

CTA Retiree Health Care Trust

55 W. Monroe, Suite 1950
Chicago, IL 60603

June 25, 2015

Approved Meeting Minutes

A regular meeting of the Board of Trustees of the Retiree Health Care Trust (“RHCT”) was held on June 25, 2015 at One North Franklin Street, on the 27th Floor.

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

Chris Kasmer, Chair
Joan Coogan, Secretary
Carlos Acevedo as an alternate for Tommy Sams
Joseph Burke
Omar Brown
Kenneth Franklin
Paul Sidrys

John Kallianis was present as Executive Director of the RHCT. Mike Virgil of BWM&S was present as General Counsel for the Retirement Plan. James Daley of Jackson Lewis, LLP appeared on behalf of the CTA-appointed Trustees. Justin Lannoye of Dowd, Bloch, Bennet and Cervone appeared on behalf of the ATU Local 241-appointed Trustee. Anita Tanay of Jacobs, Burns, Orlove and Hernandez appeared on behalf of the ATU Local 308-appointed Trustee. Daniel Salemi of Franczek Radelet, PC appeared on behalf of the Regional Transit Authority-appointed Trustee.

Also present were Kweku Obed and Miguel Zarate of Marquette Associates; Ruth Donahue and Barb Zaveduk of Segal.

On motion by Mr. Acevedo, seconded by Mr. Franklin, the Board approved the minutes of the May 28, 2015 RHCT Board meeting. On a motion by Mr. Acevedo, seconded by Mr. Burke, the Board approved the May 28, 2015 Executive Session minutes. Ms. Coogan and Mr. Brown abstained as they were not in attendance at the Executive Session.

Administrative Subcommittee

Mr. Kasmer presented items 4a and 4b, including benefits and bills for consideration. On motion by Mr. Kasmer, seconded by Mr. Acevedo, the Board approved Items 4(a) and 4(b) on the General Administration Subcommittee agenda.

Mr. Kallianis reported that he had circulated an update from Segal and Vedder Price on the HRA. Ms. Donahue reported that she and Barb had additional comments to make on

the draft Plan Summary and that they'd be working with Mr. Kallianis and Mr. Hancuch to incorporate those and re-circulate a document to the Board.

Mr. Franklin made a motion to send three Trustees to the International Foundation of Employee Benefit Plans' annual conference. The motion was seconded by Mr. Burke. The motion passed on a roll-call vote as follows: Kasmer-yes, Coogan-no, Brown-no, Burke-yes, Franklin-yes, Acevedo-yes, Sidrys-no.

Investment Subcommittee

Mr. Zarate reviewed the monthly flash report for May, 2015. He reported that the market value for the fund as of the prior day's close of business was \$752,330,801.02. He further reported that the return for the prior month was 0.4% and that the Trust had easily achieved the 7% expected rate of return for the previous five-year period.

Mr. Zarate reviewed the Trust's inflows, outflows and transfers including the transfer that was recently completed to Garcia Hamilton, the new Core Fixed Income manager.

Mr. Zarate reminded the Board about the outstanding RFPs for emerging market equity search and real estate. He indicated that they had received a considerable number of responses from emerging market and real estate managers and that after evaluating the proposals and hoped to be able to interview finalists in August.

Old Business

Ms. Donahue reported to the Board that there would be a mid-year update with Humana on August 7th at Segal's offices and that Barb would likely be back at the August meeting with the results of the valuation and the 45% test.

Ms. Donahue also provided some background and explanation on the memo that she prepared regarding third party administrators and the work that Group Administrators does for the Trust. She indicated that Group Administrator's three-year renewal proposal was in line with the fees and terms for similar TPA agreements around the country. On a motion by Mr. Burke, seconded by Ms. Coogan, the Board approved the recommendations of Mr. Kallianis and Ms. Donahue to extend the contract with Group Administrators by three years at the rates indicated in the recommendation.

The item regarding a 401a/457 Plan for Plan staff had been referred to the General Administration Committee. Mr. Kallianis reported that he would be schedule a second, joint meeting of the GA Committees to consider additional information.

New Business

On a motion by Mr. Acevedo, seconded by Mr. Burke, the Board moved the date of the July, 2015 Board meeting from July 23rd to July 28th.

On a motion by Mr. Franklin, seconded by Mr. Acevedo, the Board voted to adjourn the meeting.