting. Mr. Richard Burke added on the Williams case that the proposed settlement was being tendered to the Court for a hearing today in regard to the terms of the settlement.

The General Administration Committee

Mr. Weems gave the General Administration Report. He made a motion to approve item 6a through 6J in the report that had been distributed to all of the Trustees. The motion was seconded by Trustee Burke. Mr. Sidrys stated that he had received two changes which literally came to him late yesterday. One was Robert Davis, Badge No. 20623 requesting that his application for retirement be revoked. The second change was Jeffrey Burns, Badge Number 39055 for his four highest years – that the years 2010 and 2009 be substituted. Mr. Weems amended his motion to reflect the two requested changes by Messrs. Davis and Burns. The amendment made by Trustee Weems was seconded by Trustee Burke. A roll call vote was taken, and the motion was unanimously approved.

Mr. Weems stated that there were educational conference requests from Mr. Dixon, Ms. Trejo and Weems, the cost of which will be split between the two Plans. Mr. Sidrys stated that there are additional educational conference attendance requests made by Trustees Hill, Weems, Gatewood, Eiland, Williams, and Ms. Townsend. The cost of those attendees would also be split between the two Plans, but that the costs for Mr. Gatewood, Mr. Eiland, and Ms. Townsend would be borne one hundred percent by the Retirement Plan. On the motion made by Mr. Weems and seconded by Mr. Burke, a roll call vote was taken. The motion passed unanimously.

A report was made by Mr. Sidrys in regard to a topic which had been discussed at earlier meetings, namely employees opting in and then deciding to opt out of the Plan and then opting back into the Retirement Plan. He stated that the attorneys for the bargaining parties had met and had agreed that Plan participants would be allowed to opt out of the Plan a second time with the understanding that the rules will not allow them to opt back in at another time. Mr. Richard Burke stated that he was told the agreement was that an individual could opt out, opt in, and opt out once again with all to happen within a one-year period. Mr. Weems asked the question whether this understanding was to be documented. Attorney Burke recommended that the agreement be documented to avoid reliance upon all oral testimony. Mr. Weems agreed with the request that there be a documentation signed by the bargaining parties to the effect as requested Mr. Burke.

Mr. Sidrys then brought to the attention of the Trustees the claim made by the widow of Mr. Joseph Gray for the death benefit in regard to Joseph Gray. The widow was the second spouse of Mr. Gray. There were payments of \$170,000.00 in excess of what the QDRO provided to Mr. Gray's first spouse. Mr. Richard Burke, General Counsel replied that the death benefit should be paid to the second spouse because the error of overpayment of the QDRO occurred in the Plan Office with no wrongdoing on the part of the second spouse. He added an attempt will be made to collect the overpayment from the first spouse. Mr. Hill made a motion to approve the death payment to the

second spouse which was seconded by an unidentified Trustee. A roll call vote was taken. The motion was approved unanimously.

A motion was made to adjourn by an unidentified Trustee and seconded by Mr. Eiland. A roll call vote was taken. The motion passed unanimously, and the meeting adjourned at 10:43 a.m.