

Meeting of the Retirement Plan for CTA Employees
Board of Trustees
March 24, 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 on March 24, 2022 at the hour of 9:41 a.m., and adjourned at 11:56 a.m. There was an Executive Session.

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
Ms. Toi Bowers
Mr. John Burkard
Mr. Joe Burke
Mr. Eric Dixon
Mr. Woodrow Eiland
Mr. Jeremy Fine
Mr. Andrew Fuller
Ms. April Morgan
Mr. Paul Sidrys

Mr. Kallianis reported that a quorum was present.

John Kallianis participated as the Executive Director. Richard W. Burke of Burke, Warren, MacKay & Serritella, P.C. participated as General Counsel. Participating on behalf of CTA Trustees was Jeff Bora. Participating on behalf of the ATU 241 Trustee was Ron Willis of Dowd, Bloch, Bennett, & Cervone. Participating on behalf of the ATU Local 308 Trustee was Anita Tanay. Participating on behalf of the RTA Trustee was Dan Salemi of Morgan Lewis & Bockius. Also participating were Kweku Obed and Mark Weems of Marquette Associates and John Kerulis of Legacy Professionals LLP.

Consideration of Minutes from prior Meetings

The Chairman called for consideration of the minutes of the February 24, 2022 meeting. Mr. Hill made a motion to approve the minutes, which was seconded by Mr. Dixon. A roll call vote was taken. The motion passed on the vote of 8 yeases and 3 abstentions, namely, Ms. Bowers, Mr. Burke and Mr. Fuller.

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 investments, as of March 23, 2022, was \$2,073,194,717.66 and of that amount \$18,973,854.37 was in cash. Mr. Obed spoke of the market environment for the month of March and then reviewed the performance of the Plan's portfolio.

Old Business

Ms. Morgan gave a report of the Joint Payroll Audit Committee. She stated that there was a special meeting held via Teams on March 16, 2022. The Executive Director reported on the status of the findings from the 2011-2017 Payroll audit. He reminded the Committee that the CTA had remitted to the Retirement Plan payment for all of the findings related to the Retirement Plan and that the Healthcare Trust sent an invoice of \$29,480.86 to the CTA for the discrepancies identified in the 2011-2017 audit.

The Executive Director reported that the Plan office had updated the 2011-2017 earnings for the hundreds of full time and part time union officers identified in the audit. He further reported that the new information would be reflected in the annual statements of the Plan and the Healthcare Trust and they would be mailed to all participants in April. Representative of ATU Locals asked for summaries of the updates for their members.

The Executive Director reported that the meeting between the parties to discuss the completion and submission of timesheets for part time union officers of ATU which was originally scheduled for March 11 had to be postponed due a scheduling conflict.

Finally, the Committee discussed the updated drafts of the engagement letters from Legacy which now have all the comments incorporated. Mr. Rosenblatt suggested an additional edit. Mr. Kamparas indicated that he would incorporate the edits and send the final draft to the Executive Director for circulation to all the Boards in advance of the March 24 meeting.

The Executive Director added that he was advised yesterday by the acting general counsel for the CTA that the invoice which was sent by the Retirement Healthcare Trust which really is a joint invoice would be paid.

The Executive Director stated that those certain changes were made to the Payroll Audit engagement letter, which was distributed to all the attendees. As to what lay ahead Mr. Kallianis stated that first there would be a request for data that would go out to CTA and all ATU locals and once he has that information in hand he could start the audit.

Mr. Kallianis stated that the timesheet meeting which was originally scheduled for March 15 will be held prior to the April board meeting, so that the Trustees can get final discussions scheduled again.

In response to an inquiry from the Chairman Mr. Burke moved to approve the Payroll Audit engagement letter which was seconded by Mr. Sidyrs. The roll call vote was taken. The motion was approved by 11 yeses and 0 nos.

