

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
Via Microsoft Teams Videoconference
Pursuant to the Governor's Executive Order 2021-18
April 22, 2021

TRUSTEES PRESENT

Keith Hill	Chairman
Thomas McKone	Secretary
Joseph Burke	
Eric Dixon	
Christopher Kasmer	
April Morgan	
Paul Sidrys	

ALSO PRESENT

John V. Kallianis	Executive Director
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd. On behalf of the CTA appointed Trustees
James P. Daley	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich, on behalf of the ATU Local 241 appointed Trustee
Ronald M. Willis	General Counsel for ATU Local 308, on behalf of the ATU Local 308 appointed Trustee
Anita Tanay	Morgan Lewis & Bockius, LLP on behalf of the RTA appointed Trustee
Daniel R. Salemi	Alternate Trustee
Michael Bowen	Alternate Trustee
Georgette Hampton	Investment Consultant, Marquette Associates
Miguel Zarate	Actuary, Segal Consulting
Barbara Zaveduk	Benefits Consultant, Segal Consulting
Dan Levin	Benefits Consultant, Segal Consulting
Dorothy Stawiarski	Benefits Consultant, Segal Consulting

CALL TO ORDER

The Chairman called the meeting to order at 11:11 a.m.

ROLL CALL

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

CONSIDERATION OF THE MINUTES FROM THE MARCH 25, 2021 MEETING

The Minutes of the March 25, 2021 meeting had previously been distributed to the Trustees. A copy of those Minutes are attached and made part of these Minutes. 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 as presented.

REPORT OF THE INVESTMENT COMMITTEE

Mr. Zarate presented the Marquette Associates monthly update as of March 31, 2021. A copy of that report was previously distributed to the Trustees and is attached and made a part of these Minutes. All managers were in compliance except for the Heitman America Real Estate Fund which has been terminated and the assets are being redeemed. With the three months ending March 31, 2021 the Fund returned 2.3%. February and March had strong returns after poor returns in January. U.S. equity markets are up 61.2% for the trailing one year period. Asset allocation was reviewed. The fixed income allocation is underweight -2.2%. The allocation also shows an overweight to cash and an underweight to real assets. Mr. Zarate reported that since March 31, the Fund invested with real estate manager Intercontinental which made a capital call, bringing the allocation more in line with the targets. As of yesterday, April 21, 2021, the total value of the Fund's assets were \$1,090,077,733.05. Mr. Zarate went on to explain that he expects small and mid-cap stocks to lead the way on returns. The Eagle mid-cap manager had a tough year as there has been a rotation from growth to value. The Trustees had no questions and Mr. Zarate was thanked for his report.

OLD BUSINESS

Payroll Audit Committee

Ms. Morgan gave the report on behalf of the Committee. Ms. Morgan reported that the Committee met on Wednesday, April 21 at 10:00 a.m. Mr. Kallianis and Mr. Kerulis reported on the progress made since the Committee last met. Mr. Kallianis shared a list of job titles, requested from the CTA, for which RHCT contributions were not withheld from 2011 through 2017. Mr. Kallianis reminded the Committee that the audit was retrospective and that some of the titles had since been addressed by the RHCT Board during the 2008 to 2011 payroll audit or the March 2020 judgment order. Those titles included CTA Board members, ironworkers, Second Chance program related titles and interns. Mr. Kerulis described the work that he was doing with the CTA's Payroll Department to review the list of the remaining titles for the RHCT audit. Mr. Kerulis then described some of the follow up work that he has done to resolve Retirement Plan findings with the CTA, Local 241 and Local 308. He described the work being done to correctly characterize full-time and part-time Union Officers for the audit.

Mr. Kallianis reported that the CTA was reviewing Legacy's 2018 through 2019 expedited reviews for certain ATU 241/308 members and expected feedback soon.

Mr. Kallianis explained that there would be policy decisions brought to the Committee in May for consideration recommendation to each Board of Trustees. The policy decisions include Retirement Plan contributions for certain types of paid, calculation of RHCT premium service for full-time Officers of the ATU Locals. The Committee is scheduled to meet again on May 20, 2021 at 10:00 a.m. Ms. Morgan was thanked for her report.

Litigation Report

Mr. Rosenblat referred the Trustees to the Litigation Report previously distributed to the Trustees. A copy of that report is attached and made part of these Minutes. Mr. Rosenblat said that no action was required by the Trustees at this time, although he expected that there would be an Executive Session later on in the meeting to discuss the Williams case. There were no questions on the pending matters and Mr. Rosenblat was thanked for his report.

Report From Segal Consulting

Ms. Stawiarski referred to significant dates on the Calendar. She reported that the annual review with Humana would be on May 13, 2021 at 12:30 p.m. She also reported that the Caremark contract is expiring and suggested that be discussed on May 13 prior to Humana's presentation. Discussion ensued regarding formularies and prescription drugs denied by Caremark. Ms. Stawiarski was thanked for her report.

NEW BUSINESS

There was no new business to come before the Board.

GENERAL ADMINISTRATION COMMITTEE

Mr. Kasmer reported that applications for benefits and bills and remittances were circulated prior to the meeting and everything appeared to be in order. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve Agenda Items 7(a) and (b), applications for benefits and bills and remittances.

Mr. Kasmer reported that there were no requests for approval for reimbursements for educational conferences. Mr. Kasmer also reported that the Committee met to review pending legislation which would allow for the minimum required contribution rate to drop from 3% to 1%.

Executive Session

Upon motion made by Mr. Kasmer and seconded by Mr. Burke the following Resolution was unanimously adopted.

RESOLVED: To move into Executive Session.

The Board moved to Executive Session at 11:38 a.m. Mr. Willis left the meeting.

RESUMPTION OF OPEN SESSION

The Trustees resumed regular session at 11:59 a.m. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To adopt the recommendation presented by Counsel in regard to the Williams case.

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 12:01 p.m.