

Meeting of the Chicago Transit Authority Retiree Health Care Trust

August 25, 2011

Meeting Minutes

A regular meeting of the Board of Trustees of the Chicago Transit Authority Retiree Health Care Trust was held on August 25, 2011 at One North Franklin Street, 24th Floor, Chicago, Illinois. The Chairman and the Executive Director were present.

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

Joan Coogan
Joseph Pass, Chairman
Joseph J. Burke
Allison Friedman for Paul Volpe
Christopher Kasmer
Robert Kelly
Paul Sidrys

James O'Connell was present as General Counsel for the Trust. William Lachman, alternate trustee for the RTA, was also present. Present on behalf of the Regional Transit Authority appointed Trustee was Andrew Malahowski of Franczek Radelet, PC. Mr. James Daley of K & L Gates appeared on behalf of the CTA Trustees. Also present were Barbara Zaveduk, Ruth Donahue and Mitch Bramstaedt of The Segal Company, and Ivory Day of Gray & Company.

On a motion by Mr. Kasmer, seconded by Mr. Kelly, the Board approved the August 3, 2011 minutes, with the correction of Mr. Burke's middle initial to J.

Administrative Subcommittee

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

Investment Subcommittee

Mr. Day discussed the performance of the plan's investments, reporting that performance was favorable as compared to benchmarks. The value of the RHCT assets on August 23, 2011 was \$582,285,773.

Old Business

Mr. Kallianis and Ms. Zaveduk reviewed with the Trustees an eligibility question regarding deferred vested individuals, and agreed to provide a summary of some of the relevant considerations at the next Board meeting.

Ms. Zaveduk reviewed with the Trustees a handout reflecting certain options available to the Trustees as a result of projected savings from the new arrangements with providers which

had been approved at the April 9, 2011 special meeting. After discussion, upon motion by Mr. Kelly, seconded by Ms. Coogan, the Board approved the changes reflected on the handout as “cushion” 11.2, by a majority vote.

Ms. Donahue reminded the Trustees that, for the non-Medicare population, MetLife had initially proposed a two-tier option (single coverage and family coverage). More recently, MetLife had indicated it could in the alternative make available a three-tier option (single coverage, retiree plus one coverage, and family coverage). After discussion, upon motion by Mr. Kasmer, seconded by Mr. Sidrys, the Trustees voted to adopt the three-tier option.

The Trustees discussed providing a benefit like a health reimbursement arrangement, within the restrictions of the statute governing the RHCT, to be provided to participants who do not qualify for the major medical health care benefit. They indicated they would like to give the matter further consideration.

Mr. O’Connell reported that he had been receiving comments on the proposed appeal procedure, including a recent suggestion that it might be useful to obtain information about what appeal process, if any, was available from the plan’s providers. It was suggested that similar information be obtained from the new providers recently approved by the Trustees.

New Business

The Trustees discussed whether to retain Legacy to provide a payroll audit of contributions to the RHCT, and asked for further information on the reasons to consider an audit now, as opposed to waiting for results from the audit the Retirement Plan had commissioned.

It was moved by Mr. Kelly, and seconded, that the meeting be adjourned. The Trustees voted unanimously to adjourn.