

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
200 West Adams Street, 17th Floor, Chicago, Illinois
October 19, 2017

TRUSTEES PRESENT

Christopher Kasmer	Chairman
Joseph J. Burke	
Kenneth Franklin	
Keith Hill	
Thomas McKone	
Paul Sidrys	
Mike Bowen (Alternate)	

ALSO PRESENT

John V. Kallianis	Executive Director
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Richard Burke	Special Counsel, Burke Warren MacKay & Serritella, PC
Eric VanderPloeg	Special Counsel, Burke Warren MacKay & Serritella, P.C.
Justin J. Lannoye	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich on behalf of the ATU Local 241 appointed Trustee
Daniel R. Salemi	Franczek Radelet, PC on behalf of the RTA appointed Trustee
James P. Daley	Jackson Lewis, LLP on behalf of CTA appointed Trustees
Anita Tanay	Jacobs, Burns, Orlove & Hernandez on behalf of the ATU Local 308 appointed Trustee
Miguel Zarate	Investment Consulting, Marquette Associates
Ruth Donahue	Benefits Consultant, Segal Consulting
Daniel Levin	Benefits Consultant, Segal Consulting

CALL TO ORDER

The Chairman called the meeting to order at 10:10 a.m.

ROLL CALL

Roll was taken and a quorum was declared present.

APPROVAL OF MINUTES OF PREVIOUS MEETING

Minutes of the September 28, 2017 Board of Trustees Meeting had previously been distributed to the Trustees. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the Minutes of the September 28, 2017 Meeting.

GENERAL ADMINISTRATION COMMITTEE ISSUES

The applications for benefits and bills and remittances were reviewed. There were no requests for educational conference pre-approvals. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve all applications for benefits and payment of bills and remittances as presented.

REPORT OF INVESTMENT CONSULTANT

Mr. Zarate referred the Trustees to the “Marquette Associates, Retiree Health Care Trust, Monthly Update, September 30, 2017.” A copy of that report is attached and made part of these Minutes. Fiscal year-to-date as of September 30, 2017, the Fund has returned 11%. As of October 18, 2017, the market value of the Fund’s assets were \$834,965,251.30. Discussion ensued regarding the difference in the return between the Retiree Health Care Trust and the Retirement Plan for CTA Employees. Discussion ensued. It was noted that the fixed income allocation is underweight as the policy target is 40% and the allocation is 37.2%. Mr. Zarate was thanked for his report.

EXECUTIVE SESSION

At 10:16 a.m., Mr. Burke moved that the Board go into Executive Session. The motion was seconded by Mr. Franklin. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That the Board move into Executive Session.

LITIGATION MATTERS

At 11:06 a.m., the Trustees resumed the public portion of their meeting. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To authorize Mr. Kallianis, the Executive Director, in consultation with the Burke Warren firm and Fund General Counsel, to select counsel to represent the Trustees in litigation against the Hartford Insurance Company and to advise the Trustees of the firm selected.

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

RESOLVED: To enter into a tolling agreement with U.S. Bank regarding the ongoing litigation titled *Michelin Retirement Plan and the Investment Committee of the Michelin Retirement Plan v. Paxson, LLP, et al.* that the Fund is party to in South Carolina.

OLD BUSINESS

Regarding the Board's request for unpaid contributions from the CTA for certain employees who are members of one of the ATU Locals, unrepresented employees and Iron Workers' Local 1 represented employees, it was reported that a lawsuit has been filed on behalf of the Trustees seeking the court's ruling on the obligations of the various parties. The lawsuit is in the process of being served.

The Legacy data request for the payroll compliance audit for 2011 through 2016 is ongoing. The Trustees requested that Mr. Kemperas make a presentation on the status of the review at the November Board meeting.

Ms. Donahue, from Segal Consulting, then reviewed with the Trustees “Key Dates for Chicago Transit Authority Retiree Health Care Trust – 2017.” A copy of that document is attached and made part of these Minutes. Ms. Donahue mentioned that a pre-retirement seminar is scheduled for later this evening. She also noted that the open enrollment materials will be mailed out to all members next week. Open enrollment begins November 1, 2017. An open enrollment meeting has been scheduled for November 8, 2017. Open enrollment ends November 15, 2017.

Ms. Donahue then directed the attention of the Trustees to the updated draft of the Plan document for the Health Care Reimbursement Account or HRA. The HRA will become effective January 1, 2018, pending approval of the document. Ms. Donahue said that approximately 700 members will be eligible to participate in the HRA once the Trustees approve it. There is a \$25 fee to cover administration of the HRA which will be paid for directly by the members. The administrative fee includes the cost of the debit card. Discussion ensued. Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: To approve the Plan’s summary for the Health Care Reimbursement Account.

Mr. Franklin and Mr. Hill abstained.

Ms. Donahue then reviewed various communications which will be sent to the members over the next several months.

ADJOURNMENT

There being no further business to come before the Trustees, at 11:23 a.m., upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: That the meeting be adjourned.

SECRETARY

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