

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
200 West Adams Street, 17th Floor, Chicago, Illinois
November 20, 2018

TRUSTEES PRESENT

Thomas McKone	Chairman
Christopher Kasmer	Secretary
Joseph J. Burke	
Kenneth Franklin	
Marquel Williams	Alternate for Keith Hill
Paul Sidrys	
Mike Bowen	Alternate for Sherri Thornton-Pierce

ALSO PRESENT

John V. Kallianis	Executive Director
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Ronald Willis	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich on behalf of the ATU Local 241 appointed Trustee
Anita Tanay	On behalf of the ATU Local 308 appointed Trustee
Daniel R. Salemi	Morgan Lewis & Bockius, LLP on behalf of the RTA appointed Trustee
James P. Daley	Jackson Lewis, P.C. on behalf of CTA appointed Trustees
Miguel Zarate	Investment Consultant, Marquette Associates
Jesus Jimenez	Investment Consultant, Marquette Associates
Dan Levin	Benefits Consultant, Segal Consulting
Dorothy Stawiarski	Benefits Consultant, Segal Consulting

CALL TO ORDER

The meeting was called to order at 11:35 a.m.

ROLL CALL

Mr. Kallianis took roll and a quorum was declared present.

REPORT OF INVESTMENT CONSULTANT

Mr. Zarate directed the attention of the Trustees to the monthly update from Marquette Associates dated October 31, 2018. A copy of that report is attached and made a part of these Minutes. As of the close of business yesterday, the value of the Fund's assets were \$828,201,877.22. Mr. Zarate reported that the Wells Fargo International Bond Fund was liquidated. Under U.S. equity investments, Piedmont was funded with assets taken from Northern Trust.

Mr. Zarate then directed the attention of the Trustees to page 6 of the report which reviewed the emerging and minority managers. The market value of that allocation was 31.3% compared to the goal of 26%. However, the allocation is underweight to both female and disabled managers. Year-to-date, the Fund has returned -1.8% compared to the benchmark return of -1%. Individual managers were then reviewed. Mr. Zarate noted that real estate has done well as an asset class. Kayne Anderson and Matarin Capital Management, both small cap managers, have struggled. Great Lakes has struggled since it has been a manager for the Fund.

The attention of the Trustees was then directed to page 19 of the meeting materials which was a memorandum from Marquette Associates regarding an international small cap RFP update. The Investment Committee will meet on the morning of December 18, 2018 to consider responses to the small cap RFP and to select finalists. Mr. McKone also asked for a review of underperforming managers at that meeting.

OLD BUSINESS

Mr. Kallianis reported that field work on the payroll compliance audit is scheduled to begin on December 10, 2018 at ATU Local 308. Mr. Kallianis was asked for a timeline for completion of the payroll audit for the December Board meeting.

Under Item 4(c), Mr. Rosenblat requested that a litigation report be deferred to an executive session later in the meeting. However, he did report that the court granted Devon Archer's motion for a retrial in the criminal case in New York that involved him, Mr. Galanis and other defendants accused of wrongdoing related to the Wakpamni bonds.

Under Item 4(d), Ms. Stawiarski referred the Trustees to the Key Dates Calendar prepared by Segal Consulting. A copy of that document is attached and made part of these Minutes. Ms. Stawiarski reported that the Humana contract expires December 2020 and that the Blue Cross Blue Shield contract expires December 2019. Other vendor contract expirations were then reviewed. Mr. Levin went into further detail on the Blue Cross Blue Shield agreement which provides pre-Medicare coverage through an HMO or PPO. Segal proposed sending out an RFP for this service early in 2019. Ms. Stawiarski and Mr. Levin were thanked for their report.

APPROVAL OF MINUTES OF PREVIOUS MEETING

The Minutes of the October 25, 2018 meeting were previously distributed to the Trustees. Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: To approve the Minutes of the October 25, 2018 meeting.

Mr. McKone abstained.

GENERAL ADMINISTRATION COMMITTEE ISSUES

Applications for benefits and bills and remittances were previously distributed to the Trustees. 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 previously distributed to the Trustees.

No items were under Agenda No. 6(c).

A possible General Administration Committee meeting was discussed for December 18. Nutritional and wellness coaching for pre-Medicare participants would be discussed at that meeting. Discussion ensued regarding Health Engine Partners and whether this is a provider that could be helpful to the Plan. Mr. Franklin would like to explore Health Engine's options. Mr. Levin said that the program may provide savings on inpatient procedures for pre-Medicare participants.

Further discussion on Health Engine Partners will also be on the General Administration Committee agenda.

NEW BUSINESS

Mr. Kallianis reported that the initial documents have been submitted for the Illinois Auditor General's Report. The Auditor General has requested some additional materials, which have been provided. Mr. Kallianis said he would notify the Trustees when the Auditor General's report is issued.

EXECUTION SESSION

At 12:10 p.m., Mr. Kasmer moved that the Trustees go into Executive Session. Mr. Franklin seconded the motion. The following Resolution was unanimously adopted:

RESOLVED: That the Trustees go into Executive Session.

At 12:28 p.m., the Trustees came out of Executive Session.

ADJOURNMENT

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

RESOLVED: That the meeting be adjourned.

The meeting was adjourned at 12:30 p.m.