

MINUTES OF THE MEETING OF THE  
CTA RETIREE HEALTH CARE TRUST

September 20, 2024  
50 S. LaSalle Street, 6<sup>th</sup> Floor  
Chicago, IL 60606

TRUSTEES PRESENT

Tom McKone	Chairman
Keith Hill	Secretary
Joseph Burke (via Teams)	
Andrew Fuller (via Teams)	
Christopher Kasmer	
April Morgan	
Mark Weems (via Teams)	

ALSO PRESENT

Michael Bowen	Alternate Trustee
John Burkard (via Teams)	Alternate Trustee
Georgette Hampton (via Teams)	Alternate Trustee
Marqueal Williams	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
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Jeffrey Bora (via Teams)	Counsel on behalf of the CTA appointed Trustees
Anita Tanay (via Teams)	Counsel on behalf of the ATU Local 308 appointed Trustee
Mirza Baig	Fund Auditor, Mitchell Titus
Brent Baccus	Fund Auditor, Mitchell Titus
Jesus Jimenez	Investment Consultant, Marquette Associates
Dan A. Levin (via Teams)	Benefits Consultant, Segal Consulting
Colleen Batty (via Teams)	Benefits Consultant, Segal Consulting
Nicole Z. Llorens (via Teams)	Actuarial Consultant, Segal Consulting
Barb Zaveduk (via Teams)	Actuarial Consultant, Segal Consulting

CALL TO ORDER

A quorum being present, the meeting was called to order at 10:35 a.m.

APPROVAL OF MINUTES OF PREVIOUS MEETING

The Minutes of the August 22, 2024 meeting of the CTA Retiree Health Care Trust were previously distributed to the Trustees and are attached and made part of these Minutes.

Consequently, the reading of the Minutes was dispensed with. Upon motion made and seconded, the following Resolution was unanimously:

RESOLVED: That the Minutes of the CTA Retiree Health Care Trust meeting held on August 22, 2024 be approved as presented.

#### REPORT OF INVESTMENT COMMITTEE

The attention of the Trustees was directed to Jose Jimenez. Mr. Jimenez directed the attention of the Trustees to the Retiree Health Care Trust Executive Summary as of September 20, 2024. A copy of that report was previously distributed to the Trustees and is attached and made part of these Minutes. Mr. Jimenez reported that as of yesterday, September 19, 2024, the value of the Fund's investment was \$1,090,749,711.31. He then directed the attention of the Trustees to the Executive Summary. Year-to-date through August 31, 2024, the Fund returned 9.3% compared to the policy benchmark return of 9.2%. The total fixed income composite returned 3.2%, U.S. equities returned 17%, non-U.S. equities returned 11.9%. The ending market balance as of August 31, 2024 was \$1,091,355,393.

Mr. Jimenez reviewed outstanding items. A \$40 million redemption was put in for Clarion Lion Properties Fund, where \$28,306,237 remains outstanding. A full redemption was put in for Heitman America Real Estate of which \$5,962,413 remains outstanding and a \$5 million redemption was put in for Intercontinental U.S. REIF of which \$4,856,070 remains outstanding. Turning the attention of the Trustees to private debt commitments, a \$15 million commitment was made to Turning Rock Partners Fund II of which \$1,386,506 remains unfunded. A \$45 million commitment was made to the Carlyle Direct Lending Fund IV of which \$25,258,568 remains unfunded.

Annualized performance was then reviewed. Mr. Jimenez noted that in the current market, it is difficult for active managers to beat benchmarks. Real estate portfolio returns will be helped

by the drop in interest rates. Discussion ensued regarding monetary policy and geopolitical issues affecting the markets.

Mr. Jimenez then directed the attention of the Trustees to the September 20, 2024 memorandum from Marquette Associates regarding MWDBE index services. A copy of the memorandum was previously distributed to the Trustees and is attached and made part of these Minutes. The Investment Committee, at its April 11, 2024 meeting, considered further efforts to derisk the portfolio and to consolidate the U.S., large cap equity and mid cap equity allocations into an S&P 500 index fund. The Committee further discussed the S&P 500 index versus the broader Russell 3000 index. In light of those discussions, Marquette is recommending issuing an RFP for MWDBE firms that offer a broad menu of index products, including the Russell 3000 Index services. Marquette further recommends that after reviewing candidate responses, the Investment Committee could consider expanding the scope of the RFP. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously resolved:

RESOLVED: To approve the recommendation of Marquette Associates to issue an RFP for MWDBE firms that offer a broad menu of index products.

Mr. Jimenez was thanked for his report.

#### OLD BUSINESS

a. Summary of Litigation from Plan Counsel

Mr. Rosenblat reported that there was no pending litigation.

b. Presentation of the Financial Statements and Independent Auditor's Report

Mr. Baig noted that the substance of the draft report was reviewed at the prior meeting. He reported that he was waiting on one response before the report would be completed. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the report as presented.

c. Approval of All 2025 Rates and Renewals

It was noted that the General Administration Committee recommended approving vision rate option 2 and hearing rate option 3 and that those matters were discussed at the prior meeting. Discussion ensued regarding the benefits. Upon motion made and seconded, the following Resolution was unanimously resolved:

RESOLVED: To approve vision proposal 2 and hearing proposal 3.

d. Segal Consulting Update

Mr. Levin reported that open enrollment planning is going well. A mailing will go out on October 14, 2024. The in-person enrollment meeting is scheduled for November 12, 2024. Information regarding enrollment will be posted on the Fund website.

e. Software Update

Mr. Sidrys reported that the installation of the new software is a little behind schedule because of data conversion issues that are going more slowly than expected. The project is still on budget.

NEW BUSINESS

There was no new business to come before the Board.

GENERAL ADMINISTRATION COMMITTEE

Mr. Kasmer reported that copies of applications for benefits and bills and remittances under items 7 (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 7 (a) and (b) as presented.

There were no items under 7(c), educational conference preapprovals.

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 11:15 a.m.

  
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SECRETARY

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