

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
200 West Adams Street, 17th Floor, Chicago, Illinois
November 21, 2017

TRUSTEES PRESENT

Christopher Kasmer Chairman
Joseph J. Burke
Ken Franklin (Mark Weems)
Keith Hill
Thomas McKone
Paul Sidrys (Mike Bowen)
Georgette Hampton

ALSO PRESENT

John V. Kallianis	Executive Director
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Joseph Burns	Jacobs, Burns, Orlove & Hernandez on behalf of the ATU Local 308 appointed Trustee
James P. Daley	Jackson Lewis, LLP on behalf of CTA appointed Trustees
Daniel R. Salemi	Franczek Radelet, PC on behalf of the RTA appointed Trustee
Justin J. Lannoye	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich on behalf of the ATU Local 241 appointed Trustee
Miguel Zarate	Investment Consultant, Marquette Associates
Jesus Jimenez	Investment Consultant, Marquette Associates
Dorothy Stawiarski	Benefits Consultant, Segal Consulting
Daniel Levin	Benefits Consultant, Segal Consulting

CALL TO ORDER

The Chairman called the meeting to order at 11:10 a.m.

ROLL CALL

Roll was taken and a quorum was declared present.

APPROVAL OF MINUTES OF PREVIOUS MEETING

Minutes of the October 19, 2017 Board of Trustees Meeting had previously been distributed to the Trustees. Upon motion made and seconded, the following Resolution was adopted:

RESOLVED: To approve the Minutes of the October 19, 2017 Meeting.

Mr. Weems and Ms. Hampton abstained.

GENERAL ADMINISTRATION COMMITTEE ISSUES

The applications for benefits and bills and remittances were reviewed. There were no requests for educational conference pre-approvals. In response to a question regarding the invoice from Freeborn Peters, the law firm representing the Fund in the Williams case, Mr. Kallianis reported that the firm has spent considerable time on discovery matters. Mr. Kallianis reported the hourly fee for Freeborn and Peters is \$425.00. 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 directed the attention of the Trustees to the October 2017 Flash Report, a copy of which is attached and made part of these Minutes. Mr. Zarate directed the attention of the Trustees to Exhibit 1 of the report. He reviewed the Summary of Cash Flows, noting that the ending market value as of the end of the third quarter of 2017 was \$827,638,699. Discussion ensued regarding the fact the the Fund has a higher equity allocation than typical welfare funds. Year-to-date through September 30, 2017, the Fund returned 10.9% compared to the policy benchmark of 9.6% and the actuarial assumed rate of 5.2%. Individual manager performance was

then reviewed. Mr. Zarate then referred the remainder of the presentation to Mr. Jimenez. Mr. Jimenez reported that as of November 20, 2017, the market value of the Fund's assets were \$840,104,613.37. Year-to-date through October 31, 2017 the Fund had returned 12% compared to the policy benchmark of 11%. It was noted that Amalgatrust has a new subadvisor, Copeland Capital. Marquette was thanked for their report.

OLD BUSINESS

Mr. Rosenblat reported that a lawsuit filed to address the question of unpaid contributions was served on the Chicago Transit Authority, Iron Workers' Local 1, ATU Local 241 and ATU Local 308. The CTA's answer is due December 18, 2017, Local 1's answer was due earlier this month, Local 241's answer is due December 8, 2017 and Local 308's answer is due December 13, 2017.

Mr. Kallianis reported on the progress regarding Legacy's review of payroll records to confirm proper contribution payments. Additional information is still needed from the employers. The Fund office has provided all requested documentation.

Mr. Kallianis reported that everything is on track for the HRA implementation for January 1, 2018. He reviewed the groups that will be immediately eligible for the HRA and mailings to them. The communications pieces will have a final review by Fund counsel. The first mailing will go to those 65 years and older because they will be eligible for the debit card January 1, 2018. Discussion ensued regarding those not yet eligible.

Mr. Kallianis reiterated that an individual cannot have both the HRA and regular health benefit coverage.

Chairman Kasmer then asked about an educational session for the Trustees on an RFP for Humana. Discussion ensued regarding scheduling General Administration Committee meetings for 2018 to address that issue.

Mr. Kallianis reported that the Illinois Auditor General has received the actuarial valuation and other statutorily required documentation regarding the Trust.

Chairman Kasmer asked if an executive session was needed. Mr. Rosenblat reported that he did not believe so, but wanted to report that in the Williams case, the Fund's motion to dismiss was granted and that the Plaintiffs have until December 18, 2017 to amend their Complaint, after which the Fund will have until January 22, 2018 to respond.

Mr. Rosenblat also reported that litigation has begun against the Hartford Insurance Company for coverage on the Wakpamani bond fraud. Seven plaintiff funds have signed on with the Lowenstein Sandler law firm for representation, including the Retiree Health Care Trust.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:48 a.m.

SECRETARY

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