

CTA Retiree Health Care Trust

55 W. Monroe, Suite 1950
Chicago, IL 60603

January 28, 2016

Meeting Minutes

A regular meeting of the Board of Trustees of the Retiree Health Care Trust (“RHCT”) was held on January 28, 2016 at One North Franklin Street, on the 27th Floor.

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

Chris Kasmer (Outgoing Chair, Incoming Secretary)
Joan Coogan, (Outgoing Secretary, Incoming Chair)
Joseph J. Burke
Kenneth Franklin
Patricia Thomas-Miller
Tommy Sams
Paul Sidrys

John Kallianis was present as the Executive Director. Tom Paravola of BWM&S was present as General Counsel for the Retirement Plan. David Novak of Jackson Lewis, LLP appeared on behalf of the CTA-appointed Trustees. Justin Lannoye of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich appeared on behalf of the ATU Local 241-appointed Trustee. Joe Burns of Jacobs, Burns, Orlove and Hernandez appeared on behalf of the ATU Local 308-appointed Trustee. Daniel Salemi of Franczek Radelet, PC appeared on behalf of the Regional Transit Authority-appointed Trustee.

Also present were Kweku Obed and Miguel Zarate of Marquette Associates and Ruth Donahue and Barb Zaveduk of Segal and Co.

On motion by Ms. Coogan, seconded by Mr. Franklin, the Board approved the minutes of the December 17, 2015 RHCT Regular Board meeting. Mr. Burke, Mr. Kasmer and Ms. Thomas-Miller abstained from voting as they were not in attendance at the December Board meeting.

Mr. Burke made motion for Mr. Kasmer to be Chair. There was clarification made that the chair for the coming year had to be a management trustee. Mr. Kasmer then made motion for Ms. Coogan to be Chair and Mr. Franklin made a motion for Mr. Sams to be Vice Chair. Ms.

Thomas-Miller seconded Mr. Kasmer's motion for Ms. Coogan to be the Chair. After some discussion, Mr. Burke withdrew his motion for Mr. Kasmer to be Chair. The Board then approved the motion by Mr. Kasmer, seconded by Ms. Thomas-Miller, for Ms. Coogan to become Chair.

After some discussion on the specific titles in the bylaws, on a motion by Mr. Burke, seconded by Mr. Sidrys, the Board elected Mr. Kasmer as Secretary.

Administrative Committee

Mr. Kasmer presented items 4a and 4b, including benefits and bills for consideration. On motion by Mr. Kasmer, seconded by Mr. Franklin, the Board approved Items 4a and 4b on the General Administration Committee agenda, with the exception of the bill from Freeborn and Peters. The Committee wanted to get some additional information on the bill, related to the Matthews case.

There was some additional discussion on the distribution of bills related to the Matthews case.

There was no business under Item 4c.

Investment Subcommittee

Mr. Zarate reported that the market value for the fund as of the prior day's close of business was \$700,025,350.70 and that the Trust was down approximately 3-3.7% year to date.

Mr. Zarate reported that the Trust was very close to having the new asset allocation fully implemented and that, with the upcoming completion of the searches for International and Emerging Market Small Cap managers, we would be done with searches. He also reported on the progress towards completing the real estate investments, pursuant to expected capital calls by the end of the second quarter, 2016.

Mr. Zarate then reviewed the flash report for December, 2015. He also reported that three managers - WCM, Great Lakes, and Lazard – had reduced their fees and that, with their current allocations, it would save the Trust approximately \$32,000 annually.

Old Business

Mr. Kallianis indicated that it was understood from discussion at the that the Retirement Plan meeting that the parties were working on language for a notice on eligibility for health benefits.

Mr. Kallianis reported that a Payroll Review Committee meeting was scheduled for February 11, 2016.

Ruth Donahue of Segal reported that the ACA letters would be sent out to retirees in the next few weeks, but that the Federal Government had delayed the implementation to March 31, 2016.

Ms. Donahue also reported that a mid-year vendor meeting was being planned to bring the RHCT health-providers in front of the Board for updates.

Finally, Ms. Donahue reminded that Trustees that Segal and Vedder had updated information related to a Health Reimbursement Arrangement and general eligibility and would host a meeting at Segal's offices. The Board agreed on Monday, February 22nd and asked Mr. Kallianis to send out a meeting invitation.

New Business

There was no new business discussed.

On a motion by Mr. Franklin, seconded by Mr. Sams, the Board voted to adjourn the meeting.