

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
Via Microsoft Teams Videoconference
April 28, 2022

TRUSTEES PRESENT

Thomas McKone	Chairman
Paul Sidrys	
Christopher Kasmer	
Joseph Burke	
Mark Weems	(for Eric Dixon)
April Morgan	

ALSO PRESENT

John V. Kallianis	Executive Director
Georgette Hampton	Alternate Trustee
Ronald Willis	Dowd Bloch Bennett and Cervone, 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
Jeffrey Bora	Chicago Transit Authority, Counsel on behalf of the CTA appointed Trustees
Dan Levin	Benefits Consultant, Segal Consulting
Colleen Batty	Benefits Consultant, Segal Consulting
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Craig Goesel	Alliant Insurance Brokerage
Bruno Amici	Alliant Insurance Brokerage
Miguel Zarate	Investment Consultant, Marquette Associates
Jesus Jimenez	Investment Consultant, Marquette Associates

CALL TO ORDER

The Chairman called the meeting to order at 12:25 p.m.

ROLL CALL

Mr. Kallianis called roll and a quorum was declared present. It was noted that neither the Trustees nor the Alternate for Local 241 was present. The Chairman noted in respect of that, he would seek to defer any controversial matters until the next meeting.

CONSIDERATION OF MINUTES OF PREVIOUS MEETINGS

Chairman McKone advised that the Minutes from the March 24, 2022 meeting had been sent to the Trustees prior to the Meeting. A copy of those Minutes are attached and made a part of these Minutes. Mr. Kasmer noted that a correction was required in the Report of the Investment Committee where “the Pension Fund” was identified rather than “the Retiree Health Care Trust.” Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the Minutes of the March 24, 2022 Board of Trustees Meeting as corrected.

REPORT OF INVESTMENT COMMITTEE

The attention of the Trustees was directed to Mr. Jimenez who referred to the Marquette Associates Monthly Update dated March 31, 2022. A copy of that report is attached and made part of these Minutes. The market value of the Fund’s assets as of April 27, 2022 was \$1,065,346,114.39. \$14 million is being held in cash, of which \$8 million was received from the Heitman real estate liquidation last week.

Individual managers were then reviewed. The attention of the Trustees was directed to fixed income manager Garcia Hamilton which year-to-date returned -4.4% beating the benchmark return of -5.9%. Lazard, which is on alert due to performance issues, gave up gains earned in January and February due partly to its holdings in Germany. Lazard is an international equity manager. It returned -5.7% in the first quarter of 2022, compared to the MSCI ACWI EX USA Index which returned -0.4%. There was strong performance from the real estate managers.

Attention was then turned to Mr. Zarate. Seventeen managers responded to the request for proposal for a private debt manager. Those responses are being evaluated by Marquette Associates. An Investment Committee meeting will be scheduled. Mr. Zarate was thanked for his report.

OLD BUSINESS

A. Report from Joint Payroll Committee

It was reported that an engagement letter had been executed between the Fund and Legacy to perform the next payroll compliance audit. It was also reported that the ATU Locals and CTA have met and are making progress regarding reporting requirements.

B. Summary of Litigation by Fund Counsel

Mr. Rosenblat referred the Trustees to the Litigation Report which was previously distributed to the Trustees and is attached and made a part of these Minutes. The report is on the shared screen. Mr. Rosenblat said that no matter required Trustee action. There being no questions, Mr. McKone thanked Mr. Rosenblat for the report.

C. Significant Dates

Segal is analyzing responses to the RFP for dental and medical networks. The General Administration Committee meeting is scheduled for Monday, May 9, 2022 at 9:30 a.m.

NEW BUSINESS

A. Insurance Proposal

The attention of the Trustees was directed to Craig Goesel and Bruno Amici of Alliant Insurance Brokerage. Alliant provides insurance brokerage services for the Fund. A copy of their presentation materials are attached and made part of these Minutes and were shared on the screen. Mr. Goesel reviewed the expiring and renewal options. The fiduciary liability policy is for \$10 million. The expiring premium was \$67,414. The renewal premium is \$67,565. Cyber liability insurance was also reviewed. That policy covers both the Retiree Health Care Trust and the Retirement Plan. The expiring premium is \$29,640. The renewal premium will be \$35,000, which will be shared by the Retiree Health Care Trust and the Retirement Plan. Mr. Goesel recommended

renewing with the current coverages which have modest increases. Upon motion made and seconded, the following Resolutions was unanimously adopted:

RESOLVED: To renew the fiduciary and cyber liability insurance policies as presented.

B. Cancellation of the July 2022 Board Meeting

Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To cancel the July 20, 2022 Board Meeting.

C. General Administration Committee Issues

Mr. Kasmer reported that the Trustees received the applications for benefits, bills and remittances in the Board materials. Copies of those documents are attached and made a part of these Minutes. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the applications for benefits, bills and remittances as presented.

There was also a request for pre-approvals for Mr. Weems and Mr. Dixon for the annual IFEBP Conference. The cost will be shared between the Retiree Health Care Trust and the Retirement Plan. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the payment for attendance at the IFEBP Conference for Mr. Dixon and Mr. Weems.

EXECUTIVE SESSION

There was no need for an Executive Session.

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 12:52 p.m.

SECRETARY

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