

**Meeting of the Chicago Transit Authority Retiree Health Care Trust**  
February 23, 2012

**Meeting Minutes**

A meeting of the Board of Trustees of the Chicago Transit Authority Retiree Health Care Trust (“RHCT”) was held on February 23, 2012 at One North Franklin Street, on the 24th Floor. The Chairman and Executive Director were present.

A roll call was taken. The following members were present:

Joan Coogan, Chair  
Joseph Pass  
Joseph J. Burke  
John Burkard as an alternate for Christopher Kasmer  
Robert Kelly  
Paul Sidrys  
Paul Volpe

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

On a motion by Mr. Kelly, seconded by Mr. Burke, the Board approved the proposed minutes for January, 2011, with the changes indicated.

**Administrative Subcommittee**

Mr. Kallianis noted that the package did not include an invoice from Aetna on the self-funded plan created for participants in Puerto Rico, Pino County, Arizona, and participants who had not elected Medicare Part B coverage and thus would be excluded from the Medicare Advantage plan. The reason is because the process anticipated is for the RHCT to pre-fund an account for payment of claims. Aetna has estimated monthly claims for the self-funded plan at \$30,000, and thus the RHCT would fund an account, and when the balance dropped below a certain point, Aetna would notify the RHCT and the account would be replenished. On a motion by Mr. Burkard, seconded by Mr. Kelly, the Board approved the payment of the General Administration Subcommittee bills submitted.

Mr. O’Connell was asked to prepare a summary for the April Board meeting of legal expenses for the past two years.

On motion by Mr. Burke, seconded by Mr. Pass, the Board approved payment of expenses for travel and educational sessions for Mr. Kelly and Mr. Dixon, at the next annual meeting of the International Foundation of Employee Benefit Plans, to be split with the Retirement Plan.

### **Investment Subcommittee**

Mr. Day provided a report. The value of the RHCT assets as of February 21, 2012 was \$624,690,784.20. Mr. Day noted that the return for the RHCT from inception to date is 5.69%. Mr. Day provided a review of his system of grading managers.

With respect to Enhanced Investment Partners, LLC (EIP), it was noted that the Retirement Plan had tabled consideration for the time being.

### **Old Business**

Mr. Kallianis briefed the Trustees on recent developments with respect to the payroll audit, noting that meetings with the CTA and Locals 241 and 308 had been scheduled, to be followed by field work.

On motion by Mr. Pass, seconded by Mr. Sidrys, the Board determined that the Open Meetings Act is a topic important to the administration of the RHCT.

With respect to the idea of a health reimbursement arrangement, Mr. Pass noted that some suggestions had been made for revisions to the RHCT statute, and that another meeting of the HRA subcommittee might be helpful.

### **New Business**

Mr. O'Connell referred the trustees to the request for a fee increase from Burke, Warren, MacKay & Serritella which had been circulated. He commented that the request was reasonable. On motion by Mr. Kelly, seconded by Mr. Sidrys, the Board approved the request, including the request for a \$10 per hour increase for attorneys, effective April 1, 2012.

On motion by Mr. Pass, seconded by Mr. Volpe, the Board approved retention of one or more professional services firms to seek assistance for paralegal or attorney services, at lower rates than the RHCT is currently paying for such services.

Mr. O'Connell reported that the Matthews case has been set for oral argument March 23. He also advised that a claim had been filed with the Illinois Department of Labor (IDOL) by former participant Moreno, seeking a refund of his contributions to the RHCT. Mr. O'Connell noted that the matter is currently under consideration by the IDOL.

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