

Meeting of the Chicago Transit Authority Retiree Health Care Trust

June 23, 2011

Meeting Minutes

A regular meeting of the Board of Trustees of the Chicago Transit Authority Retiree Health Care Trust (“RHCT”) was held on June 23, 2011 at One North Franklin Street, on the 24th Floor. The Chairman and the Executive Director were present.

A roll call was taken indicating that the following members were present:

Allison Friedman as an alternate for Theresa Mintle
Joseph Pass
Joseph Burke
John Burkard as an alternate for Christopher Kasmer
Robert Kelly
Paul Sidrys
Paul Volpe

James O’Connell was present as General Counsel for the Trust. Joseph Burns of Jacobs, Burns, Orlove & Hernandez was present on behalf of the Union trustees. Present on behalf of the Regional Transit Authority appointed Trustee were Andrew Malahowski of Franczek Radelet, PC and John Doerrer of Kaizen, Inc. James Daley of K&L Gates was present on behalf of the CTA Trustees. Also present were Ivory Day of Gray & Company, and Barbara Zaveduk, Ruth Donahue and Mitch Bramstaedt of The Segal Company.

On a motion by Mr. Kelly, seconded by Mr. Burke, the Board approved the May, 2011 minutes.

Administrative Subcommittee

On a motion by Mr. Volpe, seconded by Mr. Burke, the Board approved the payment of the bills submitted.

Mr. Kallianis advised that fiduciary liability insurance has been in place since May 31, 2011.

Investment Subcommittee

Mr. Day provided a report, and discussed the process of rebalancing. The value of the RHCT assets on June 21, 2011 was \$611,333,568.

Old Business

Mr. Kallianis and Ms. Zaveduk reviewed with the Trustees certain eligibility questions involving participants in the Retirement Plan who had left employment at the CTA with 10 or more years of service, and who had not yet filed an application for a retirement allowance.

Mr. O’Connell summarized a memorandum he had provided to the Trustees regarding the impact of the new civil union law.

Mr. Bramstaedt provided an update on the bid process. Finalists have been interviewed by the committee, and a committee meeting was scheduled for July 20, 2011 to evaluate best and final offers. The goal is to have recommendations from the subcommittee for the next Board meeting. Mr. Bramstaedt also advised that he had noted that the American Cancer Center was the number four hospital for the RHCT, which he thought was unusual, and that he planned to review its claims data with Blue Cross.

The Trustees discussed the meeting schedule, and decided to hold a special meeting on August 3, 2011.

Mr. O’Connell noted that he had received some suggestions on the draft appeals procedure for the RHCT, and was expecting additional comments before returning to the Trustees.

Mr. O’Connell also noted that he was seeking authority to use either Vedder Price or Burke Warren, depending on which made more sense for the particular issue. With respect to the pending Matthews litigation, he reported that he was working with counsel for all three defendants – CTA, Retirement Plan, and RHCT – pursuant to a joint defense approach.

New Business

No appeals were presented.

Executive Session

On motion of Mr. Kelly, seconded by Mr. Burke, the Board unanimously voted to meet in Executive Session to discuss litigation, and a personnel matter.

Open Session

On a motion by Mr. Kelly, seconded by Mr. Sidrys, the meeting was adjourned.