

**Meeting of the Trustees of the CTA Retirement Plan**  
**June 27, 2024**  
***VIA MICROSOFT TEAMS AND IN PERSON***

**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 June 27, 2024 at 200 W. Adams, Chicago, Illinois commencing at 10:00 a.m. and adjourned at 11:55 a.m. Participants in the meeting were:

**Appearances:**

Mr. Keith Hill, Chairman  
Mr. Thomas McKone, Vice-Chairman  
Mr. Woodrow Eiland  
Mr. Tiant Gatewood  
Ms. Theresa Fletcher-Brown  
Mr. Jeremy Fine (virtual)  
Ms. April Morgan  
Mr. Joseph Burke (virtual)  
Mr. Andrew Fuller (virtual)  
Ms. Pennie McCoach  
Mr. John Burkard

**Alternate Trustees:**

Ms. Georgette Hampton  
Mr. Michael Bowen (briefly in for April Morgan)  
Mr. Mark Weems  
Mr. Marqueal Williams  
Ms. Michelle Curran (virtual)  
Ms. Michelle Townsend

**Also Present:**

Mr. Paul Sidrys, Executive Director  
Ms. Rachel Bossard, Plan Counsel  
Mr. Jeff Bora  
Mr. Ron Willis  
Ms. Anita Tanay  
Mr. Hector Flores  
Mr. James Battle  
Mr. Kweku Obed  
Mr. Norman Buckwalter (virtual)

Mr. Stanley Mui  
Ms. Elsa Trejo  
Ms. Lindsay Goodman (virtual)  
Mr. Frank Dixon  
Ms. Eileen Boyle Parich

### **Consideration of Minutes from prior Meeting**

The Chairman inquired as to the presence of a quorum. Mr. Sidrys called the roll and reported that a quorum was present.

Ms. McCoach made a motion to approve the minutes from the May 23, 2024 Board Meetings. Mr. The motion was seconded by Mr. Gatewood. The roll was taken, and the motion passed.

Ms. Fletcher-Brown made a motion to approve the minutes from the May 23, 2024 joint meeting. The motion was seconded by Mr. McKone. The roll was taken, and the motion passed.

### **Investment Committee**

The Investment Committee Report was given by Mr. Kweku Obed. Mr. Obed reported that the Plan's total market value through June 26, 2024 was \$1,992,358,660.36 with a cash balance of \$72.125m in cash. The broad market is up over 3% month to date. The volatility of the market has been more in the favor of risk-seeking assets.

Fixed income is most sensitive to interest rates, with the exception of high yield and bank loans. There is a lot of volatility in fixed income, which is down 1.6% year-to-date. Rates did fall based on cooling inflation data. U.S. equity is still lagging the growth segment of the market. Large cap has dominated and done really well. The magnificent seven have accounted for the bulk of the returns in the U.S. equity market. We are somewhat mirroring the tech bubble of the early 2000s. Around 80% of the return to the market are coming from seven stocks. Year-to-date the S&P 500 is up 11.3 %, the growth index up 13.1% and the Russell 1000 value up 7.6%. Large cap is outperforming mid cap and mid cap is outperforming small cap. The non-U.S. market has lagged the U.S. market. Around 30% of the U.S. market is in technology right now. Around 13% of the non-U.S. market is allocated to technology. For Odyssey index, we are looking at an average annual return of 6.8%. We are seeing a mean reversion with real estate. As interest rates go down, that will be a big relief for real estate. Real estate is still stable and a solid diversifier. Infrastructure has also been a good diversifier. Private equity has continued to be a good source of returns and downside protection.

The numbers are potentially flat to slightly positive for May. The portfolio was up 2.1%. Fixed income had held up a bit better than the Ag Index. Symphony is up 5%, while the core fixed income composite is down 1.5%. We are seeing positive results on the EM debt side. Large cap equities are up 10% year-to-date. Core index is up 28.2%. Value is up 22.5% in Paradigm and close to 20% in Lomax for the year. Denali is up 5.7%. Channing and Rhumblin are holding up nicely and Ariel is outperforming the index. LSV and Arga are more value-leaning, while J O Hambro is more growth leaning. We are expecting to see some improvements with real estate in the third

quarter. The Partners Group has continued to add stability. The election is another source of volatility. We are expecting the Plan to continue trending positive.

