

CTA Retiree Health Care Trust

55 W. Monroe, Suite 1950
Chicago, IL 60603

May 26, 2016

Meeting Minutes

A regular meeting of the Board of Trustees of the Retiree Health Care Trust (“RHCT”) was held on May 26, 2016 at One North Franklin Street, on the 27th Floor commencing at 11:08 a.m.

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

Joan Coogan (Chair)
Chris Kasmer (Secretary)
Joseph J. Burke
Mark Weems for Kenneth Franklin
Georgette Hampton
Carlos Acevedo for Tommy Sams
Paul Sidrys

John Kallianis was present as the Executive Director. Richard W. Burke of BWM&S was present as General Counsel for the Retirement Plan. James P. Daley of Jackson Lewis, LLP appeared on behalf of the CTA-appointed Trustees. Justin Jon Lannoye of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich appeared on behalf of the ATU Local 241-appointed Trustee. Brandon Anderson of Jacobs, Burns, Orlove and Hernandez appeared on behalf of the ATU Local 308-appointed Trustee. Daniel R. Salemi of Franczek Radelet, PC appeared on behalf of the Regional Transit Authority-appointed Trustee. Alexander Vesselinovitch of Freeborn & Peters appeared on behalf of the CTA Health Care Trust.

Also present was John Burkard, Jeremy Fine, Valerie Matthews-Wilson, Mike Bowen for Thomas Mckone, Audra Thompson, Kweku Obed and Miguel Zarate of Marquette Associates, and Ruth Donahue and Barbarar Zaveduk of Segal and Co.

Mr. Kallianis responded to a question from Ms. Coogan that a quorum was present.

In regard to the minutes of the April 28, 2016 meeting, Mr. Kasmer asked that they be amended to state that “the Trustees returned to regular session before the motion to adjourn.” With that amendment, on motion by Mr. Kasmer, seconded by Mr. Burke, the Board approved the minutes of the April 28, 2016 RHCT Regular Board meeting.

Administrative Committee

Mr. Kasmer stated that all the members had received a copy of the application for benefits and the bills and remittances. Mr. Kasmer made a motion to approve the items 4a and 4b. Mr. Acevedo seconded and the motion carried. In response to a question by Mr. Kasmer, Mr. Kallianis stated that there had not been any education conference requests.

Investment Subcommittee

Mr. Zarete of Marquette Associates distributed an investment report to the Trustees, commented that the market value of the Fund at the end of April was approximately \$730.4 million. The recent market value is \$732,140,035. He gave a review of the allocation versus target and observed that the fund continues in transition. Mr. Zarete commented that there are no new managers and that Marquette has gone through all of the RFPs and is now going through the contractual phase. Clarion has been put on the alert because of an organizational change. Marquette tries to target two months of reserves in the Fund, which represents about \$10 million because between \$5-\$7 million monthly is spent on healthcare and operating expenses.

Old Business

Mr. Kallianis directed the Trustees' attention to the report in the binder that there would be returns to Locals 241 in the amount of \$13,698.97 and to Local 308 in the amount of \$6,901.02 as a result of work of the Payroll Review Committee. Mr. Acevedo made a motion for the return of said funds which was seconded by Mr. Kasmer and the motion carried.

Ruth Donahue from Segal reported that on June 30th Humana will provide an understanding of how its program of service to Medicare retirees works. It services about 2/3s of participants.

In response to an inquiry from Chairperson Coogan, Mr. Kallianis stated that an Executive Session to discuss litigation is needed.

On a motion by Mr. Kasmer, seconded by Mr. Acevedo, the Board voted to go into Executive Session to discuss litigation.

But before doing so on a motion carried, the Trustees returned to regular session at which time Ms. Matthews-Wilson made a statement objecting to being asked to leave the Executive Session. After Ms. Wilson's statement there was a motion to move into Executive Session.

At the conclusion of the Executive Session, there was a motion by Mr. Sidrys to adjourn the general meeting and the Board adjourned at 12:33 p.m.