

# **CTA Retiree Health Care Trust**

55 West Monroe Street  
Suite 1950  
Chicago, IL 60603

November 22, 2016

## **Approved Meeting Minutes**

A regular meeting of the Board of Trustees of the Retiree Health Care Trust (“RHCT”) was held on November 22, 2016 at One North Franklin Street, on the 27<sup>th</sup> floor.

The following Trustees were present:

Chris Kasmer (Chair)  
Mike Bowen as an alternate for Joan Coogan  
Joseph J. Burke  
Kenneth Franklin  
Patricia Thomas-Miller as an alternate for Georgette Hampton  
Carlos Acevedo as an alternate for Tommy Sams, Jr.  
Paul Sidrys

John Kallianis was present as the Executive Director of the RHCT. Richard Burke of BWM&S was present as General Counsel for the RHCT and Rachel Yarch was also present from BWN&S David Novak of Jackson Lewis, LLP appeared on behalf of the CTA-appointed Trustees. Justin Lannoye of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich 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 Miguel Zarate and Kweku Obed of Marquette Associates and Ruth Donahue of Segal and Co..

On motion by Mr. Burke, seconded by Mr. Sidrys, the minutes of the September, 2016 Board meeting were approved. Mr. Bowen and Ms. Thomas-Miller abstained.

## **Administrative Committee**

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

There was no business to consider related to Item 4c.

### **Investment Committee Items**

Mr. Zarate provided the Trustees with the Flash Report for the month of October, 2016 and the quarterly report for the 3<sup>rd</sup> Quarter of 2016. Mr. Zarate reported the market value for the Fund as of the prior day's close of business was \$753,067,546.74.

Mr. Zarate covered performance for specific managers for the RHCT and he reported that the Trust had a year to date return of 6.8, net of fees and that the annualized 5-year return was 8.4%. He further indicated that the Fixed Income composite was 6.9% year to date and that the Real Estate composite was up 6.8% through September 30<sup>th</sup>.

### **Old Business**

Mr. Kallianis indicated that the December 2<sup>nd</sup> Payroll Review Committee had to be cancelled due to scheduling conflicts and that he was working with the Committee members to come up with a new date. He reported that Legacy was continuing to work on the large volume of settlement agreements and that he

### **New Business**

Mr. Kallianis provided the Board with a brief update on the required annual submission to the IL Auditor General's Office related to Public Act 95 0708. He indicated that the submission was made on time and that there were follow-up request for information as well as follow-up questions asked by the IL AG's office and their consultant. Mr. Kallianis expected that the IL Auditor General's Office would provide a report on the submission in December.

Mr. Franklin asked Mr. Kallianis to provide an update on the status of RHCT participants who may have worked enough overtime from the beginning of 2008 through 2016 ytd and that he expected about 20 people to have worked enough overtime to move up in the next premium bracket. Mr. Franklin indicated that the Board would not have to approve the reductions in premium and asked Mr. Kallianis to confirm. Mr. Kallianis confirmed that that the Board had determined the policy to accrue eligibility service and premium service some time ago and that he would dig up the documents and minutes from the older meetings and circulate them to the current Trustees.

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