In response to a question from Mr. Burkard, Mr. Obed explained that if we look at the figures through the end of May, this would put the plan at a year-end number around 10.7%, which is very realistic.

### **Old Business**

In response to an inquiry from the Chairman, Mr. Bossard reported that there was no litigation summary to report.

Norm Buckwalter from Segal reported that the pension software project is still in green light status, slightly ahead of schedule, below budget and is 38.5 percent complete. The team successfully completed the first walk through with Procentia on May 30<sup>th</sup>. The next touch point with them is August 15<sup>th</sup>. They are looking at future state capabilities, overall customer service and standardized monthly reports. The team is meeting with Northern Trust on June 28<sup>th</sup>, and they expect to test the new interface by August 15<sup>th</sup>. Data conversion is continuing. Procentia is staffing the project appropriately and staying ahead of schedule. He is still expecting the first invoice.

In response to a question from M. McKone, Mr. Buckwalter stated that the team would produce and funnel some sample reports through Mr. Sidrys.

Mr. Sidrys addressed his most recent performance evaluation and thanked the Trustees for their feedback. He plans to particularly focus on staff development and retiree relations. Staff performance evaluations are currently being conducted and he is working on a staff succession plan. Mr. Sidrys reported that the Plan office is still focused on diversity in hiring. As for retiree relations, he reported that they are making sure the phones get answered and maintaining a log of calls. Mr. Sidrys continues to focus on policies and procedures and internal controls.

### **General Administration Committee**

The General Administration Committee report was then given by Ms. McCoach. Mr. Hill made a motion to approve the report including the items set forth in Section 7A through 7K. The motion was seconded by Mr. Gatewood. A roll call vote was taken. The motion passed unanimously. Ms. McCoach reported that 7L would be discussed in executive session. Mr. Hill made a motion to defer. The motion was seconded by Mr. Getwood. A roll call vote was taken. The motion passed unanimously.

The Trustees thanked Mr. Richard Burke for his service to the Plan and provided him with a gift as a token of their appreciation.

Ms. Eileen Boyle Parich presented on behalf of her client, Steven Brown. She stated that Mr. Brown was employed by the CTA since 1993 and is a current bus operator. He retired in 2020 and was rehired in February 2020. She claims that no one told him that there would be interruption to his pension payments. His pension payments never ceased upon re-employment, and the Plan is

now asking him to repay over \$200,000. Ms. Parich also stated that the Plan is silent on overpayment remedies, so there is no basis for overpayment. She discussed several cases that she contended were distinguishable because they provided for overpayment remedies.

Mr. Dixon was present, and he confirmed that his situation is similar to that of Mr. Dixon in that he returned to work and his pension benefits were not cut off.

Mr. Sidrys reported that Mr. Bussie is the third case, where he was underpaid because his benefits were not turned back on after he retired for the second time. He is claiming to be owed around \$200,000.

Mr. Burke gave an overview of the Amar Elmajdoub appeal. He explained that the current interpretation of Section 15.6 limited former employees to a refund of contributions for full years only. He encouraged the Board to reconsider the interpretation and provide interest on the contributions through the last date of service.

Ms. McCoach made a motion to enter into executive session. The motion was seconded by Mr. Gatewood. A roll call vote was taken. The motion passed unanimously.

During executive session, the four appeals were discussed.

Upon returning from executive session, Mr. McKone made a motion to approve Mr. Elmajdoub's appeal in part, as discussed in executive session. Mr. Gatewood seconded the motion. A roll call vote was taken. The motion passed unanimously.

Mr. Gatewood made a motion to adjourn. Mr. Burkard seconded the motion. A roll call vote was taken. The motion passed unanimously.