

Meeting of the Chicago Transit Authority Retiree Health Care Trust
December 20, 2012

Meeting Minutes

A regular meeting of the Board of Trustees of the Chicago Transit Authority Retiree Health Care Trust (“RHCT”) was held on December 20, 2012 at One North Franklin Street, on the 27th Floor. The Chair and Executive Director were present.

A roll call was taken. The following members were present:

Joan Coogan, Chair
Carlos Acevedo as an alternate for Joseph Pass
Joseph J. Burke
Christopher Kasmer
Robert Kelly
Paul Sidrys
Allison Friedman as an alternate for Larry Owens

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 appointed Trustees. Present on behalf of the Regional Transit Authority appointed Trustee were Andrew Malahowski of Franczek Radalet and John Doerrer. James Dalay of Schuyler Roche & Crisham was present on behalf of the CTA Trustees. Also present were Ruth Donahue of The Segal Company, and Ivory Day of Gray & Company.

On a motion by Mr. Kelly, seconded by Mr. Acevedo, the Board approved the proposed minutes for November 20, 2012.

Administrative Subcommittee

On a motion by Mr. Kasmer, seconded by Mr. Kelly, the Board approved the payment of the General Administration Subcommittee bills submitted.

Investment Subcommittee

Mr. Day provided the September performance report, advising that the RHCT had \$647,271,450.29 in assets as of December 18, 2012. Mr. Day reviewed the performance of Kayne Anderson with the Trustees, since it had been noted that this manager had underperformed the benchmark for the year-to-date period. Mr. Day provided a detailed analysis of various measurements, including efficiency, standard deviation, and longer-term performance. Pointing out that the overall long-term performance of this manager exceeded the benchmark, Mr. Day did not recommend action at this time, but advised that he would continue to monitor the manager and provide additional information as appropriate.

Old Business

Mr. Kallianis reported that Legacy has approached the CTA, and Locals 241 and 308, and has had meetings with the CTA and Local 308, with the Local 241 meeting to be scheduled. After Legacy receives responses from the three entities to the issues it has identified, a report can be produced for the Trustees to review.

Ms. Donahue reviewed the schedule of anticipated tasks for 2013. She also reported that InTech had begun the process of reconciliation for the RDS reconciliation due April 1, 2013.

Mr. Kallianis advised that the Auditor General had indicated that he expected to release his report on the RHCT soon, and that it would include a conclusion that the RHCT assumptions were not unreasonable in the aggregate.

Appeal

Mr. O'Connell referred the Trustees to an appeal letter which had been filed on behalf of a participant, included in their packets. The letter indicates that the participant retired and began receiving a pension in 1999. The participant stated that he had been living with a woman since 1991 and that they had owned property together, so that they should be considered domestic partners. Mr. O'Connell noted that the terms of eligibility decided upon by the Trustees and reflected in the Plan Summary provide coverage for same-sex domestic partners, but not opposite-sex domestic partners. On motion by Mr. Kasmer, seconded by Mr. Sidrys, the Trustees voted to deny the appeal of the denial of benefits under the facts as presented.

On motion by Mr. Kasmer, seconded by Mr. Acevedo, the meeting was adjourned.