

**Meeting of the Trustees of the CTA Retirement Plan**  
**September 20, 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 September 20, 2024 at 50 South LaSalle Street, Chicago, Illinois commencing at 9:41 a.m. and adjourned at 10:24 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. Michael Bowen  
Ms. April Morgan (arrived mid-meeting)  
Ms. Georgette Hampton (for April Morgan - remote)  
Mr. Joseph Burke (remote)  
Mr. Andrew Fuller (remote)  
Ms. Pennie McCoach  
Mr. John Burkard (remote)

**Alternate Trustees:**

Ms. Michelle Townsend  
Mr. Chris Kasmer  
Mr. Mark Weems (remote)  
Mr. Marquel Williams

**Also Present:**

Mr. Paul Sidrys, Executive Director  
Mr. Aaron Stanton, Plan Counsel  
Mr. Hector Flores  
Mr. Kweku Obed (virtual)  
Mr. Norman Buckwalter (virtual)  
Mr. Brent Baccus  
Mr. Mizra Khaleel Baig  
Mr. Stanley Mui  
Ms. Elsa Trejo  
Ms. Angel Trevino

Ms. Lindsey Welbers  
Ms. Jesus Jimenez

### **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. Fletcher Brown made a motion to approve the minutes from the August 22, 2024 Board Meeting. The motion was seconded by Mr. Gatewood. The roll was taken, and the motion passed. Mr. Gatewood made a motion to approve the Executive Session minutes from the August 22, 2024 Board Meeting. The motion was seconded by Ms. McCoach. 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 September 19, 2024 was \$2,074,329,889.97 with a cash balance of \$60,056,266.32 cash.

Mr. Obed reported that we are going through a pretty extended period of volatility. Bond indices were positive in the month of August. The labor market has seen a slow down. Interest rates went down two days ago by 50 basis points. Fixed income is positive year to date, up 3.1 percent. Small cap equities declined for the month of August. Both large cap and mid cap are in positive territory. We've had growth return 30 basis points and is still up 21.1 percent. Value is up 15.1 percent. The Plan is currently structured in a defensive way and in November, the subcommittee will take a look at asset allocation. Lower interest rates are a good thing for the small cap segment of the market. We are positioned nicely to whatever volatility comes between now and the end of the year. Global equity markets also had a good month in August. The U.S. markets have outperformed pretty meaningfully. International markets have also been a good contributor.

Overall, the Plan is up 7.4 percent through the end of August. Hitting the rate of return is very realistic. September is up a bit, but not 8 percent. Rhumblin is performing in line with the benchmark. AmalgamTrust is outperforming the benchmark. Bank loans are up 7.1 percent. We have lagged the Russell 3000 to some degree. Small cap and mid cap have lagged year to date, but with interest rates coming down, we can expect a tailwind. The S&P 500 is up 19.5 percent. The value managers are still up double digits. Denali is up 10.8 percent. Mid cap performance is up 12.1 percent. Global low vol have returned close to 14 percent over the year to date. The emerging markets are tracking relative to the index. The international small cap space is up 9.3 percent. We are finally seeing some positive results in the real estate composite. Infrastructure continues to be a nice diversifier. We continue to be optimistic about September onward.

In response to a question from Mr. McKone, Mr. Obed explained that we are definitely getting positive indications from the private equity managers. The picture is pretty positive from a return standpoint.

In response to a question from Mr. McKone, Mr. Obed explained that Brown is lagging the benchmark, but has performed strongly over the calendar year. They have a high conviction strategy and they continue to deliver. He would not recommend moving away from Brown.

Ms. April Mogan arrived at the meeting.

### **Old Business**

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

Norm Buckwalter from Segal reported that the pension software project is in yellow light status. The project is currently about 9% behind schedule. The Plan should be at 64%, but is only at 55% complete. The delay is driven by the data conversion from the FoxPro system. The team is working closely with Jerry Taylor and the team that managed the existing FoxPro System. This issue was compounded by a team member's recent hospitalization. To offset the delay, they began working with interfaces with Northern Trust, CTA payroll and group administrators. All of the design work and remaining screens are complete. The calculations team from Wintech is on site with Procentia. They are getting the programming completed for the upcoming testing in November. Each of the system interfaces will be in place to begin parallel testing between the existing Fox system and the Procentia system. Staff will be able to see both systems side by side. We will also have a third party perform an audit. The project is still on budget.

Mr. Baccus gave the presentation by Mitchell Titus regarding approval of the 2023 audit and financial statements. He reported that the audit was substantially complete and expecting to issue sometime early next week. The Plan's analysis for significant accounting matters is appropriate. There are no material misstatements or uncorrected misstatements notified. They received outstanding cooperation from Mr. Sidrys and Ms. Trejo. The market had improved over 2023 and that was reflective in the financial statements. The evaluation policy and disclosures were deemed appropriate. With regard to the contributions, the calculations were performed accurate and the inputs were consistent and appropriate. The same is true for the benefit payments. There were no significant exceptions in the administrative expenses. The actuarial evaluations appear to be consistent and reasonable. No fraudulent activity was noted. Financial statements were in order. The fund is in outstanding financial shape.

In response to a question by Mr. Sidrys, Mr. Baccus reported that the auditors reviewed the allocation of expenses with the Retiree Healthcare Trust and they appeared reasonable.

Ms. Morgan made a motion to approve the audit of the financial statements. The motion was seconded by Mr. Eiland. The roll was taken, and the motion passed.

### **General Administration Committee**

The General Administration Committee report was then given by Ms. McCoach. Mr. Gatewood made a motion to approve the report including the items set forth in Section 7A and 7B,

one through 11 on the agenda. The motion was seconded by Mr. Weems. A roll call vote was taken, and the motion passed.

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