

MINUTES OF THE MEETING OF THE
CTA RETIREE HEALTH CARE TRUST
January 25, 2024
200 West Adams Street, Chicago, Illinois

TRUSTEES PRESENT

Thomas McKone	Chairman
Keith Hill	Secretary
April Morgan	
Joseph Burke (via Teams)	
Andrew Fuller (via Teams)	
Christopher Kasmer	
Mark Weems (for Pennie McCoach)	

ALSO PRESENT

Marqueal Williams	Alternate Trustee
Georgette Hampton	Alternate Trustee
Michael Bowen	Alternate Trustee
Paul Sidrys	Executive Director
Elsa Trejo	Deputy Executive Director of Finance and Accounting
Hector Flores	Deputy Executive Director of Benefits and Operations
Stanley Mui	Accountant
Miguel Zarate (via Teams)	Investment Consultant, Marquette Associate
Dan Levin	Benefits Consultant, Segal Consulting
Colleen Batty (via Teams)	Benefits Consultant, Segal Consulting
Norm Buckwalter (via Teams)	Administration and Technology Consultant, Segal Consulting
Nicole Llorens (via Teams)	Actuarial Consultant, Segal Consulting
Barbara Zaveduk (via Teams)	Actuarial Consultant, Segal Consulting
Ronald Willis (via Teams)	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich on behalf of the ATU Local 241 Appointed Trustee
Anita Tanay	On behalf of the ATU Local 308 appointed Trustee
Jeffrey Bora	Counsel on behalf of the CTA appointed Trustees
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.

CALL TO ORDER

A quorum being present, the meeting was called to order at 10:56 a.m..

APPROVAL OF MINUTES OF PREVIOUS MEETING

The Minutes of the December 21, 2023 meeting of the CTA Retiree Health Care Trust were presented for approval. The Minutes were previously distributed to the Trustees. A copy of

the Minutes is attached and made part of these Minutes. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the Minutes as presented.

ELECTION OF OFFICERS

Pursuant to the Trust Agreement, officers of the Trust for 2024 are to be selected. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That Thomas McKone be Chairman for 2024.

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

RESOLVED: That Keith Hill be Secretary for 2024.

REPORT OF INVESTMENT COMMITTEE

Mr. Zarate directed the attention of the Trustees to the monthly update as of December 31, 2023. A copy of that report is attached and made part of these Minutes. The total fund composite return for the year ending December 31, 2023 was 12.1%. The equity portion of the portfolio was up 24.2%. The Fund experienced strong returns across all asset classes, except for real estate.

Asset allocation was then reviewed. U.S. fixed income is underweight primarily because equities are overweight due to their strong performance and because of waiting for redemptions from real estate managers. Mr. Zarate reviewed the individual investment managers. The managers met or exceeded expectations. Garcia Hamilton recently improved its returns as did TCW. Equities are primarily indexed. Eagle had a relatively poor first quarter. Mr. Zarate pointed out that Eagle returned 19.7% compared to the Russell Midcap Growth Index which returned 25.9% for the year. Lazard outperformed the NCSI ACWI ex USA Index returning 18.7% for the year compared to the index return of 15.6%. Artisan International Small/MidFund had a relatively strong fourth quarter, however, it underperformed for the year due to its healthcare holdings. Mr. Zarate was thanked for his report.

OLD BUSINESS

Litigation Report

Mr. Rosenblat noted that the litigation report had previously been distributed to the Trustees and is attached and made part of these Minutes. The only matter on the report was the Williams case which has now concluded. The Trustees asked Mr. Rosenblat to take the Williams case off the report.

Payroll Audit Committee

There is a draft report which will be reviewed on February 8, 2024 with the payroll audit committee.

Segal Update

The attention of the Trustees was directed to Dan Levin. He discussed possible vision and hearing improvements for 2025. Discussion ensued regarding the cost of these benefit improvements. Medicare retirees currently get an exam benefit through Humana. For non-Medicare retirees, those in the HMO get hearing and vision benefits. Those in the PPO only get discounted fees. 75% of participants are enrolled in the Cigna dental plan. Mr. Levin reviewed options for the non-Medicare retirees for vision and hearing. It was noted that consideration of possible improvements were referred to the General Administration Committee at the last Board meeting.

He also said at the next Board meeting he would make a presentation on the impact to retirees of the Inflation Reduction Act. Mr. Levin was thanked for his report.

IT and Software Update

Mr. Sidrys reported that progress is being made on engaging with the new software vendor, Procentia.

2024 Budget Approval

A draft of the 2024 Budget was included in the meeting materials. A copy of that draft budget is attached and made part of these Minutes. Discussion ensued. The Fund operated under budget in 2023 because litigation costs came in under budget. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the 2024 budget as presented.

NEW BUSINESS

Discussion ensued regarding evaluations for Fund Office staff.

Mr. Zarate pointed out that as of yesterday, the market value of the Fund's assets was \$1,011,813,796.

REPORT OF GENERAL ADMINISTRATION COMMITTEE

Mr. Kasmer noted that copies of applications for benefits and bills and remittances under items 8 (a) and (b) of the agenda were previously distributed to the Trustees and are attached and made part of these Minutes. Upon motion made and seconded, the following resolution was unanimously adopted:

RESOLVED: To approve items 8 (a) and (b) as presented.

EXECUTIVE SESSION

There was no need for an Executive Session.

ADJOURMENT

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 11:30 a.m.


SECRETARY

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