

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
Zoom Meeting Pursuant to Illinois Governor's Executive Order 2020-18
April 23, 2020

TRUSTEES PRESENT

Thomas McKone	Chairman
Keith Hill	Secretary
Joseph J. Burke	
Kenneth Franklin	
Christopher Kasmer	(replaced by Mr. Burkard during the course of the meeting)
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
Anita Tanay	General Counsel of ATU Local 308, on behalf of the ATU Local 308 appointed Trustee
James P. Daley	Jackson Lewis, P.C. on behalf of the CTA appointed Trustees
Daniel Salemi	Morgan Lewis & Bockius, LLP on behalf of the RTA appointed Trustee
Miguel Zarate	Investment Consultant, Marquette Associates
Dan Levin	Benefits Consultant, Segal Consulting
Dorothy Stawiarski	Benefits Consultant, Segal Consulting

CALL TO ORDER

A quorum being present, the meeting was called to order at 11:55 a.m.

APPROVAL OF MINUTES OF PREVIOUS MEETING

The Minutes of the February 27, 2020 Board of Trustees Meeting were previously 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: That the Minutes of the February 27, 2020 Board of Trustees meeting be approved as presented.

REPORT OF INVESTMENT COMMITTEE

Mr. Zarate directed the attention of the Trustees to the Marquette Associates Monthly Update dated March 31, 2020. A copy of that report is attached and made part of these Minutes. Mr. Zarate said that the Fund returned -9.2% in March and -12.2% year-to-date through March 31, 2020. Mr. Zarate reviewed the index returns of various asset classes.

Great Lakes' performance continues to lag its benchmark. Matarin also continues to struggle. Value managers should protect on the downside and Matarin has had three years of underperformance. Marquette will likely recommend termination. Value is a very difficult sector because financials and energy stocks are down and not promising in the short term. Growth continues to perform better. Mr. Zarate said that non-U.S. equities held up pretty well. Artisan outperformed. William Blair also outperformed, being up 3% to 3.5% in April. Mr. Zarate said that funding for infrastructure and Parametric will be delayed and that will serve the Fund well. The Fund rebalanced a bit in March. Mr. Zarate will address rebalancing for April in a memorandum to the Trustees. The total market value of the Fund on March 31, 2020 was \$816,347,430. The market value as of April 22, 2020 was \$850,542,220. (Mr. Kasmer stepped away from the meeting and was replaced by Mr. Burkard). Mr. Zarate said that Matarin is the only immediate recommendation on changing a manager.

Mr. Zarate directed the attention of the Trustees to an April 23, 2020 memorandum regarding rebalancing. A copy of that memorandum was previously distributed to the Trustees and is attached and made part of these Minutes. Marquette is recommending that the portfolio be rebalanced. Mr. Zarate requested authorization to rebalance up to \$8 million from the fixed income

portfolio to the Piedmont S&P 500 Index Strategy. At the end of March, the fund was underweight equities by \$31.2 million. The underweight has slightly corrected itself, given the rise in the equity markets during April. The assets would come from the redemptions of \$4 million from TCW and \$4 million from MacKay Shields. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To authorize rebalancing the portfolio by taking \$8 million from fixed income, \$4 million from TCW and \$4 million from MacKay Shields and increasing the allocation to the Piedmont S&P 500 Index Strategy by \$8 million.

Mr. Zarate was thanked for his report.

OLD BUSINESS

2011 – 2017 Payroll Audit Status

Mr. Kallianis reported Legacy has the CTA payroll files and is comparing them to the Local 241 and Local 308 timesheets.

Summary of Litigation

Mr. Rosenblat referred to the Litigation Report dated April 21, 2020. A copy of that report was previously distributed to the Trustees and is attached and made a part of these Minutes. He reported that the contributions collection litigation ended on March 11, 2020 when the Court entered judgment. He also said that the case against U.S. Bank stemming from the Wakpamni bond purchase has settled. Mr. Rosenblat said that he did not anticipate there would be a need for executive session as no action is required by the Trustees on any of the matters in the legal reports.

Mr. Rosenblat was thanked for his report.

Segal Update on 2020 Significant Dates

The key dates for 2020 prepared by Segal Consulting were distributed to the Trustees and are attached and made a part of these Minutes.

NEW BUSINESS

Mr. Levin then referred to Segal's April 22, 2020 memorandum regarding Blue Cross Blue Shield PPO coverage decisions. That memorandum was previously distributed to the Trustees and is attached and made a part of these Minutes. Mr. Levin reported that the Families First Coronavirus Response Act became law on March 18, 2020. It required group health plans to cover Covid-19 testing and visits related to Covid-19 testing at zero cost share for participants. Both Blue Cross and Humana have implemented these provisions on all of their health plan clients as the industry has concluded that the Act applies to all group health plans, including self-insured plans not subject to the Affordable Care Act. This applies through at least June 16, but may be extended by the Department of Health and Human Services. However, Mr. Levin also said that the Department of Labor issued a statement that retiree only plans are exempt from this federal requirement.

Blue Cross is asking whether the Trust wishes to opt into coverage of in-network telehealth visits at zero dollars cost sharing regardless of whether the visit is related to Covid-19. Blue Cross implemented this change automatically for the insured HMO and Humana did the same for the Medicare Advantage Plan. It is intended to be a temporary benefit through May 31, 2020. There are 1,180 Blue Cross Blue Shield participants in the PPO and 369 in the HMO. 22 people in the Humana population tested positive for Covid-19. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To provide Covid-19 testing and related visits at zero dollar member cost sharing;

FURTHER RESOLVED: To provide zero dollar member cost sharing for in-network telehealth visits through May 31, 2020;

FURTHER RESOLVED: To provide zero dollar member cost sharing for treatment of Covid-19.

The attention of the Trustees was then directed to an April 17, 2020 memorandum from Mr. Levin regarding cost projections in response to the Covid-19 pandemic. The projections are for the pre-Medicare population. Normal claims are down now, which may somewhat offset the cost of treatment for Covid-19. Some of these savings will just be delayed costs that will be incurred in the future when currently delayed procedures can be scheduled. Discussion ensued. Mr. Levin was thanked for his report.

Mr. Franklin asked to have a GA Committee meeting scheduled to address questions for Segal on various projections. Mr. Kallianis said that he would work with Segal and the Trustees to get something scheduled.

GENERAL ADMINISTRATION COMMITTEE REPORT

Mr. Burkard reported that copies of the applications for benefits and bills and remittances were distributed to the Trustees, copies of those have been attached and are made part of these Minutes. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the applications for benefits and payment of bills and remittances.

There were no educational conference preapprovals requested.

ADJOURNMENT

There was no need for an executive session. The Trustees thanked Mr. Kallianis for arranging for the Zoom meeting. 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 12:50 p.m.