

CTA Retiree Health Care Trust

55 W. Monroe, Suite 1950
Chicago, IL 60603

November 19, 2015

Approved Meeting Minutes

A regular meeting of the Board of Trustees of the Retiree Health Care Trust (“RHCT”) was held on November 19, 2015 at One North Franklin Street, on the 27th Floor.

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

Chris Kasmer, Chair
Joan Coogan, Secretary
Joseph Burke
Kenneth Franklin
Tommy Sams
Paul Sidrys
Patricia Thomas-Miller (joined the meeting in progress)

John Kallianis was present as Executive Director of the RHCT. Mike Virgil of BWM&S was present as General Counsel for the Retirement Plan. James P. Daley of Jackson Lewis, LLP appeared on behalf of the CTA-appointed Trustees. Justin Lannoye of Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich appeared on behalf of the ATU Local 241-appointed Trustee. Brandon Anderson of Jacobs, Burns, Orlove and Hernandez appeared on behalf of the ATU Local 308-appointed Trustee. Daniel Salemi of Franczek Radelet, PC appeared on behalf of the Regional Transit Authority-appointed Trustee.

Also present were Kweku Obed and Miguel Zarate of Marquette Associates; Ruth Donahue and Barb Zaveduk of Segal;

On motion by Ms. Coogan, seconded by Mr. Franklin, the Board approved the minutes of the October 22, 2015 RHCT Regular Board meeting.

Appointments to Subcommittees

On motion by Mr. Burke, seconded by Mr. Franklin, the Trustees appointed Ms. Coogan to the Payroll Review Subcommittee and to the General Administration Subcommittee.

Administrative Committee

Mr. Kasmer presented items 5a and 5b, including benefits and bills for consideration. On motion by Mr. Burke, seconded by Mr. Sidrys, the Board approved Items 5a and 5b on the General Administration Committee agenda.

Investment Subcommittee

Mr. Zarate reviewed the quarterly report ending September, 2015. He focused on the portfolio performance. He indicated that it was a tough quarter in terms of the markets.

Mr. Zarate reported that the market value for the fund as of the prior day's close of business was \$727,160,917.80.

Mr. Zarate then reviewed the flash report for October, 2015. He focused on the executive summary. He reported that the fund had a nice run for the month but the fund was underperforming its benchmark for the month.

Mr. Zarate presented the transition update including comparison of new policy to old policy and a list of approved changes which includes termination of several managers, addition of index managers and issuance of 2 RFP which are due in December.

Old Business

Ms. Donahue provided the Board with an updated timeline for key dates and indicated that open enrollment took place earlier this month. She informed that approximately 40 people have signed up for the HMO, a plan that is more affordable even than the PPO for the Medicare Advantage group.

Ms. Donahue then indicated that as part of the reporting requirements under the Affordable Care Act, the Trust is required to file IRS Forms 1094-B and 1095-B with the IRS concerning all participants enrolled in the Blue Cross PPO, about 1200 participants. She also indicated that it is not necessary to file forms concerning participants enrolled in the Blue Cross HMO or participants enrolled in the Humana plan. She indicated that Segal looked for vendor who will do the filing for the Trust and that there are a limited number of vendors.

Ms. Donahue then presented a memo, which contained the comparison of 3 vendors for the preparation of forms to be filled with the IRS. On a motion by Mr. Franklin, seconded by Mr. Burke, the board approved engaging ACA Track for \$8,700.00 for the IRS filing as required under the Affordable Care Act.

Mr. Kallianis reminded the Trustees that the Payroll Review Subcommittee will meet again on December 7, 2015.

New Business

There was no new business discussed.

On a motion by Mr. Franklin, seconded by Mr. Burke, the Board voted to adjourn the meeting.