

MINUTES OF THE MEETING  
BOARD OF TRUSTEES  
CTA RETIREE HEALTH CARE TRUST  
Via Microsoft Teams Videoconference  
October 28, 2021

TRUSTEES PRESENT

Keith Hill	Chairman
Thomas McKone	Secretary
Joseph J. Burke	
Eric Dixon	
Christopher Kasmer	
April Morgan	
Andrew Fuller (for 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 for ATU Local 308, on behalf of the ATU Local 308 appointed Trustee
Daniel Salemi	Morgan Lewis & Bockius, LLP on behalf of the RTA appointed Trustee
James P. Daley	Counsel on behalf of the CTA appointed Trustees
John Burkard	Alternate Trustee
Mark Weems	Alternate Trustee
Marqueal Williams	Alternate Trustee
Miguel Zarate	Investment Consultant, Marquette Associates
Dorothy Stawiarski	Benefits Consultant, Segal Consulting
Alexander Vesselinovitch	Special Counsel, Freeborn & Peters

CALL TO ORDER

The Chairman called the meeting to order at 12:24 p.m.

ROLL CALL

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

CONSIDERATION OF THE MINUTES FROM THE SEPTEMBER 23, 2021 MEETING

The Minutes of the September 23, 2021 meeting had previously been distributed to the Trustees. A copy of those Minutes is 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 adopted:

RESOLVED: To approve the Minutes of the September 23, 2021 meeting as presented.

Mr. Burke and Mr. Fuller abstained.

#### REPORT OF THE INVESTMENT COMMITTEE

Mr. Zarate directed the attention of the Trustees to the Marquette Associates Retiree Health Care Trust Monthly Update as of September 30, 2021. A copy of that report is attached and made part of these Minutes. The Fund returned -1.9% in September 2021, beating the benchmark which returned -2.2% for that same period. Year to date through September 30, 2021, the Fund has returned 7.8%, compared to the benchmark return of 7.6%. Mr. Zarate reminded the Trustees that the annual assumed rate of return is 6.85%. He said that October returns have been strong so far.

He then directed the attention of the Trustees to the asset allocation review. Fixed income is slightly underweight, equities are slightly overweight and real assets are slightly overweight. As of September 30, 2021, the total value of Fund assets was \$1,115,489,475. As of yesterday, October 27, 2021, total assets were \$1,145,190,968.49. Cash holdings are slightly elevated due to the redemption of the Heitman real estate holdings. Mr. Zarate did not recommend any rebalancing at this time. He reported that real estate and infrastructure investments are waiting for capital calls. He then reviewed the various asset classes. Emerging market debt had negative returns. U.S. equities are returning a little behind the Wilshire 5000 Index. Mr. Zarate said that fixed income

manager Garcia Hamilton & Associates year to date returned -2.3%, falling behind the benchmark return of -1.6%. The real estate composite return year to date is 13.4% compared to the benchmark return of 12.5%. Small cap manager Kayne Anderson has underperformed recently, but the manager has always rebounded in the past so Mr. Zarate was not overly concerned. Mr. Zarate was thanked for his report.

### OLD BUSINESS

#### A. Report from Payroll Audit Committee on 2011 - 2017 Payroll Audit

Ms. Morgan asked Mr. Kallianis to report on behalf of the Committee. Mr. Kasmer expressed concern over Board action closing the 2011-2017 payroll audit. Further consideration was deferred to the November Board meeting.

#### B. Summary of Litigation from Plan Counsel

Mr. Rosenblat directed the attention of the Trustees to the Legal Report which had previously been distributed to the Trustees. A copy of that report is attached and made part of these Minutes. He advised that no decisions were necessary by the Board today. Mr. Rosenblat reported that decisions on pending motions in the Williams case are expected tomorrow. Mr. Rosenblat was thanked for his report.

#### C. Update on 2021/2022 Significant Date

Ms. Stawiarski addressed the Trustees. She highlighted updates which included the October 15 open enrollment announcement that was mailed to the retirees. Open enrollment dates are scheduled for November 1 through November 12, 2021. Ms. Stawiarski was thanked for her report.

D. Summary of Illinois Auditor General Submission Process

Mr. Kallianis reported that required documents were submitted to the Illinois Auditor General on September 30, 2021. The Auditor General has made several inquiries. Responses are being prepared by Marquette Associates and Segal Consulting.

NEW BUSINESS

A. and B. Presentation of Report from Agreed Upon Procedures Benefit Review and Final Audited Financial Statements for 2020

Mr. Kallianis reported that the auditors were unavailable today and they will make their report at the November Board meeting, consequently items A and B will be deferred to the November Board meeting.

C. Request to Revise Engagement Letter with Freeborn & Peters

This matter was deferred until the November meeting.

D. Request to Revise Fee Agreement with Baum Sigman

This matter was also deferred until the November meeting.

GENERAL ADMINISTRATION COMMITTEE ISSUES

A. Applications for Benefits and Bills and Remittances

Mr. Kasmer reported that applications for benefits and bills and remittances had been provided to the Trustees for their review. Upon motion made and seconded, the following Resolution was unanimously adopted:

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

Mr. Kasmer noted that there were no requests for educational conference pre-approvals.

ADJOURNMENT

There was no need for an Executive Session.

Chairman Hill noted the passing of Charlie Peacock whose service to the Retiree Health Care Trust and Pension Fund was noted. 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.

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SECRETARY

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