

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
Via Microsoft Teams Videoconference
June 23, 2022

TRUSTEES PRESENT

Thomas McKone	Chairman
Keith Hill	Secretary
Eric Dixon	
April Morgan	
Georgette Hampton	(for the CTA vacancy)
John Burkard	(for Christopher Kasmer)

TRUSTEES ABSENT

Joseph Burke

ALSO PRESENT

Paul Sidrys	Interim Executive Director
Elsa Trejo	Deputy Executive Director, Finance and Accounting
Hector Flores	Benefits Coordinator
Miguel Zarate	Investment Consultant, Marquette Associates
Jesus Jimenez	Investment Consultant, Marquette Associates
Bradley Cory	Group Administrators
Colleen Batty	Benefits Consultant, Segal Consulting
Dan Levin	Benefits Consultant, Segal Consulting
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
Ronald Willis	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich, LLP on behalf of the ATU Local 241 appointed Trustee
Jeffrey Bora	Chicago Transit Authority, Counsel on behalf of the CTA appointed Trustees
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.

CALL TO ORDER

The Chairman called the meeting to order at 11:22 a.m.

ROLL CALL

Roll was called and a quorum was declared present.

CONSIDERATION OF MINUTES OF PREVIOUS MEETINGS

Chairman McKone advised that the Minutes of the May 27, 2022 Meeting had previously been distributed to the Trustees. A copy of those Minutes is attached and made a part of these Minutes. Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: To approve the Minutes of the May 27, 2022 Board of Trustees meeting as presented.

Mr. Burkard and Mr. Dixon abstained.

The Minutes of the May 27, 2022 Board of Trustees Executive Session were also previously distributed to the Trustees. Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: To approve the Minutes of the Executive Session of the Board of Trustees on May 27, 2022 as presented.

Mr. Burkard and Mr. Dixon abstained.

Discussion ensued regarding the vacancy in the chairmanship position for the Investment Committee created by the resignation of Mr. Sidrys. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To appoint Andrew Fuller as Chairman of the Investment Committee pending his appointment as a Trustee.

REPORT OF INVESTMENT COMMITTEE

The attention of the Trustees was directed to Mr. Jimenez. He referred the Trustees to the performance report as of May 31, 2022 prepared by Marquette Associates. A copy of that report is attached and made part of these Minutes. Mr. Jimenez reported that the market value of the Fund's assets as of June 22, 2022 was \$996,758,746.95. A market rally at the end of May improved the value of Fund assets. The investment managers generally did a good job of protecting on the down side. The market value of the Fund's assets as of May 31, 2022 was

\$1,054,801,629. Mr. Jimenez reported that the Fund is transitioning to the newly-adopted asset allocation. He also noted that the ULLICO Core Infrastructure Fund had a capital call earlier in June.

The attention of the Trustees was then directed to a June 23, 2022 Memorandum from Marquette Associates regarding the Private Debt Manager RFP. A copy of that Memorandum is attached and made part of these Minutes. On June 7, 2022, the Investment Committee interviewed four candidates for a \$60 million private debt allocation. The Committee interviewed Angelo Gordon, Carlyle, Turning Rock Partners and Monroe Capital. Following the interviews and discussion, the Committee recommended a \$30 million allocation to the Carlyle Direct Lending Fund IV, a \$15 million allocation to the Turning Rock Fund II, and a \$15 million allocation to Monroe Capital Private Credit STARR Fund I. The Carlyle and Monroe funds are levered. Turning Rock is a woman-owned firm. The Carlyle Fund has an extremely competitive fee structure. Turning Rock and Monroe are complimentary strategies to Carlyle. Turning Rock Fund II is focused on lower-middle market loans and Monroe Private Capital STARR Fund is focused on lending to software and technology firms. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To accept the recommendation of the Investment Committee and invest \$30 million in the Carlyle Direct Lending fund IV, \$15 million in the Turning Rock Fund II, and \$15 million in the Monroe Capital Private Credit STARR Fund I.

Mr. Jimenez then reported that the ULLICO Infrastructure Fund reduced its fee from 175 basis points to 160 basis points. ULLICO called \$12.5 million to begin to fund the allocation. No action is necessary on the fee issue. Chairman McKone asked Mr. Zarate to be prepared to review managers that are on alert or watch for performance or turnover issues at the next meeting. Mr. Zarate and Mr. Jimenez were thanked for their report.

