

## **Meeting of the Chicago Transit Authority Retiree Health Care Trust**

January 26, 2012

### **Meeting Minutes**

A meeting of the Board of Trustees of the Chicago Transit Authority Retiree Health Care Trust (“RHCT”) was held on January 26, 2012 at One North Franklin Street, on the 24th Floor. The Chairman and Executive Director were present.

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

Joan Coogan, Chair  
Joseph PassJoseph J. Burke  
Christopher Kasmer  
Robert Kelly  
Paul Sidrys  
Paul Volpe

James O’Connell was present as General Counsel for the Trust. Joseph Burns of Jacobs, Burns, Orlove & Hernandez was present on behalf of the Union Trustees. Present on behalf of the Regional Transit Authority appointed Trustee were Andrew Malahowski of Franczek Radelet, PC, and John Doerrer. James Daley of K&L Gates was present on behalf of the CTA Trustees. Also present were Ivory Day of Gray & Company; David Dorfman of Group Administrators; and Barbara Zaveduk and Ruth Donahue of The Segal Company.

On a motion by Mr. Kelly, seconded by Mr. Kasmer, the Board approved the proposed minutes for December, 2011, with the changes indicated.

### **Administrative Subcommittee**

On a motion by Mr. Kasmer, seconded by Mr. Kelly, the Board approved the payment of the General Administration Subcommittee bills submitted.

### **Investment Subcommittee**

Mr. Day provided a report. The value of the RHCT assets as of January 24, 2012 was \$605,963,523.44. Mr. Day presented a handout, with an analysis of performance in response to a Trustee question at the prior meeting concerning certain managers. Mr. Day explained why he believed the performance of the first manager in the analysis, Eagle, did not cause him concern. As to the second manager in the analysis, Systematic, Mr. Day noted that it was a value type manager, reflecting a bias towards growth, and indicated that he would seek to look more deeply into that aspect of its performance.

With respect to Enhanced Investment Partners, LLC (EIP), it was noted that Mr. Volpe sat in for the EIP presentation at the Retirement Plan meeting. Ms. Coogan indicated the Board

would like a similar report to the one commissioned by the Retirement Plan Board with respect to EIP.

### **Old Business**

Mr. Kallianis briefed the Trustees on recent developments with respect to the payroll audit and open enrollment. He indicated that the enrollment level is about 95%.

Ms. Donahue of The Segal Company reviewed for the Trustees her letter recommending the retention of InTech to perform the reconciliations required by the Retiree Drug Subsidy program, and a final claim under the Early Retiree Reinsurance Program. Mr. Pass moved to retain InTech to perform these services, Mr. Burke seconded the motion, and the Board approved it.

Ms. Coogan provided an update on the potential for legislation to be drafted concerning a health reimbursement arrangement.

Mr. Dorfman of Group Administrators provided a summary of recent activity, and indicated that participants had been advised that they needed to enroll by January 1, in order to have coverage in the Aetna Medicare Advantage plan.

Mr. O'Connell reviewed the new on-line training amendment of the Open Meetings Act with the Trustees, and advised that consensus of the Retirement Plan Board was that all Trustees and alternates should take the training.

Mr. Kallianis summarized the plan for RHCT representatives to make a series of site visits to work locations and retiree health clubs to communicate and answer questions about the RHCT.

Mr. O'Connell advised that the Matthews case is still in the briefing stage.

On motion by Mr. Kelly, seconded by Mr. Sidrys, the meeting was adjourned.