The Executive Director gave a report from the Personnel Committee, which met on March 16, 2022. The Executive Director reviewed the agenda and at the Committee meeting he introduced Rob Hines of Hines Consulting Group who made a proposal to perform process optimization and redesign review for the Plan Office. Mr. Kallianis described some of the process improvements that have already been made in the Plan office regarding processing death benefits and refunds of contributions.

He also reported about a recent offering from Northern Trust that would allow retiree self-services through a web portal. He reported he would have a recommendation for the Board prior to the April meeting.

The Executive Director described two recent job postings: Deputy Director and Benefits Representative. There was discussion about the Deputy Director position and the Trustees asked if the Director could circulate the links to the job posting. The Executive Director described the possibilities for the short-term administrative assistance in the Plan office from Buck and Kelly Services. He reported he would provide the Trustees with additional information on both possibilities.

The Executive Director then described the possibility to have long term technology assistance from Buck. He indicated he would discuss the option with the two firms who have presented the process review to the Committee, which he anticipates would be at an April meeting.

Summary of Litigation

Mr. Richard Burke reported that the summary of litigation was contained in the written report before the Trustees. He also made a request for an Executive Session to discuss the Williams' trial which is to commence on April 26, 2022.

General Administration

Mr. Dixon gave the report of the General Administration Committee. Mr. Burkard made a motion to approve Items 6a through 6j on the agenda, which was seconded by Mr. Hill. A roll call vote was taken. The motion passed on a vote of 11 yeses and 0 nos.

Mr. Dixon called to the Trustees' attention item 6k which is a request from Mr. Hill and Mr. Kasmer to attend the IFEPB Educational Conference. The cost of the attendance is to be shared equally between the Plan and the Trust. Mr. Burkard made a motion to approve Item 6k on the agenda, which was seconded by Mr. Burke. A roll call vote was taken. The motion passed on a vote 11 yeases and 0 nos.

New Business

Mr. McKone made a motion to change the May Board meeting from May 26, 2022 to May 27, 2022, which was seconded by Mr. Hill. A roll call vote was taken. The motion passed with 11 yeases and 0 nos.

In response to a request from the Chairman, Mr. Kallianis stated that the Plan office was working to implement changes which have been recently negotiated in the Plan and Rules. Mr. Richard Burke stated that his office was working on a restatement of the Plan and the Rules which were recently addressed in collective bargaining. The Trustees will not vote on the matter as it has already been approved through collective bargaining but will be asked to approve of the restatement to the Plan and Rules.

Mr. Hill stated he would ask the Board to address the diversity which is not taking place in the Plan office. He asked the Board to take a stand and stop it until the Trustees can restructure the Plan office and bring some diversity back to the Plan office.

Ms. Bowers made a motion that the raises which were recently implemented at the Plan office be put on hold and be brought to the Board to vote upon them, which motion Mr. Eiland seconded. Mr. Kallianis stated that the raises have been implemented in response to a question from Mr. Sidrys. In response to a question from the Chairman, Mr. Richard Burke stated that the matter should really be placed on the agenda. Mr. Kallianis stated that the raises that were granted were in the most recently approved budget. In response to an inquiry from the Chairman, Ms. Bowers withdrew the motion and said it should be forwarded to the April board meeting and placed on the agenda.

Mr. Eiland raised a question regarding who received promotions at the Plan office and to what they were promoted. Mr. Kallianis stated that regarding the promotions, he had circulated to the Trustees, approximately three weeks ago, summaries of the job postings for the Deputy Executive Director and for Benefits Representative and also indicated the promotions and the benefits representative were stratified into Benefits Representative 2, and Benefits Representative 3 and

the entry-level would-be Benefits Representative 1. Benefits Representative 1 position was not in the email but the job posting was attached. He added the Benefits Representatives bear different levels of responsibility. He added that the finance officer was promoted to Deputy Director for finance and accounting.

