

MINUTES OF THE MEETING OF
THE CTA RETIREE HEALTH CARE TRUST
200 W. Adams St., 17th Floor, Conference Room, Chicago, IL 60606
December 19, 2024

TRUSTEES PRESENT

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

ALSO PRESENT

Andrew Fuller (via Teams)	Trustee
John Burkard (via Teams)	Alternate Trustee
Marqueal Williams	Alternate Trustee
Elsa Trejo	Deputy Executive Director of Finance and Accounting
Hector Flores (via Teams)	Deputy Executive Director of Benefits and Operations
Stanley Mui	Accountant
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Jeffrey Bora	Counsel on behalf of CTA appointed Trustee
Miguel Zarate	Investment Consultant, Marquette Associates
Michael Barry	Investment Consultant, Marquette Associates
Daniel A. Levin (via Teams)	Benefits Consultant, Segal Consulting
Nicole Z. Llorens (via Teams)	Actuarial Consultant, Segal Consulting
Lindsay Goodman (via Teams)	Counsel on behalf of the RTA appointed Trustee

CALL TO ORDER

A quorum being present, the meeting was called to order at 10:53 a.m. It was noted that there were six Trustees present. Mr. Burke appeared to have some difficulty in reestablishing his connection. The Chairman requested that the Agenda Items be reordered so that any votes are taken after Mr. Burke has reestablished his connection. In light of that, the attention of the Trustees was directed to Mr. Zarate.

REPORT OF INVESTMENT COMMITTEE

Mr. Zarate directed the attention of the Trustees to the Marquette Associates Monthly Updates as of November 30, 2024. A copy of that report was previously distributed to the Trustees and is attached and made part of these Minutes. Mr. Zarate said that December, so far, has been a challenging month. Nevertheless, year-to-date returns through November 30, 2024 were 11.9%. Asset allocation versus targets were reviewed. The Fund is slightly underweight, -1.6%, to fixed income. The Fund is also -0.8% underweight to private debt. Other asset classes are slightly overweight. Mr. Zarate said that Xponance will be funded soon. The Fund is rebalancing closer to its targets. As of November 30, 2024, the total value of the Fund's assets was \$1,112,518,898. As of yesterday, December 18, 2024, the total value of the Fund's assets was \$1,106,052,225. Year-to-date the net cash flow has been -\$23,257,442.

Under outstanding items, Mr. Zarate reported that there was a \$40 million redemption request of Clarion Lion Properties Fund. \$27,287,212 remains outstanding on the redemption. There was also a \$5 million redemption put in for Intercontinental US REIF. \$4,790,407 remains outstanding on that redemption. Regarding private debt, a \$15 million commitment was made to Turning Rock Partners Fund II. \$1,386,506 remains unfunded. A \$45 million commitment was made to the Carlyle Direct Lending Fund IV. \$12,978,666 remains unfunded on that commitment. Mr. Zarate noted that the asset allocation is very close to its targets.

Individual manager performance was then reviewed. The Artisan International Small-Mid Fund had a good November, returning 2.9% compared to the benchmark return of -0.1%. Discussion ensued regarding market volatility. Artisan has underperformed year-to-date, returning 4.8% compared to the benchmark return of 5.8%. Regarding market volatility, Mr. Zarate anticipated that the policies of the incoming presidential administration will be inflationary. The

question is by how much. Discussion ensued regarding the possibility of a government shutdown and its impact on the markets.

Mr. Zarate was thanked for his report.

OLD BUSINESS

a. Summary of Litigation

Mr. Rosenblat reported that there was no litigation against or on behalf of the Fund.

b. Segal Report

The attention of the Trustees was directed to Mr. Levin. He reported that the Trinity Health Care System and Aetna are in negotiations to keep the Trinity Hospital System in the network in 2025 for non-Medicare participants. Loyola Hospital is part of the Trinity Hospital System.

Discussion ensued regarding the fully insured Cigna dental plan. The plan is voluntary with premiums paid 100% by the participants. Between 4,700 and 4,800 participants participate in the dental plan. Cigna won the business for 2023-2025 through an RFP in 2022. Claims experience has been poor with a 143% loss ratio. Discussion ensued. Segal Consulting recommends doing an RFP. Current premiums vary by plan in that participants may elect single, single plus one, or family coverage. Without any RFP, Segal anticipates an approximately \$800,000 increase in premiums.

Mr. Burke reestablished connection to the meeting. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To authorize Segal Consulting to prepare an RFP for dental benefits for a price not to exceed \$40,000.

Discussion ensued regarding guarantees in the Humana contract and whether, as a result of certain governmental changes, pricing may change. Humana provides Medicare supplemental coverage. The price guarantees in the Humana contract protect against increases based on claims experience and utilization. However, regulatory charges are carved out. Humana has agreed to

ignore changes in its Star ratings and the CMS rate book, but Humana reserves the right to increase rates based on changes to CMS regulations, methodology or legislative changes. Mr. Levin and Mr. Rosenblat will continue to discuss with Humana the commitment not to increase rates. Segal does not recommend doing an RFP for Medicare covered participants at this time. No action was taken.

c. Software Upgrade

Discussion was had during the Pension meeting regarding the software upgrade.

APPROVAL OF MINUTES OF PREVIOUS MEETING

The Minutes of the November 26, 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 adopted:

RESOLVED: That the November 26, 2024 Minutes of the CTA Retiree Health Care Trust meeting be approved as presented.

Mr. Bowen abstained.

NEW BUSINESS

Discussion ensued regarding the passing of Georgette Hampton. Ms. Hampton was a Trustee. The Trustees expressed their condolences to her family. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To recognize Georgette Hampton's dedication and service to the Retiree Health Care Trust and employees and retirees of the Chicago Transit Authority.

REPORT OF 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.

Mr. Kasmer noted that there were no items under 7(c).

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 11:30 a.m.



SECRETARY