

Meeting of the Retiree Health Care Trust
Board of Trustees
December 18, 2014

Meeting Minutes

A regular meeting of the Board of Trustees of the Retiree Health Care Trust (“RHCT”) was held on December 18, 2014 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
Troy Brown as an alternate for Javier Perez
Joseph J. Burke
Lisa Walik as an alternate for Omar Brown
Christopher Kasmer
Eric Dixon as an alternate for Robert Kelly
Paul Sidrys

James O’Connell was present as General Counsel for the Retirement Plan. Appearing on behalf of the ATU-appointed Trustees was Joseph Burns, of Jacobs, Burns, Orlove and Hernandez. Appearing on behalf of the CTA-appointed Trustees was James Daley of Jackson Lewis LLP. Appearing on behalf of the Regional Transit Authority-appointed Trustee was Daniel Salemi of Franczek Radelet, PC.

Also present were Miguel Zarate and Kweku Obed of Marquette Associates.

Administrative Subcommittee

On motion by Mr. Kasmer, seconded by Mr. Burke, the Board approved the bills and remittances submitted, as well as the applications for health care benefits.

On motion by Mr. Kasmer, seconded by Mr. Burke, the Board approved approved items (c) and (d) on the Agenda, the staff salary increases requested in Mr. Kallianis’ memorandum of December 15, 2014 to the Trustees, and the proposed budget.

Investment Subcommittee

Mr. Zarate advised that the market value of the trust as of December 17, 2014 was \$729,643,867.99. He reviewed recent returns with the Trustees, and discussed the rebalancing process, the performance of managers, and the status of pending RFPs. He reviewed for the Trustees the asset allocation changes Marquette recommended, set out as Portfolio D in the Asset Allocation Review presented to the Trustees. He explained that the goal of the changes was to achieve the 7% target return for the RHCT, but with less risk. Mr. Sidrys reported that the Investment Subcommittee had considered Marquette's recommendations and discussed them in detail at its December 8 meeting, and the consensus of the subcommittee was to approve all of Marquette's recommendations.

On motion by Mr. Kasmer, seconded by Mr. Burke, the Trustees approved the asset allocation recommended by Marquette, with Mr. Dixon abstaining.

On motion by Mr. Kasmer, seconded by Mr. Sidrys, the Trustees approved the other recommendations on page 13 of the Marquette report on the Asset Allocation Review: issue RFPs for emerging markets, emerging markets small cap, and non-US international small cap managers; issue an RFP for an open-end core real estate manager; and where possible, coordinate the RFP process with the Retirement Plan's issuance of RFPs. Mr. Dixon abstained.

Old Business

Mr. Kallianis provided an update on the open enrollment process, and the HRA legislation that had recently been passed by the Illinois House and Senate, and was awaiting signature by the Governor.

On motion by Mr. Sidrys, seconded by Mr. Burke, the Board voted to adjourn the meeting.