In response to a question from Mr. Eiland, Mr. Kallianis stated that Elsa from the Finance office was promoted to Deputy Director for finance and accounting; Angel Trevino was promoted from Benefits Representative to Benefits Representative 3 and David Ramirez was promoted to Benefits Representative 2. Mr. Kallianis stated that there are now 2 Deputy Directors: one for finance and accounting and one for benefits administration. Mr. Kallianis stated that the deputy position for finance and accounting is newly created as well as Benefits Representative 2 and 3. Mr. Eiland questioned whether the Executive Director had the authority to appoint new positions and create new jobs without Board approval.

In response to the question, Mr. Richard Burke stated the job description that was prepared some time ago by the Trustees in regard to the position of Executive Director provided that position was given the responsibility and authority to run the office, and to do everything that needs to be done in the office to service the needs of the Plan. He added that the Executive Director has the authority and responsibility to do that function. The Executive Director also has to prepare the budget yearly which addresses allocation of funds for administrative services. It is a combination of the job description for the Executive Director as prepared by the Trustees and budgetary approval of the Plan Trustees authority to do what is necessary to run the Plan office and perform his services. In response to a question Mr. Kallianis stated that the position created was not in the budget but that the budget contains the dollar amount relating to the personnel costs for the budget. The personnel costs for the Plan and the Trust were in the budget. Mr. Eiland stated that he believes another job was created without the permission or a vote by the Trustees and he did not think that was fair at all.

Ms. Bowers stated that although the matter was cleared in the budget, it should have been very specific that there would be a promotion in the budget and that was not done. She also stated that in talking about diversity, she also took exception to the fact that all the promotions that occurred were Hispanic and there were no blacks working in the Plan office. If the Board does not see what is going on, then she has a problem with the whole Board. Mr. Dixon added he was also troubled by the lack of diversity in the Plan office and that the Trustees should be talking about it. Mr. Kallianis stated that there are two job posting, namely a benefits representative and a Deputy Executive Director, both of which are opportunities for additional diversity.

In response to a question from Ms. Morgan for guidance as to what the Board's function should be in regard to the Plan office, Mr. Burke stated that the Board's responsibility is to see that the office is run well, that includes oversight of the Plan office and also setting policies, such as diversity. That overview of the office is the Board's responsibility. The Board's responsibility is not to hire for specific positions but the overall functioning of the office, policy wise and compensation. The Director has the responsibility to run the office subject to the overview of the

Board as to whether it is functioning well. The Board has the responsibility to set the policy in regard to hiring. Mr. Hill said that he respectfully disagrees with Mr. Burke in regard to hiring. He stated that historically those are 241 jobs, and the Deputy Director should be an appointed position of 241. Mr. Burke responded that at a time of his predecessor acting as general counsel there was a Board resolution striking provisions in regard to job hiring and preference be given to 241. That preference had existed for some time and there was a board motion rescinding that. If the Board wishes to reverse that action they could do so. It would take Board action. There was a Board decision deleting the power of any entity such as 241 to do the hiring. Mr. Hill responded that he believed the Board acted irresponsibly at the time and took those jobs away and at that time the Union should have filed some type of injunction in court. Mr. Mark Weems inquired as to whether there are any positions presently by way of policy in regard to diversity. Mr. Kallianis stated there is nothing formally written.

The Chairman called for a meeting of the Personnel Committee to consider the various items which have been discussed and in particular a policy on diversity issues.

The Chairman stated that in response to a request by Mr. Richard Burke for an Executive session. He made a motion to go into Executive session, which was seconded by Mr. Burkhard. A roll call vote was taken. The motion passed on a vote of 11 yeases and 0 nos.

The meeting adjourned at 11:08.

At 11:55 the meeting resumed to regular session. The Chairman stated there was no action to be taken. Mr. Hill made a motion to adjourn which was seconded by Mr. Sidrys. A roll call vote was taken. The motion passed on a vote of 11 yeases and 0 nos.

The meeting adjourned at 11:56 a.m.