

Meeting of the Chicago Transit Authority Retiree Health Care Trust

August 3, 2011

Meeting Minutes

A special meeting of the Board of Trustees of the Chicago Transit Authority Retiree Health Care Trust (“RHCT”) was held on August 3, 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:

Joseph Pass
Joan Coogan
Joseph J. Burke
Christopher Kasmer
Robert Kelly
Paul Sidrys
Allison Friedman as an alternate for 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, Barbara Zaveduk, Ruth Donahue, Brianna Radtke and Mitch Bramstaedt of The Segal Company, and David Dorfman of Group Administrators.

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

Administrative Subcommittee

On a motion by Mr. Kasmer, seconded by Mr. Sidrys, the Board approved the payment of the bills submitted.

On a motion by Mr. Sidrys, seconded by Mr. Kasmer, the Board approved updating the signing authority documents for Northern Trust to include John Kallianis, James O’Connell, Willie Means, and Elsa Trejo as authorized signatories.

Investment Subcommittee

Mr. Day provided a report, and discussed the process of rebalancing. The value of the RHCT assets on July 27, 2011 was \$620,719,619.

Old Business

Mr. Bramstaedt provided an update on the bid process. The Trustees discussed various options, including the potential impact of deficit legislation on Medicare Advantage plans. A special meeting was scheduled for August 9, 2011 at Segal to continue the discussion on finalists.

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. Bramstaedt reported on Segal's review of the Cancer Centers of America. Based on a review of information from Blue Cross, Mr. Bramstaedt advised that he did not believe further steps were called for at this time.

The Trustees discussed providing a benefit like a health reimbursement arrangement, within the restrictions of the statute governing the RHCT, to be provided to participants who do not qualify for the major medical health care benefit. Mr. O'Connell agreed to provide a draft motion or other suggestions the Trustees could vote upon.

New Business

On motion by Mr. Kelly, seconded by Mr. Kasmer, the Board approved payment of 50% of the cost of attendance at the upcoming meeting of the International Foundation of Employee Benefit Plans, for Mssrs. Burke, Kasmer, and Kelly.

Executive Session

On motion of Mr. Kelly, seconded by Mr. Burke, the Board unanimously voted to meet in Executive Session to discuss litigation, and appeals involving potential litigation. On motion by Ms. Coogan, seconded by Mr. Kasmer, the Board voted unanimously to adjourn the Executive Session.

Open Session

On a motion by Mr. Sidrys, seconded by Mr. Kasmer, the Board voted to deny the appeal by Mr. Guerrero.

On motion by Mr. Sidrys, seconded by Ms. Coogan, the meeting was adjourned.