

Meeting of the Retirement Plan for CTA Employees
Board of Trustees
September 21, 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 physical presence, and in compliance with the Illinois COVID-19 Executive Order, convened a meeting on September 21, 2023, at 200 West Adams Street, 17th Floor, Chicago, Illinois commencing at 9:47 a.m. and adjourned at 10:22 a.m. Participants in the meeting were:

Appearances in Person:

Mr. Keith Hill, Chairman
Mr. Thomas McKone, Vice-Chairman
Mr. Eric Dixon
Mr. Marqueal Williams (for Woodrow Eiland)
Mr. Woodrow Eiland (arrived while in progress)
Mr. Andrew Fuller
Ms. Michelle Townsend (for Tiant Gatewood)
Mr. Tiant Gatewood (arrived while in progress)
Mr. Michael Bowen (for April Morgan)

Remote Appearances Via Teams:

Mr. Joseph Burke
Mr. John Burkard
Ms. Theresa Fletcher-Brown
Ms. Michele Curran (for Jeremy Fine)

Appearances in Person:

Mr. Paul Sidrys, Executive Director

Mr. Richard W. Burke,
General Counsel
Burke Warren, MacKay & Serritella

Appearances:

Dowd Bloch Bennett & Cervone
By: Mr. Ron Willis (Via Teams)
on behalf of the ATU 241 Union Trustee

Morgan Lewis & Bockius
By: Mr. Dan Salemi (Via Teams)
on behalf of the RTA appointed Trustee

Also present:

Attorney Jeff Bora
on behalf of the CTA Trustees

Attorney Anita Tanay (Via Teams)
on behalf of the ATU 308 Union Trustee

Mr. Nat Kellogg
Mr. Alberto Rivera
Marquette Associates

Mr. Brent Baccus (Via Teams)
Mr. Khaleel Baig (Via Teams)
Mr. Dan Kelly (Via Teams)
Mitchell & Titus

Ms. Elsa Trejo

Consideration of Minutes from prior Meeting

Mr. Hill called the meeting to order at 9:50 a.m. He directed the roll call be called which service was performed by Mr. Sidrys. Mr. Sidrys stated that a quorum was present and Mr. Hill directed the attendees' attention to the packet of information which had been distributed to them and which contained the Minutes from the August 24, 2023 meeting. Mr. Williams made a motion to accept the minutes which was seconded by Mr. Joseph Burke. A roll call was taken. The motion passed on a vote of nine yeases and one abstention, namely Mr. Bowen.

Investment Committee

Mr. Nat Kellogg of Marquette Associates gave the investment report. Mr. Kellogg stated that at the close of business on September 20, 2023 the market value of the Retirement Plan was \$1,917,813,468 and of that amount \$12,393,086 was in cash. He stated that he would go through

the liquid markets because private equity, private real estate and infrastructure really only value changes on a quarterly basis, and there has been no update from the June 2023 performance information. Mr. Kellogg went on to say that markets had been good. Equity markets, both the U.S. and international are up this year, down a little bit in August but overall have been pretty strong this year. After discussing the market in general he then discussed the portfolio. He stated as for the portfolio, for the month of August, the funds went down 1.8 percent, and this compared to the benchmark being down 1.7 percent. But this report does not address the illiquids such as real estate, private equity and infrastructure which only gets valued on a quarterly basis. On a year to date basis this performance has been quite strong relative to the benchmark of 6.2 percent versus 5.5 percent. From an allocation perspective if you look at the allocation versus target the Plan is slightly underweight on all of its traditional asset classes by about 1 to 2 percent. This has been consistent. It is because of the overweight in private equity of 17 percent versus the 10 percent long term target. Some distributions from the private equity allocation could move these percentages.

Mr. Eiland Mr. Gatewood entered the meeting.

Mr. Kellogg stated that from the cash flow perspective the Plan started at just under \$1.9 at the beginning of the year. \$77 million of net outflow is for benefit payments and a little over \$120 million of investment earnings so the Plan at the end of August was at \$1.933 billion. He pointed out that the Plan is up 6.2 percent on a year-to-date basis versus 5.5 percent for the policy index and is basically in line for the month. From a fixed income perspective, the Plan is down about .6 percent which is in line with the index but on year-to-date basis it is up 3 ½ percent versus 1.4 percent for the index. On the non U.S. investments it went down 3.9 percent in August but that is significantly outperforming the benchmark which is down 4.5 and on a year-to-date basis it's up 14.2 percent versus 8.8 percent for the benchmark.

Old Business

Mr. Richard Burke was called for a report in regard to the status of the summary of litigation.

Mr. Burke stated that in the material distributed to the Trustees was a litigation report in regard to the status of pending litigation. He noted that the only pending litigation currently is the Williams litigation for which there will be a hearing in November for the court to pass upon the proposed Settlement Agreement. He also mentioned that in November there would be the hearing in regard to the criminal action involving Ayanna Nesbitt. He added that in regard to the Nesbitt matter his firm had proceeded to make a claim under their insurance policy for reimbursement for the legal expenses incurred in regard to the Nesbitt claim and the involvement of the Retirement Plan in presenting the Plan to the District Attorney's Office. There will be a recovery of \$24,000 from the insurance carrier in regard to litigation expenses on the Nesbitt matter.

Mr. Sidrys gave an update in regard to the Pension Administration's Software RFP. Mr. Sidrys responded that the matter was now back to the bidders for their best and final offer which will then be considered by the General Administration's Committee.

Mr. Dixon gave the report of the General Administration's Committee. Mr. Eiland made a motion to approve item 6a through 6j which motion was seconded by Mr. Gatewood. A roll call vote was taken. The motion passed unanimously. Mr. Dixon called the attention of the Trustees to a request from Mr. Chris Kasmer for reimbursement for three classes he had taken for the IFEBP. The motion was made to approve by Mr. Eiland and seconded by Mr. Gatewood. A roll call vote was taken. The motion passed unanimously.

Mr. Hill announced that there would be a presentation for the financial statements of independent auditor's report. The report was introduced by Mr. Brent Baccus, Executive Director for Mitchell & Titus. Mr. Khaleel Baig gave the report. He stated that the audit was substantially completed, and it is the intention of Mitchell & Titus to issue an unmodified opinion. He added that insofar as the audit results there are no material corrected or uncorrected misstatements that were identified.

At the conclusion of the report, Mr. McKone made a motion to accept the final report from auditors for the years ending December 31, 2021 and 2022. The motion was seconded by Mr. Fuller. The Chairman was advised that there was no need for an Executive Session. Whereupon Mr. Gatewood made a motion to adjourn which was seconded by Mr. Dixon. A roll call vote was taken. The motion passed unanimously, and the meeting adjourned at 10:22 a.m.