

Meeting of the Chicago Transit Authority Retiree Healthcare Trust

Meeting Minutes

A regular meeting of the Board of Trustees of the Chicago Transit Authority Retiree Healthcare Trust was held on August 27, 2009 at One North Franklin Street, 24th Floor. The Chairman and the Executive Director were present.

A roll call was taken indicating that the following members were present:

Theresa Mintle
Joseph Pass
James Kasmer
Don Franklin
Robert Kelly
Lynn Sapyta
Paul Sidrys

Appearing on behalf of the Health Care Trust was Chuck Wolf, of Vedder Price, PC. Appearing on behalf of the union trustees was Joe Burns, of Jacobs, Burns, Orlove, Stanton & Hernandez, and appearing on behalf of the Regional Transit Authority appointed trustee, John Doerrer of Kaizen, Inc. and Andrew Malahowski of Franczek Sullivan, PC. James Daley of K&L Gates LLP was present on behalf of the CTA Trustees. Also present were Ivory Day of Gray and Company; Mitch Bramstaedt, Ruth Donahue and Barbara Zaveduk of Segal & Company; Ronald Lawlor and David Dorfman of Group Administrators, Ltd..

On a motion by Mr. Kasmer, seconded by Mr. Kelly, the Board of Trustees approved the minutes from the April 2009 meeting.

On a motion by Mr. Kasmer, seconded by Mr. Kelly, the Board of Trustees approved the minutes from the July 2009 meeting.

Administrative Subcommittee

On a motion by Mr. Kasmer, seconded by Mr. Kelly, the Board approved the payment of all of the bills, except for the Vedder Price bills, as the discussion of Vedder Price continues.

Investment Subcommittee

Mr. Day from Gray and Company gave the Committee a recap on the selection of the two Small Cap managers. He reported that they had agreed to split the management of the assets.

Mr. Kelly made a motion, seconded by Mr. Kasmer to follow through with the investments, but in a smaller scale than the Retirement Plan. After some discussion, Mr. Kelly amended his motion to invest \$40 million. After some additional discussion, Mr. Kelly tabled his motion.

On a motion by Mr. Kelly, seconded by Mr. Kasmer, the Board approved proceeding with the funding of Hughes Capital Management.

On a motion by Mr. Kasmer, seconded by Ms. Sapyta, the Board approved proceeding with the funding of Evergreen Investments.

Mr. Kelly made a motion, seconded by Mr. Kasmer, to retain Morgan Stanley instead of UBS. There was a roll call vote: Franklin-no, Kasmer-yes, Kelly-yes, Mintle-no, Pass-yes, Sapyta-no, Sidrys-no. The motion did not pass.

Ms. Sapyta made a motion, seconded by Mr. Mintle, to fund UBS as originally selected. There was a roll call vote: Franklin-yes, Kasmer-no, Kelly-no, Mintle-yes, Pass-no, Sapyta-yes, Sidrys-yes. The motion passed.

Old Business

Ronald Lawlor and David Dorfman from Group Administrators gave an update on some of the numbers from open enrollment.

A discussion about the appeals process ensued. Mr. Kallianis stated that as issues come up, Mr. Lawlor is sending those to Mr. Means. Then as needed, will meet with Group Administrators to go through the appeals.

Mr. Bramstaedt provided a guide “Service Eligibility and Refund Issues” for members to review and to discuss at future meetings. He also presented a report on refunds of the contributions and means testing. The Board requested some additional information on means testing.

New Business

There were a number of appeals to the RHCT Board.

On a motion by Mr. Kelly, seconded by Mr. Kasmer the Board approved to give the gentleman who is appealing his 2 terms of service, credit for those two terms of service for the purpose of determining where he falls on the payment scale for health insurance.

On a motion by Mr. Sidrys, seconded by Ms. Mintle the Board approved to deny retiree to switch provider due to being unhappy with current provider.

On a motion by Ms. Mintle, seconded by Mr. Sidrys, the Board approved retiree to add his wife to dental plan.

On a motion by Mr. Kelly, seconded by Mr. Kasmer, the Board approved retiree to add his wife to dental plan.

On a motion by Mr. Kelly, seconded by Mr. Kasmer, the Board approved retiree to re-enroll because retiree had dropped in error.

On a motion by Mr. Kelly, seconded by Ms. Sapyta, the Board approved retiree to get drugs for a three-month period and to go to the medical review board.

On a motion by Ms. Mintle, seconded by Ms. Sapyta the meeting was adjourned.
