

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
200 West Adams Street, 17th Floor, Chicago, Illinois
May 23, 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.
Justin Lannoye	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich on behalf of the ATU Local 241 appointed Trustee
Anita Tanay	General Counsel, on behalf of 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 the CTA appointed Trustees
Miguel Zarate	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 11:09 a.m.

ROLL CALL

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

APPROVAL OF MINUTES OF PREVIOUS MEETING

The Minutes of the April 30, 2019 meeting had previously been distributed to the Trustees. Consequently, the reading of the Minutes was dispensed with. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the Minutes of the April 30, 2019 Board of Trustees meeting.

REPORT OF INVESTMENT COMMITTEE

Mr. Zarate directed the attention of the Trustees to the Marquette Associates meeting book, a copy of which is attached and made part of these Minutes. For fiscal year-to-date through April 30, 2019, the Fund returned 9.7%. As of April 30, 2019, the Fund's invested assets were \$880,138,389. As of yesterday, May 22, 2019, the Fund's invested assets were \$869,422,384.30. Mr. Zarate then directed the attention of the Trustees to page 5 of his report which reviewed individual managers. Special attention was directed to the non-U.S. equity portfolio. It was noted that that allocation is underweight to the policy target. The target is 15% of assets and the current allocation is 12.4%. The portfolio managers are currently weighted towards indexing. Mr. Zarate noted that Garcia Hamilton is under performing due to it investing in shorter duration bonds which did not participate in the upside when the bond market rallied. Mr. Zarate said that he wanted to review asset allocation with the Trustees at the next Investment Committee meeting. He suggested reducing exposure to small cap equities, both U.S. and foreign, should be considered. In response to a question, he said that the Fund has had slightly better returns than the CTA Retirement Plan because it has more equity exposure and the delayed reporting cycle of some Retirement Plan managers. Mr. Zarate was thanked for his report.

OLD BUSINESS

Mr. Kallianis reported that Legacy had on-site visits to Locals 241 and 308 regarding the payroll audit and is entering timesheets into its database.

He reported that the RFP for Investment Consultant will be reviewed at the June 17, 2019 joint meeting of the Investment Committees of the CTA Retirement Plan and Retiree Health Care Trust at the Segal Consulting office. The top two candidates for Investment Consultant will be interviewed. That meeting will follow the GA Committee meeting scheduled for earlier that morning.

Mr. Rosenblat reported that the Wheatley matter has been dismissed with prejudice and that he will close his firm's file on that matter. Mr. Rosenblat also reported that, regarding the contribution case, Locals 241 and 308 were going to discuss issues in the case and get back to him.

Segal Update

Dan Levin and Dorothy Stawiarski addressed the Trustees. They reported that the GA Committee will review finalist presentations for non-Medicare HMO and PPO vendors at the June 17, 2019 meeting at their office. Cigna and Blue Cross Blue Shield are the finalists. The annual meeting with Humana will take place on July 17 or 18. Discussion ensued regarding dates for that meeting.

NEW BUSINESS

Mr. Kallianis summarized the HRA's history since being implemented. There are approximately 700 people eligible for the HRA. He mentioned challenges of keeping track of former CTA employees. 406 participants are currently using HRA cards. They will mail to the

approximately 300 others who are eligible, but have not signed up. Mr. Kallianis is exploring with Group Administrators options for tracking missing participants. The total value of those 406 active accounts was approximately \$4.8 million. Almost \$1.3 million has been used, with \$3.5 million remaining.

The annual fee for Group Administrators is approximately \$600,000. Group Administrators tracks eligibility, interacts with provider vendors and handles customer service.

REPORT OF GENERAL ADMINISTRATION COMMITTEE

Mr. Kasmer reported that the applications for benefits, bills and remittances and education preapprovals are in the meeting materials. Mr. Hill, Mr. Franklin, Mr. Weems, Mr. Williams and Ms. Trejo have applied for educational conferences. It was noted that those expenses will be shared with the Retirement Plan. Upon motion made and seconded, the following Resolution was unanimously adopted:

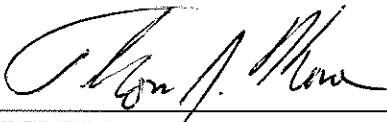
RESOLVED: That the applications for benefits, bills, remittances and education preapprovals be approved as presented.

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 12:40 p.m.



SECRETARY