

Meeting of the Retirement Plan for CTA Employees
Board of Trustees
August 24, 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 August 24, 2023, at 200 West Adams Street, 17th Floor, Chicago, Illinois commencing at 9:46 a.m. and adjourned at 11:27 a.m. Participants in the meeting were:

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

Remote Appearances Via Teams:

Mr. Joseph Burke
Mr. John Burkard
Mr. Eric Dixon
Ms. Theresa Fletcher-Brown
Ms. Michele Curran (for Jeremy Fine)
Mr. Jeremy Fine (arrived while the meeting was in progress)

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 (Via Teams)
on behalf of the CTA Trustees

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

Mr. Kweku Obed (in person)
Mr. Alberto Rivera
Marquette Associates

Mr. Norm Buckwalter (Via Teams)
Mr. Gary Behnke (Via Teams)
Mr. Jeff Mills (Via Teams)
Segal

Kevin Spanier (Via Teams)
David Driscoll (Via Teams)
Buck

Mr. Mark Weems (Via Teams)

Consideration of Minutes from prior Meeting

Mr. Hill called the meeting to order at 9:46 a.m. Mr. Sidrys reported a quorum was present.

Old Business

The Chairman stated that the first order of business was the consideration of the minutes of prior meetings. He began with the minutes of the July 27, 2023 meeting. Mr. Williams made a motion to accept which motion was seconded by Mr. McKone. A roll call vote was taken. Mr. Sidrys reported that the motion passed on a vote of ten yeses and one abstention, namely by Ms. Curran. Mr. Gatewood made a motion to accept the minutes of the May 25, 2023 meeting which was seconded by Mr. Williams. A roll call vote was taken, and the motion passed on a vote of ten yeses and one abstention, namely by Mr. Dixon.

Investment Committee

There was a report by the Investment Committee by Mr. Kweku Obed. Mr. Obed stated that the market value of the Plan's investment portfolio as of the close of business on August 23, 2023 was \$1,936,872,723.23. Of that amount \$10.8 million was held in cash. He stated that the market is down between four to five percent month-to-date in August but on the investment portfolio it is

down between one to two percent. Mr. Obed gave a review of the general market and a review of the Plan's investment portfolio. During Mr. Obed's presentation April Morgan joined the meeting and Jeremy Fine commenced to participate in the meeting.

Litigation Summary

Mr. Burke gave the summary of litigation. He directed the attention of the attendees to the written report contained in the material issued prior to the meeting. Mr. Burke called to the attention of the Trustees the Federal court sentencing of Ayanna Nesbit which will occur in early November. He stated that Mr. Sidrys had been invited to appear at the sentencing to make a statement on behalf of the Retirement Plan.

In regard to the upcoming Pension Administration Software RFP, Mr. Sidrys introduced Norm Buckwalter from Segal who was participating Via Teams to give a report on the process of the RFP. He was joined on the telephone presentation by Gary Behnke and Jeff Mills of Segal. Mr. Buckwalter gave a report on the RFP and about the new technology system. Mr. Buckwalter stated that in the process of working with the community service vendor community, they had six proposals. At present Segal in cooperation with Plan Personnel is packaging the best and final offer which will be discussed in his presentation. He stated that the top risk which the Plan is confronting is the current system. It is at the end of its life. The other significant risk is moving data from one system to another. This is often the longest task in the project. At the conclusion of his comments, Mr. Buckwalter responded to questions from Mr. Richard Burke in regard to the RFP.

Mr. Hill directed the Trustee's attention to the Actuarial Valuation which was done by Buck as of April 1, 2023. A presentation was given by Mr. Spanier and Mr. Driscoll, from the Buck organization. They were present to provide an update and the evaluation results for the January 1, 2023 Actuarial Valuation. Buck had looked at the performance of the Fund for the period January 17, 2022 through January 1, 2023. During that period of time the assets had a negative return of approximately 8.88 percent compared to what had been scheduled as an 8 one-quarter assumption of growth. The actuaries blend that return over a five-year period to reach an actuarial value of asset method which had a return of 5.75 percent return. They stated also there was demographic loss during this year which was due to updated participant data and some salary increases which were more than anticipated. As a result of this analysis, they reached the conclusion that there would need to be an increase in contribution rates for 2024 in order to meet the statutory requirements. The Buck analysis show that there must an increase in contributions for 2024, namely to 13.795 percent for members and to 21.59 percent for the Authority. To move the rates to that level reflects a desire to hit the 60 percent funded ratio by 2033 as required by the statute.

At the conclusion of the Buck report, McKone made a motion to approve the actuarial evaluation as presented by Buck, which motion was seconded by Ms. Morgan. A roll call vote was taken. The motion passed unanimously on a vote of 11 yeases. Mr. McKone then made a motion to update the contribution levels so they are in compliance with the report and the contribution levels would be for the year 2024 as set forth in the Buck report. Mr. Joseph Burke seconded the motion. Mr.

Sidrys took the roll call vote. The motion passed on a vote of eight yeases and three nos. namely Mr. Hill, Mr. Williams and Mr. Gatewood.

General Administration Committee

Mr. Dixon gave the report of the General Administration Committee. Mr. Williams made a motion to approve the applications set forth in the General Administration report and the remittances set forth in items 6a through 6j of the General Administration Committee report. The motion was seconded by Mr. Gatewood. A roll call vote was taken. The motion was approved unanimously.

Mr. Richard Burke advised the Trustees that there was no need for an Executive Session. Mr. Gatewood then made a motion to adjourn which was seconded by Mr. Williams. A roll call vote was taken, and the motion passed unanimously. The meeting adjourned at 11:27 a.m.