

Meeting of the Retirement Plan for CTA Employees
Board of Trustees
October 26, 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 October 26, 2023, at 200 West Adams Street, 17th Floor, Chicago, Illinois commencing at 9:30 a.m. and adjourning at 10:34 a.m. Participants in the meeting were:

Appearances in Person:

Mr. Keith Hill, Chairman
Mr. Thomas McKone, Vice-Chairman
Mr. John Burkard
Mr. Eric Dixon
Mr. Woodrow Eiland
Mr. Andrew Fuller
Ms. Michelle Townsend (for Tiant Gatewood)
Mr. Tiant Gatewood (arrived while in progress)
Ms. Theresa Fletcher-Brown
Ms. Georgette Hampton (for April Morgan)

Remote Appearances Via Teams:

Mr. Joseph Burke
Ms. Michele Curran (for Jeremy Fine at times)
Mr. Jeremy Fine

Appearances in Person:

Mr. Paul Sidrys, Executive Director

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

Appearances:

Dowd Bloch Bennett & Cervone
By: Mr. Ron Willis (in person)

on behalf of the ATU 241 Union Trustee

Morgan Lewis & Bockius
By: Ms. Lindsay Goodman (Via Teams)
on behalf of the RTA appointed Trustee

Also present:

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

Mr. Mike Spsychalski
Mr. Alberto Rivera
Marquette Associates

Consideration of Minutes from Prior Meeting

Mr. Hill called the meeting to order. At the request of Mr. Eiland there was a moment of silence for the Retiree Clerk, President Hill's mother, Deborah Hill. Mr. Sidrys had a roll call of all the attendees. Mr. Sidrys reported that a quorum was present namely, all 11 Trustees.

The Chair announced that he would entertain a motion to accept the minutes of the September 2023 meeting. Mr. Dixon moved to accept. The motion was seconded by Mr. Eiland. A typographical error was made in the minutes to reflect the correct location of the meeting, namely the Adams Street site. A roll was taken, the motion passed on a vote of ten yeses and one abstention, namely Ms. Hampton.

Investment Committee

The Chairman called for the report of the Investment Committee which was given by Mr. Rivera and Mr. Spsychalski. Mr. Rivera stated that the market value of the Plan assets as of the close of business on October 25, 2023 was \$1,844,517,326.17 and the cash position was \$14,533,568.00. Mr. Spsychalski gave a report on the general market condition followed by an update on the investment performance of the Plan.

Old Business

Mr. Richard Burke gave the summary of litigation. Two cases are contained in the report. In regard to the Williams case there is a settlement approved by the Court. Fortunately, the Retirement Plan had no finding against it, nor was it required to make any payment in settlement of case. The other case is the Nesbitt case which is coming before the Federal Court for a sentencing. Mr. Sidrys will make a statement on behalf of the Retirement Plan at the court hearing.

Mr. Sidrys gave a report in regard to the status of the Pension Administrative Software. Two vendor candidates remain eligible for undertaking that responsibility. Both of the candidates are suitable. The Committee will select one of these candidates after negotiations. Mr. Sidrys stated that it is appropriate now to consider renewal of the Segal Consulting Contract. The Segal representatives have been very actively involved in regard to the discussions down to the selection of the vendors to implement the program. The Segal Contract has expired on a timely basis. The Master Contract covered the broader relationship between the Retirement Plan with Segal and the Statement of Work covers the next few months while Segal advises the Retirement Plan during the negotiating process with the vendor in regard to the software package.

The contract for consideration is basically on a time and material basis. Two items remain unresolved in regard to the Segal Contract. One is the number of days the Retirement Plan is to pay Segal for claims by the Plan before incurring a penalty and second is the clause regarding a cap on Segal's exposure for claims by the Plan. They are both matters under discussion. Mr. Sidrys recommended that the Trustees proceed now to approve the contract extension in order that the Plan Office can over the future button down these two issues. The Master Consulting contract is for 36 months. The Statement of Work is for three months, and the Retirement Plan Office hopes to have the vendor contract negotiated within that timeframe. The Plan would then have another Statement of Work for the next phase of the work. Mr. Sidrys stated that the estimate for Segal's work during that period of time would be \$90,000 to \$105,000. That is over the next three months. Mr. Joseph Burke moved to approve the contract. The motion was seconded by Mr. Burkhard. A roll call vote was taken. The motion passed unanimously.

Mr. Sidrys commented that it is appropriate for the Trustees to consider a change of the December meeting date. Mr. Hill made a motion to move the December Board meeting to December 21st which motion was seconded by Mr. McKone. A roll call vote was taken. The motion passed unanimously.

Mr. Dixon gave the report from the General Administration Committee which included the application of benefits and bills and remittances. Mr. Gatewood made a motion to approve the report which was seconded by Mr. Eiland. The motion passed unanimously. Mr. Dixon stated that there were no requests for educational conference attendance.

Mr. Hill thanked Mr. Woodrow Eiland for his service on the Committee in light of the fact that he would be retiring.

Mr. Richard Burke announced that it was his intent to retire from active of practice of law after the first of the year. Mr. Burke stated that he wanted to express his gratitude to all the people he worked with over the many years he has served with Retirement Plan. He was comfortable with passing the responsibilities on to Rachel Bossard. Both she and the people who are in his firm will continue to provide services to the Plan for the many legal issues which come before the Plan. He thanked the Trustees for their graciousness. He said that the Trustees are not only his clients, but his friends.

Mr. Hill extended his thanks to Mr. Burke for his services as did Mr. McKone. They expressed their pleasure that Mr. Burke would be with them through the end of the year.

Mr. Hill raised the topic of the cost allocation for software expense between the Retirement Plan and the Healthcare Trust. Mr. Sidrys made the recommendation that the expenses for the software in regard to the work be allocated on the basis of 90% to the Retirement Plan and 10% to the Healthcare Trust. This recommendation came after consideration of the anticipated usage of the software by the two respective funds. In response to an inquiry from Mr. McKone, Mr. Sidrys stated that this allocation will be looked at in the future as the Plan Office becomes familiar working with the new software package. The auditors look at allocations such as this each year. He stated that as the Retirement Plan gets further into it, they will again look at this allocation. Mr. Sidrys stated that the allocation would hold through implementation and once the Retirement Plan Office gets close to finalizing implantation, they should have a much better idea. Mr. Fuller made a motion to approve the recommended allocation of 90/10 between the Retirement Plan and Healthcare Trust. Mr. Burkhard seconded the motion. A roll call vote was taken. Mr. Fine participated in the voting. The motion passed unanimously.

In response to a question from the Chairman, Mr. Burke advised that there was no need for an Executive Session.

Mr. Gatewood made a motion to adjourn. It was seconded by Mr. Dixon. A roll call vote was taken. The motion passed unanimously, and the meeting adjourned at 10:34 a.m.