

Meeting of the Trustees of the CTA Retirement Plan
June 26, 2025
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 26, 2025 at 200 W. Adams Street, 17th Floor, Chicago, Illinois commencing at 9:42 a.m. and adjourned at 10:17 a.m. Participants in the meeting were:

Appearances:

Mr. Tom McKone
Mr. Keith Hill
Mr. Joe Burke (remote)
Ms. April Morgan
Mr. Andrew Fuller (remote)
Mr. Mike Bowen (for Jeremy Fine)
Ms. Theresa Fletcher-Brown
Mr. Tiant Gatewood
Mr. Mark Weems (for Ms. McCoach)
Mr. Woodrow Eiland
Mr. John Burkard

Alternate Trustees:

Ms. Michelle Townsend
Ms. Lisa Smith (in briefly for Ms. Morgan)
Mr. Marqueal Williams

Also Present:

Mr. Paul Sidrys, Executive Director
Ms. Rachel Bossard, Plan Counsel
Mr. Ron Willis
Ms. Lindsay Goodman (remote)
Mr. Jeff Bora
Ms. Anita Tanay
Mr. Hector Flores
Mr. Stanley Mui
Ms. Elsa Trejo
Mr. Alberto Rivera (remote)
Mr. Norm Buckwalter (remote)

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.

Mr. Hill made a motion to approve the minutes from the May 22, 2025 Board Meeting. The motion was seconded by Mr. Burke. The roll was taken, and the motion passed.

Mr. Hill made a motion to approve the minutes from the Executive Session of the April 24, 2025 meeting. The motion was seconded by Mr. Eiland. The roll was taken, and the motion passed.

Investment Committee

The Investment Committee Report was given by Mr. Alberto Rivera. Mr. Rivera reported that the ag is up over 1 percent for domestic equities, the Russell 3 is up over 3 percent. There is positive performance in the international markets with the ag up 1.8 percent and emerging markets up over 5.7 percent. There was positive performance in the market and the Plan for May.

With regard to fixed income, treasuries drove core yields higher leading to a negative 70 basis points in May. Credit sectors rallied and index funds brought in 1.6 percent for the bank loan index and 1.1 percent for the global diversified.

Domestically, there was a strong rally in May due to the 90-day tariff break. The Russell 1000 had a return of 8.8 versus the value at 3.5 percent. Year-to-date Russell value is positive at 2.5 percent and Russell growth is -10 basis points. The Mag Seven is in control of the markets again. MSCI fee local currency has a return of 7.6 percent, translated to U.S. dollar, it is an increase of 16.9 percent. Real estate shows a positive quarter of 1.1 percent. Infrastructure, private equity and private credit continue to serve as diversifiers for the portfolio. The Plan has seen strong performance from private equity with U.S. at 6.2 and global at 4.8 percent.

Mr. Rivera reported that for the month of May, the portfolio returned 2.8 percent, which outperformed the index. The fixed income composite outperformed by about 80 basis points relative to the ag. Symphony in particular outperformed by 30 basis points. U.S. equity composite trailed due to underperformance within the large cap composite. Edgar Lomax has outperformed by over 340 basis points relative to the benchmark. Mid-cap equities performed as expected for the month. The Plan has seen some strong outperformance by small cap active managers. Both Ariel and Channing returned over 7 percent.

According to Mr. Rivera, global performed as expected with 20 basis points of out performance. The composite returned 5.6 version 4.6 percent. LSV returned 6.9 versus 5.6 percent. Emerging markets with a value title came in with a 6.6 percent return, adding 230 basis points over the benchmark. Brown Capital has had a challenging year, but is showing some rebound.

In response to a question from Mr. McKone, Mr. Rivera reported that the Plan is seeing some traction from the growth managers and that the overweight to Brown should balance out going forward.

Mr. Rivera, with the assistance of Mr. Trejo, reported the market value of the Plan to be \$2,092,254,287.82, with a cash component of \$25,864.894.

Summary of Litigation

Ms. Bossard reported that the Browns have retained new counsel and the court has given them until July 16, 2025 to file a motion regarding the timeliness of the complaint. The Plan's response will be due by August 27th and a hearing is set for October 3rd.

Old Business

Norm Buckwalter reported on the status of the software update. The system went live as planned over Memorial Day weekend. It has been successfully doing day-to-day processing for staff. The CTA payroll interface is in place, as is the Northern Trust interface. Mr. Buckwalter recognized Holly Howard from Northern Trust, who he stated went above and beyond. There are minor production defects and enhancements that the team is working on and Procentia has been very responsive to issues. Onsite training will continue over the next month. Mr. Buckwalter gave a special thanks to Hector, Angel and Elsa for their extra hours and hard work. It is typical for it to take a few months for staff to get used to a new system and for things to begin running smoothly. The member self-service portal will be the last portion of functionality to go live. They are looking toward late summer or early fall to roll that out. Over the next six months, the Procentia invoices will become due.

In response to a question from Mr. McKone, Mr. Buckwalter explained that the Plan Office is in the post-go-live phase and that the warranty period lasts six months. During that time, Procentia will be on hand to support the system.

In response to a question from Ms. Morgan, Mr. Buckwalter responded that if system enhancements are requested outside of the warranty period, a new statement of work can be prepared for Procentia. He explained that there are some additional hours built into the contract as well.

In response to a question from Mr. Bowen, Mr. Buckwalter explained that the self-service portal will be for both current employees and retirees. It will provide benefit estimates and allow participants to manage their beneficiaries and change their bank account information. He also stated that a demonstration could take place at a GA subcommittee meeting and that communications regarding the portal could be shared.

Mr. Flores pointed out the ongoing concerns to have safeguards in the portal to ensure that the participant is the one making changes.

Old Business

Mr. Sidrys stated that he would send a reminder out to the selection committee regarding the RFP for the investment consultant.

General Administration

The General Administration Committee report was then given by Mr. Weems. Mr. Weems made a motion to approve the report including the items set forth in Section 7A 1 through 10 on the agenda. The motion was seconded by Mr. Hill. A roll call vote was taken, and the motion passed. Mr. Weems reported that there were no requests for educational conferences.

New Business

Mr. Sidrys reported that an updated budget will likely be sent out for the August meeting.

Executive Session

Mr. McKone made a motion to enter into Executive Session for the purposes of discussing personnel matters. The motion was seconded by Mr. Hill. A roll call vote was taken, and the motion passed.

Upon resuming regular session, Mr. McKone made a motion to retain special counsel as discussed in executive session. The motion was seconded by Mr. Hill. A roll call vote was taken, and the motion passed.

Mr. Hill made motion to adjourn. Mr. Weems seconded the motion. A roll call vote was taken, and the motion passed.