

MINUTES OF THE MEETING OF THE
CTA RETIREE HEALTH CARE TRUST
200 W. Adams Street, 17th Floor, Chicago, IL
June 22, 2023

TRUSTEES PRESENT

Keith Hill	Chairman
Thomas McKone	Secretary
Joseph J. Burke (via Teams)	
Eric Dixon	
Andrew Fuller (via Teams)	
Christopher Kasmer	
April Morgan	

ALSO PRESENT

Mark Weems (via Teams)	Alternate Trustee
Paul Sidrys	Executive Director
Hector Flores	Deputy Executive Director
Dan A. Levin (via Teams)	Benefits Consultant, Segal Consulting
Colleen Batty (via Teams)	Benefits Consultant, Segal Consulting
Nicole Llorens (via Teams)	Actuarial Consultant, Segal Consulting
Barbara Zaveduk (via Teams)	Actuarial Consultant, Segal Consulting
Miguel Zarate	Investment Consultant, Marquette Associates
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Ronald Willis (via Teams)	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich, on behalf of the ATU Local 241 appointed Trustee
Daniel Salemi (via Teams)	Counsel for RTA appointed Trustee
Anita Tanay	Counsel for ATU Local 308 Trustee
Jeffrey Bora	Counsel for CTA appointed Trustees

CALL TO ORDER

Roll was taken and a quorum was declared present at 10:33 a.m.

PRESENTATION OF MINUTES FOR APPROVAL

The Minutes of May 11, 2023 joint meeting of the Retirement Plan for CTA Employees and the CTA Retiree Health Care Trust were presented for approval. It was noted that Mr. McKone should be identified as Vice Chairman for the Retirement Plan. Upon motion made and seconded the following Resolution was adopted:

RESOLVED: To approve the Minutes of the joint meeting of the Retirement Plan for CTA Employees and the CTA Retiree Health Care Trust as corrected.

Chairman Hill abstained.

The Trustees then considered Minutes of the Executive Session of the joint meeting of the Retirement Plan for CTA Employees and the CTA Retiree Health Care Trust held on May 11, 2023. Again, it was noted that Mr. McKone should be identified as Vice Chairman for the Retirement Plan. Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: To approve the Minutes of the Executive Session of the joint meeting of the Retirement Plan for CTA Employees and the CTA Retiree Health Care Trust held on May 11, 2023.

Mr. Hill abstained.

Minutes of the May 25, 2023 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 adopted:

RESOLVED: To approve the Minutes of the May 25, 2023 meeting as presented.

Mr. Dixon abstained.

REPORT OF INVESTMENT COMMITTEE

The attention of the Trustees was directed to Mr. Zarate who referred to the Marquette Associates Monthly Update, May 31, 2023. A copy of that report is attached and made part of these Minutes. The Fund had a negative (0.6) return for May 2023. Year-to-date through May 31, 2023 the Fund returned 4.3%. Asset allocation was then reviewed. Mr. Zarate pointed out that the 7.1% allocation to cash was due to upcoming anticipated expenses. Year-to-date the net investment change was \$43,195,793. The ending market value as of May 31, 2023 was \$1,030,527,156. As of yesterday, June 21, 2023, the market value of the Fund's assets was \$1,055,411,360.

Mr. Zarate directed the attention of the Trustees to a report on redemptions. An additional \$20 million redemption request for the Clarion Properties Fund was authorized at the last Board meeting. There is a total of \$38 million on Clarion redemptions outstanding. A full redemption request was made to the Heitman America Real Estate Fund. \$8,603,644 remains outstanding. There is a \$5 million redemption request made to Intercontinental. Regarding private debt, a \$15 million commitment was made to the Turning Rock Partners Fund II. \$4,400,231 remains uncalled on that commitment. A \$30 million commitment was made to the Carlyle Direct Lending Fund IV. \$22,500,000 remains uncalled on that commitment.

Mr. Zarate discussed historically strong markets when inflation recedes.

Mr. Zarate reported on a ransomware attack on asset manager Garcia Hamilton. No client data was compromised. Also regarding Garcia Hamilton, Gilbert Garcia, a name partner in the firm, has filed to run for mayor of Houston. Should he win, he would step away from his role with Garcia Hamilton. Mr. Zarate said that Mr. Garcia has worked to build a team around himself should he leave the firm.

Mr. Zarate then addressed Stephen Cianci leaving MacKay Shields as co-head of global fixed income. Mr. Zarate discussed Marquette's recommendation to put MacKay Shields on alert in response to this organizational change. A memorandum from Marquette supporting that action was distributed to the Trustees and is attached and made part of these Minutes. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That MacKay Shields be put on alert status.

Mr. Zarate was thanked for his report.

OLD BUSINESS

A. Summary of Litigation from Fund Counsel

Mr. Rosenblat noted that the Legal Report was previously submitted to the Trustees. A copy of that report is attached and made part of these Minutes. Mr. Rosenblat said that there were no matters requiring Trustee action. Mr. McKone asked what advice Mr. Rosenblat could share with the Trustees regarding inquiries that may be directed towards them regarding the Williams case. Mr. Rosenblat responded that inquiries regarding that matter should be directed to counsel for the Plaintiffs' class and to their website. Mr. Rosenblat was thanked for his report.

B. Segal Update

The attention of the Trustees was directed to Mr. Levin. He referred to the Segal Update prepared for today's meeting, June 22, 2023. A copy of that calendar is attached and made part of these Minutes. He then addressed the amendment to the CVS contract. The amendment covers 2022 and 2023. He also noted that the Fund is in the middle of an RFP process for a prescription benefit manager for pre-Medicare retirees. The amendment strengthens the Trust's claim for rebates and discounted prices through the current contract. Discussion ensued regarding verifying savings and rebates through the CVS contract. Further discussion ensued regarding approval of the amendment in light of the fact that it was not on the agenda. In light of the fact approval of a CVS contract amendment was not on the agenda, the matter will be deferred for approval to the next Board meeting.

Discussion ensued regarding the RFP process for a prescription benefit manager. Discussion ensued regarding setting a special meeting for the purpose of approving the CVS amendment. Discussion ensued regarding the General Administration Committee reviewing the

final proposal and vendors selected by the Chicagoland Municipal Welfare Funds Coalition. Mr. Levin was thanked for his report.

C. Approval of Contract for Executive Director

Mr. Rosenblat said that he understood that the Retirement Plan approved the contract for Paul Sidrys to serve as Executive Director earlier in the day. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the contract with Paul Sidrys to serve as Executive Director as presented.

NEW BUSINESS

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

RESOLVED: That the July 2023 Board meeting be cancelled.

REPORT OF GENERAL ADMINISTRATION COMMITTEE

Mr. Kasmer noted that copies of the bills and remittances and applications for benefits under Items 7(a) and (b) on the agenda had previously been distributed to the Trustees. Upon motion made and seconded, the following Resolution was unanimously adopted:

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

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 11:27 a.m.



SECRETARY

