

MINUTES OF THE MEETING  
BOARD OF TRUSTEES  
CTA RETIREE HEALTH CARE TRUST  
200 West Adams Street, 17<sup>th</sup> Floor, Chicago, Illinois  
December 21, 2017

TRUSTEES PRESENT

Christopher Kasmer	Chairman
Joseph J. Burke	
Ken Franklin	
Keith Hill	
Thomas McKone	
Paul Sidrys	
Sherri Thornton-Pierce	

ALSO PRESENT

John V. Kallianis	Executive Director
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Patrick N. Ryan	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Justin J. Lannoye	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich on behalf of the ATU Local 241 appointed Trustee
Daniel R. Salemi	Franczek Radelet, PC on behalf of the RTA appointed Trustee
David N. Novak	Jackson Lewis, LLP on behalf of CTA appointed Trustees
Joseph Burns	Jacobs, Burns, Orlove & Hernandez on behalf of the ATU Local 308 appointed Trustee
Miguel Zarate	Investment Consultant, Marquette Associates
Ruth Donahue	Benefits Consultant, Segal Consulting
Dorothy Stawiarski	Benefits Consultant, Segal Consulting

CALL TO ORDER

The Chairman called the meeting to order at 11:15 a.m.

ROLL CALL

Roll was taken and a quorum was declared present.

## APPROVAL OF MINUTES OF PREVIOUS MEETING

Minutes of the November 21, 2017 Board of Trustees Meeting had previously been distributed to the Trustees. Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: To approve the Minutes of the November 21, 2017 Meeting.

Mr. Franklin and Ms. Thornton-Pierce abstained.

## GENERAL ADMINISTRATION COMMITTEE ISSUES

The applications for benefits and bills and remittances were reviewed. There were no requests for educational conference pre-approvals. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve all applications for benefits and payment of bills and remittances as presented.

## REPORT OF INVESTMENT CONSULTANT

Mr. Zarate directed the attention of the Trustees to the November 30, 2017 report from Marquette Associates, a copy of which is attached and made part of these Minutes. Mr. Zarate directed the attention of the Trustees to page 3 of the report which showed that the Fund returned 1.5% in November 2017. The ending market value as of November 30, 2017 was \$846,697,577. He reported that the asset allocation was rebalanced in October. As of December 20, 2017, the ending market value of the Fund was \$849,517,428.71. All managers are meeting their targets with the exception of Matarin Capital Management which is a small-cap core manager. Non-U.S. equities have significantly outperformed. Mr. Zarate directed the attention of the Trustees to page 16 of his report which showed that the estimated annual investment management fees are 0.49% of total assets, or \$4,128,141. The industry average for a like allocation is 0.54%. Mr. Zarate

reported that there is a change in ownership of the Heitman America Real Estate Fund, but that no action was required.

Mr. Zarate was asked to prepare a review of minority and emerging managers, similar to what was requested of his firm by the Trustees of the Retirement Plan. There being no further questions, Mr. Zarate was thanked for his report.

#### OLD BUSINESS

Under old business there were to be reports on the status of a Board request from the CTA for contributions for ATU apprentices and unrepresented employees and the status of a request for information/documentation from the CTA and Iron Workers' Local 1. It was the consensus of the Trustees that further discussion on those matters be conducted in executive session.

Mr. Kallianis reported on the Legacy Professionals data requests for the 2011-2016 payroll audit. He reported that Legacy has all the data it has requested from the Fund office. Local 241 is gathering responses to the requests made by Legacy to it and expects to meet with Legacy after the beginning of the new year. It was further reported that Local 308 is close to completing gathering documents requested of it.

#### SEGAL UPDATE ON 2018 SIGNIFICANT DATES AND HRA IMPLEMENTATION

Ms. Donahue directed the attention of the Trustees to a document entitled, "Key Dates for Chicago Transit Authority Retiree Health Care Trust – 2018." A copy of that document was distributed to the Trustees and is attached and made part of these Minutes. Ms. Donahue reviewed the key dates, highlighting that the General Administration Committee would meet during the week

of February 5, 2018 to discuss planning for 2019, including a review of current medical providers. She further reported that notices regarding the HRA are in the process of going out now. The first group to be notified are those who are age 65 and older. Mr. McKone asked that at the next meeting Mr. Kallianis and Group Administrators report on inquiries their offices received regarding the HRA. Active employees will also receive a mailing in early 2018.

Mr. Kallianis then referred to a proposed budget for 2018. That document was distributed to the Trustees and is attached and made part these Minutes. Discussion then ensued regarding cyber security and sexual harassment training. The Trustees requested that action be taken consistent with direction adopted by the Pension Fund.

Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the 2018 budget.

#### EXECUTIVE SESSION

At 11:43 a.m., Mr. Franklin moved that the Trustees go into executive session. Mr. Hill seconded the motion. The following Resolution was unanimously adopted:

RESOLVED: That the Trustees go into executive session.

At 12:27 p.m. the Trustees resumed the open session of their meeting.

ADJOURNMENT

There being no further business to come before the Board, upon motion made and seconded, the following Resolution was unanimously adopted.

RESOLVED: To adjourn the meeting.

The meeting was adjourned at 12:27 p.m.

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SECRETARY

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