

Meeting of the Chicago Transit Authority Retiree Health Care Trust
May 26, 2011

Proposed
Meeting Minutes

A regular meeting of the Board of Trustees of the Chicago Transit Authority Retiree Health Care Trust was held on May 26, 2011 at One North Franklin Street, on the 24th Floor. The Chairman and the Executive Director were present.

A roll call was taken indicating that the following members were present:

Allison Friedman as an alternate for Theresa Mintle
Joseph Pass
Joseph Burke
Christopher Kasmer
Robert Kelly
Paul Sidrys
Paul Volpe

James O'Connell was present as General Counsel for the Trust. Present on behalf of the Regional Transit Authority appointed Trustee were Andrew Malahowski of Franczek Radelet, PC and John Doerrer of Kaizen, Inc. James Daley of K&L Gates was present on behalf of the CTA Trustees. Joe Burns of Jacobs, Burns, Orlove & Hernandez was present for the Union Trustees. Also present were Ivory Day of Gray & Company, and Barbara Zaveduk, Ruth Donahue and Mitch Bramstaedt of The Segal Company.

On a motion by Mr. Kasmer, seconded by Mr. Burke, the Board approved the April, 2011 minutes.

Administrative Subcommittee

On a motion by Mr. Kasmer, seconded by Mr. Sidrys, the Board approved the payment of the bills submitted.

Mr. Kallianis provided an update concerning the procurement of fiduciary liability insurance.

Investment Subcommittee

Mr. Day provided a performance report through the end of March. The value of the RHCT assets as of the end of the quarter was \$613,608,407.

Old Business

Mr. Kallianis distributed two resolutions for consideration regarding the Illinois Civil Union Law, effective June 1, 2011. On motion by Mr. Kelly, seconded by Mr. Burke, the Board approved the first resolution, affirming that the RHCT will comply with the new law.

The Trustees discussed the formula for determining the premium for hourly employees of the CTA. On motion by Mr. Kasmer, seconded by Mr. Sidrys, the Board determined that hours worked would determine which level of premium an employee would be required to pay, not hours paid (in the event that an employee might be paid a multiple of hours worked, as for overtime). The Trustees discussed the question of whether their eligibility determination would be applied retroactively, and asked for data to be collected indicating how many individuals might be affected by the question.

Ms. Donahue provided an update on the bid process. The bids for dental and Medicare exchanges have been received, and the deadline for submitting bids for the medical plan was extended one week to June 3. The meeting of the committee to consider the bids was set for June 16, 2011 at 10:00 a.m.

Ms. Zaveduk noted that the Trustees had not yet decided whether the break in service rules applicable to the Pension Fund would be adopted by the RHCT. Ms. Donahue reminded the Board that there was a decision earlier to attempt to address remaining issues in the process of completing the SPD.

Mr. Kallianis provided an update regarding the contract discussions with Allsup. On motion by Mr. Kelly, seconded by Mr. Kasmer, the Board approved entering into a contract, with changes to the contract as noted.

Mr. O'Connell directed the Trustees' attention to a draft appeal procedure. Mr. Daley and Mr. Burns indicated that they had some suggestions to make, and the Board deferred consideration of the procedures so that any suggestions provided by Mr. Burns and Mr. Daley could be considered.

New Business

No appeals were presented.

Executive Session

On motion of Mr. Kelly, seconded by Mr. Volpe, the Board met in Executive Session to discuss litigation, and potential litigation.

Open Session

On a motion by Mr. Kelly, seconded by Mr. Kasmer, the meeting was adjourned.