

for approval at the May 25, 2017 meeting. Discussion ensued. Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: To approve the April 27, 2017 Minutes.

Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: To approve the Minutes of the May 25, 2017 Board of Trustees meeting.

Mr. Hill abstained from the vote on the May 25, 2017 Minutes.

Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: That the Minutes of the June 19, 2017 meeting be approved.

Mr. Hill and Mr. Sidrys abstained from the vote on approval of the June 19, 2017 Minutes.

GENERAL ADMINISTRATION COMMITTEE ISSUES

The Trustees referred to Items 4(a), 4(b) and 4(c) on the Agenda regarding application for benefits, bills and remittances and educational conference preapprovals, respectively. It was noted that there were no requests for educational conference preapprovals pursuant to 4(c). Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve Items 4(a), 4(b) and 4(c) regarding application for benefits, and educational conference preapprovals.

Mr. Kasmer then referred to Item 4(d) regarding the General Administration Subcommittee addressing the Collections Policy and Delegation of Authority to the Executive Director and fiduciary status. Mr. Kasmer reported that the meeting took place on July 10, 2017. At the meeting, development of a collections policy, fiduciary status of the Executive Director and delegation of authority to the Executive Director was discussed. He reported that it was the opinion of counsel for both the Retirement Plan and the Health Care Trust that the Executive Director is a fiduciary in the execution of his duties.

REPORT OF INVESTMENT CONSULTANT

Mr. Zarate addressed the Trustees. He introduced Mr. Jimenez of his firm who will give the report. Mr. Jimenez reported that the market value of the Plan's assets as of yesterday, July 26, 2017, was \$816,383,059.54. The cash balance was \$5,603,205.89. Mr. Jimenez directed the attention of the Trustees to page 3 of the "Marquette Associates Retiree Health Care Trust Monthly Update, June 30, 2017." A copy of that report is attached and made part of these Minutes. He directed the attention of the Trustees to page 3 of the meeting materials, which showed the Fund outperformed the benchmark in June 2017 by 40 basis points. During the quarter ending June 30, 2017, the Fund outperformed its benchmark by 80 basis points. Fiscal year-to-date, the Fund has returned 7.6%. Mr. Jimenez noted that the William Blair Emerging Markets separate account has transitioned into the mutual fund. Mr. Jimenez and Mr. Zarate were thanked for the presentation.

OLD BUSINESS

Mr. Kallianis reported on the training sessions for part-time union officer contribution reporting. On June 8, 2017, a meeting was held to talk about an agreed upon form for those contributions. The meeting was held at the CTA on June 29, 2017. Representatives from Local 241, Local 308, the CTA and Plan Office were there.

Items B and C under Old Business which deal with contributions for ATU Apprentices and unrepresented employees and employees who are members of Iron Workers' Local 1 were deferred to Executive Session.

Mr. Kallianis reported that the mid-year budget update was emailed to the Trustees. Mr. Kallianis offered to answer questions about the update. Discussion ensued regarding investment management fees. It was noted that the last six months of the calendar is weighted a little heavier

towards fees because of the way certain of the managers operate. Mr. Franklin asked about custodial fees. Mr. Kallianis responded that custodial fees for Northern Trust are for custodying the assets of the Fund. Discussion ensued regarding the duties of the custodian for the Health Care Trust. Mr. Burns asked when the last RFP was done for custodial services. Mr. Kallianis responded that the custodian for the Health Care Trust was a legacy decision made by the Retirement Plan from when health care benefits were provided by the Retirement Plan. Mr. Kallianis will follow up on the duties and fees for the custodial bank.

The next agenda item was the Legacy Professionals payroll audit for 2011 through 2016 and the documents requested by the auditors to perform the audit.

Ms. Donahue then reviewed the calendar of key dates. A copy of the key dates was distributed to the Trustees and is attached and made part of these Minutes. Ms. Donahue reported that a GA Committee meeting is scheduled for August 8 to continue work on the HRA and that a Board meeting is scheduled for August 17, 2017 at which Segal will present the valuation and contract renewals. Also a special meeting of the Board of Trustees will need to be held probably during the week of September 11, 2017 to determine future contribution rates. Mr. Kallianis noted that Shane Olson from Humana was present at the meeting and that Humana is providing an education session for participants tomorrow.

Ms. Donahue reported that Group Administrators presented a proposal to provide administrative services for the health reimbursement accounts. She reported that the fees proposed seem consistent with the market. Group Administrators proposes a \$10,000 initial set-up fee, 30¢ per member per month tracking fee and \$1.42 per member per month pass through card fee. Ms. Donahue then reviewed the proposal and memorandum from Segal Consulting. Copies of those

documents are attached and made part of these Minutes. Ms. Donahue further reported that the expenses related to HRA accounts were discussed at the GA Committee meetings. The computer system and data must be maintained and monitored for the period between termination of employment at the CTA and becoming age 65. Approximately 700 people are expected to be eligible on January 1, 2018. Further discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To defer consideration of extending Group Administrators' contract to the next meeting.

It passed unanimously.

EXECUTIVE SESSION

At 12:05 p.m., Mr. Franklin moved that the Board go into executive session. The motion was seconded by Mr. McKone.

At 12:57 p.m., Mr. Franklin moved to end the executive session. The motion was seconded by Mr. Hill. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To end the Executive Session.

Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: To authorize Baum Sigman Auerbach & Neuman, Ltd. to file suit on behalf of the Board against the CTA, Iron Workers' Local 1 and any other necessary parties to recover contributions, interest and for other necessary and appropriate relief related to the audit findings identified by Legacy Professionals.

Discussion ensued. The question was called. The following Trustees voted in favor of the motion: Mr. Kasmer; Mr. Burke; Mr. Franklin; and Mr. Hill. The following Trustees abstained: Mr. McKone; and Mr. Sidrys. Ms. Thornton-Pierce voted no. The motion carried.

ADJOURNMENT

There being no further business to come before the Board, upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To adjourn the meeting at 1:07 p.m.

SECRETARY