OLD BUSINESS

a. Summary of Litigation

Mr. Rosenblat said that the litigation report was previously distributed to the Trustees. A copy of that report is attached and made a part of these Minutes. He also said that Mr. Vesselinovitch from the Freeborn firm would be joining the meeting shortly and available for an Executive Session should there be any interest in continuing the discussion on the Williams case. Mr. Rosenblat was thanked for his report.

b. Implementation of Items from New C.B.A.

Mr. McKone noted a draft of a Resolution was circulated that addresses the contribution obligations associated with the one-time payment made by the CTA of 5% of an employee's contractual pay rate for hours worked during 2020. A copy of that Resolution is attached and made part of these Minutes. The Resolution that was distributed to the Trustees had a typographical error which referred to the year 2021 rather than 2020. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: Whereas, the Wage and Working Conditions Agreement between the Chicago Transit Authority and Amalgamated Transit Union Local 241 and Amalgamated Transit Union Local 308, effective January 1, 2020 through December 31, 2023, has in it a provision where all employees on the CTA payroll as of February 18, 2022 received a one-time payment equal to 5% of that employee's contractual pay rate for hours worked between January 1, 2020 and December 31, 2020 (up to a maximum of 4,000 hours); and

Whereas, payment of that amount has been made to the employees, with the CTA withholding 3% of that amount and transmitting it to the Retiree Health Care Trust contributions; and

Whereas, effective January 1, 2022, the Board of Trustees of the Chicago Transit Authority Retiree Health Care Trust has required a 1% contribution on compensation; and

Therefore, the Board of Trustees of the Chicago Transit Authority Retiree Health Care Trust resolves to return to the Chicago Transit Authority 2% overpayment in

order for the Chicago Transit Authority to refund to its employees the overpayment made.

c. Proposed Agreed Upon Procedures Benefits Review for 2020-2021 (Mitchell Titus)

Chairman McKone reported that action on this item was deferred from the last meeting to give the Interim Executive Director an opportunity to review the proposed procedure. A copy of the Mitchell Titus Proposal dated May 27, 2022 is attached and made part of these Minutes. Mr. Sidrys said that he recommended accepting the proposal. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To accept the proposal for Mitchell Titus as to perform the agreed-upon procedures to review Fund Office procedures.

d. Update on 2021/2022 Significant Dates

A copy of Key Dates updated June 20, 2022 prepared by Segal Consulting was distributed to the Trustees and is attached and made part of these Minutes. It was noted that the PCORI fee is due July 31, 2022. There is also no Board Meeting scheduled for July.

e. Medical and Dental Vendor Renewals

Mr. Levin shared his screen with recommendations from the GA Committee, which met on May 9. Finalist presentations from Aetna, UHC and Blue Cross Blue Shield were made. There was a discussion of the fees and of member disruption. Aetna provided the lowest overall fee. The PPO and HMO features were also reviewed. The GA Committee recommended selecting Aetna for medical coverage, effective January 1, 2023. Aetna has all of the local teaching hospitals in its HMO network. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To adopt the recommendation of the GA Committee to select Aetna for medical coverage effective January 1, 2023.

The attention of the Trustees was then directed to finalists for dental coverage. The finalists were Aetna, Blue Cross and Cigna. MetLife was the incumbent. Cigna was significantly lower than the others. Cigna also has the highest network match of all the carriers that were finalists based on the current utilization, including the current actual provider, MetLife. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To adopt the recommendation of the GA Committee to select Cigna as the dental network provider effective January 1, 2023.

NEW BUSINESS

Discussion ensued regarding a search for a permanent Executive Director and preparing a job description.

GENERAL ADMINISTRATION COMMITTEE ISSUES

Mr. Burkard referred the Trustees to the applications for benefits, bills and remittances under items a. and b. in the Agenda. 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 requests for Education Conference pre-approvals.

EXECUTIVE SESSION

At 12:12 p.m., upon motion made by Mr. McKone and seconded by Ms. Morgan, the following Resolution was unanimously adopted:

RESOLVED: That the Trustees go into an Executive Session.

Mr. Sidrys secured the meeting by identifying all participants and excusing those who were not either Trustees, alternate Trustees, attorneys representing Trustees, Fund Office Staff,

Mr. Rosenblat and Mr. Vesselinovitch. The ongoing litigation of the Williams case was then discussed during the Executive Session.

ADJOURNMENT

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

RESOLVED: That the meeting be adjourned.

The meeting was adjourned at 12:34 p.m.

SECRETARY

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