

MINUTES OF THE MEETING OF THE
CTA RETIREE HEALTH CARE TRUST
50 South LaSalle Street, Chicago, IL
September 21, 2023

TRUSTEES PRESENT

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

ALSO PRESENT

Paul Sidrys	Executive Director
Jesus Jimenez	Investment Consultant, Marquette Associates
Brent Baccus (via Teams)	Fund Auditor, Mitchell & Titus
Khaleel Baig (via Teams)	Fund Auditor, Mitchell & Titus
Dan Kelly (via Teams)	Fund Auditor, Mitchell & Titus
Dan A. Levin (via Teams)	Benefits Consultant, Segal Consulting
Colleen Batty (via Teams)	Benefits Consultant, Segal Consulting
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 Trustee
Daniel Salemi	Morgan Lewis & Bockius on behalf of the RTA Trustee
Anita Tanay (via Teams)	Counsel for ATU Local 308 Trustee
Jeffrey Bora	Counsel for CTA Trustees

CALL TO ORDER

Roll was taken and a quorum was declared present at 10:39 a.m.

PRESENTATION OF MINUTES FOR APPROVAL

The Minutes of the August 24, 2023, meeting of the CTA Retiree Health Care Trust were presented for approval. A copy of those Minutes are attached and made part of these Minutes. The Minutes were previously distributed to the Trustees. Consequently, the reading of the Minutes was

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

RESOLVED: That the Minutes of the August 24, 2023, meeting are approved as presented.

REPORT OF INVESTMENT CONSULTANT

The attention of the Trustees was directed to Mr. Jimenez who asked the Trustees to turn their attention to the Marquette Monthly Update for August 31, 2023. A copy of that report was previously distributed to the Trustees and is attached and made part of these Minutes. As of yesterday, September 20, 2023, the market value of the Fund's assets was \$966,564,237.66. (Ms. Morgan joined the meeting at 10:43 a.m.). Mr. Jimenez directed the attention of the Trustees to the Return Summary as of August 31, 2023. The total Fund composite return was 7.7%. He reviewed returns for the various asset classes. He reviewed the asset allocation versus targets. The total fixed income composite was (4%) underweight to its target. The real estate composite was 4.2% overweight to its target. Cash flow was reviewed. Cash flow year-to-date was negative (\$93,106,808). The net investment change year-to-date was \$77,654,136 for an ending market value as of August 31, 2023, of \$979,392,071.

Year-to-date, the RHCT policy benchmark returned 8.1% compared to the actual return of 7.7%. This underperformance was attributed to higher cash holdings. Mr. Jimenez reported that the non-U.S. large cap RFP responses would be reviewed at an Investment Committee meeting in October. Real estate redemptions were reviewed. A \$40 million redemption was put in for the Clarion Lion Properties Fund. \$36,200,000 remains outstanding. A full redemption was put in for the Heitman America Real Estate Fund. \$8,603,644 remains to be redeemed. A \$5 million redemption was put in for Intercontinental U.S. REIF. The entire \$5 million remains outstanding. Commitments to private debt were then reviewed. A \$15 million commitment was made to the

Turning Rock Partners Fund II. \$3,884,767 remains unfunded. A \$30 million commitment was made to the Carlyle Direct Lending Fund IV. \$21,375,000 remains unfunded. Mr. Jimenez said a \$2 million capital call was made by Carlyle yesterday (September 20, 2023). Mr. Jimenez reviewed the returns of managers in each asset class. Real estate holdings have seen a shift due to office building exposure. Clarion was aggressive in writing down their office building exposure. Mr. Jimenez was thanked for his report.

OLD BUSINESS

Summary of Litigation from Plan Counsel

Mr. Rosenblat referred the Trustees to the Legal Report dated September 21, 2023. A copy of that report is attached and made part of these Minutes. Mr. Rosenblat noted that at the August Board meeting, the Trustees approved closing the file on Okere. The Trustees also approved closing the file on Galanis at the August meeting. Consequently, those matters will no longer appear on the report. He reported that the Williams case is set for final approval of the settlement at an October 23, 2023 hearing. Mr. Rosenblat was thanked for his report.

Segal Update

The attention of the Trustees was directed to Mr. Levin. He reported on the open enrollment. The webpage will go live in early October. There is an in-person meeting scheduled for November 1, 2023, in Bridgeview. The open enrollment kits will be mailed in October. Copies of the kits will be distributed to the Trustees in advance for informational purposes.

He reported that the City of Chicago agency collective selected CVS to provide prescription benefit management services for 2024 through 2026. The contracting process is beginning. Mr. Levin was thanked for his report.

NEW BUSINESS

Presentation of the Financial Statements and Independent Auditors' Report

The attention of the Trustees was directed to Brent Baccus, Khaleel Baig and Dan Kelly of Mitchell & Titus. Mr. Baig directed the attention of the Trustees to the draft Financial Statements and Independent Auditor's Report. A copy of the draft report was distributed to the Trustees and is made part of these Minutes. He said that the report was substantially completed. They were waiting for certain legal responses. They do not anticipate any changes. No action was needed at this meeting. The report states in part:

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of December 31, 2022, and 2021, and the changes in its financial position for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

The auditors referred to this as a clean opinion. Discussion ensued regarding an October 1 due date for valuation. The auditors were thanked for their report.

Rescheduling of December Board Meeting

Discussion ensued regarding the date for the December 2023 Board meeting. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That the December 2023 Board meeting will be held on December 21, 2023.

GENERAL ADMINISTRATION COMMITTEE ISSUES

The attention of the Trustees was directed to Mr. Kasmer who reported 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 review, they appeared to be in order. 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.

Mr. Kasmer then reported that under Item 7(c), educational conference pre-approvals, he is asking for reimbursement for one-half of the cost of an educational session. Upon motion made and seconded the following motion was unanimously adopted:

RESOLVED: To approve the request to reimburse Mr. Kasmer for one-half of the cost of an educational session.

ADJOURNMENT

There being no need for an Executive Session, no further business came 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 11:10 a.m.


SECRETARY