

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
200 West Adams Street, 17th Floor, Chicago, Illinois
March 28, 2019

TRUSTEES PRESENT

Keith Hill	Chairman
Thomas McKone	Secretary
Joseph J. Burke	
Kenneth Franklin	
Christopher Kasmer	
April Morgan	
Paul Sidrys	

ALSO PRESENT

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

CALL TO ORDER

The meeting was called to order at 11:00 a.m.

ROLL CALL

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

APPROVAL OF MINUTES OF PREVIOUS MEETING

The Minutes of the February 28, 2019 meeting had previously been distributed to the Trustees. Consequently, the reading of the Minutes was dispensed with. Several corrections were noted. The heading with the date of the meeting was corrected from January 24, 2019 to February 28, 2019 and although Mr. Kasmer did attend the January 24, 2019 meeting, his presence was not recorded for the Minutes. Those corrections were made. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the Minutes of the February 28, 2019 meeting as corrected.

REPORT OF INVESTMENT COMMITTEE

The attention of the Trustees was directed to Mr. Zarate who gave the report on behalf of the Investment Consultant, Marquette Associates. Mr. Zarate directed the attention of the Trustees to the February 2019 Market Environment Report, a copy of which is attached and made a part of these Minutes. Mr. Zarate dispensed with the market overview as the Trustees present heard the presentation given to the Retirement Plan Trustees earlier in the day. Mr. Zarate reported that as of yesterday, March 27, 2019, the value of assets of the Fund was \$862,828,873.22.

The ending market value as of February 28, 2019 was \$857,575,053. He then directed the attention of the Trustees to a report on the annualized performance net of fees through February 28, 2019. Year-to-date, fixed income outperformed its benchmark. Discussion then ensued regarding equity value managers. He noted that the high quality managers are out of favor which has resulted in underperformance. Mr. Zarate was thanked for his report.

OLD BUSINESS

2011-2017 Payroll Audit Update

Mr. Kallianis reported that Legacy is conducting the field audit at ATU Local 308 currently. They will then go on to Local 241 on April 8, 2019 and then to the CTA to complete their field audit work.

Status of Contributions for Unrepresented Employees, ATU Apprentices, Iron Workers, Local 1

Mr. Rosenblat reported that the litigation involving these questions is reviewed in the Summary of Litigation report. He reported that the case was continued to June 12, 2019. The ATU Locals requested that Segal review the actuarial impact of certain groups not participating in the Fund. That analysis is in the process of being completed.

Segal Update on 2019 Significant Dates

Mr. Levin then addressed the Trustees. He reported that the RFP for non-Medicare coverage was released on March 14. The carriers asked for a one week extension to reply. That request was granted. Consequently, the due date for the RFP responses is now April 12, 2019, not April 5, 2019. Mr. Kallianis said that he would circulate dates for a General Administration Committee meeting during May to review the non-Medicare Medical RFP responses and to select finalists.

RFP for Investment Consulting Services

Mr. Kallianis reported that the RFP for Investment Consulting Services had been issued with responses due April 5, 2019.

NEW BUSINESS

Fiduciary Liability Insurance

Mr. Goesel from Alliant Mesirow referred to a presentation book which was previously distributed to the Trustees and is attached and made part of these Minutes. Discussion ensued regarding the proposals and recommendations made. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve Option No. 2 of the Alliant proposal which provides \$10 million in fiduciary liability coverage for the Health Care Trust, \$1 million in cyber liability for the Retirement Plan and Retiree Health Care Trust combined, for a premium of \$65,124 for the Health Care Trust, plus its share of the cyber liability annual premium.

April Board Meeting Date

Mr. Kallianis reported that in order to coordinate dates with Retirement Plan which has changed its meeting date to April 30, 2019, the Retiree Health Care Trustees should consider changing their meeting to the same date. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That the April 2019 meeting take place on April 30, 2019, rather than April 25, 2019.

REPORT OF GENERAL ADMINISTRATION COMMITTEE

Mr. Kasmer reported that the applications for benefits and bills and remittances is included in the meeting materials. No education conference preapprovals were requested. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That the applications for benefits and bills and remittances be approved as presented.

EXECUTIVE SESSION

Upon motion made by Mr. Kasmer and seconded by Mr. Franklin, the following Resolution was unanimously adopted:

RESOLVED: To enter Executive Session.

The Trustees began an Executive Session at 11:21 a.m. At 12:21 p.m. the Trustees ended their Executive Session. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the revised recommendations of Fund Counsel regarding litigation matters discussed during 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 12:22 p.m.