

Meeting of the Chicago Transit Authority Retiree Health Care Trust

August 23, 2012

Meeting Minutes

A meeting of the Board of Trustees of the Chicago Transit Authority Retiree Health Care Trust ("RHCT") was held on August 23, 2012 at One North Franklin Street, on the 27th Floor. The Chair and Executive Director were present.

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

Joan Coogan, Chair
Carlos Acevedo as an alternate for Joseph Pass
Joseph J. Burke
Marcellus Barnes
Christopher Kasmer
Anita Tanay as an alternate for Robert Kelly
Paul Sidrys
Larry Owens

James O'Connell was present as General Counsel for the Trust. Present on behalf of the Regional Transit Authority appointed Trustee were Andrew Malahowski of Franczek Radelet, PC and John Doerrer of Doerrer & Associates, PC. David Novak of Schuyler Roche & Crisham was present on behalf of the CTA Trustees. Also present were Ivory Day of Gray & Company, Barb Zaveduk and Ruth Donahue of The Segal Company, and Ms. Nancy Yourell of Aetna.

On a motion by Mr. Burke, seconded by Mr. Kasmer, the Board approved the revised proposed minutes for July, 2012, with the corrections noted on the record.

Administrative Subcommittee

On a motion by Mr. Kasmer, seconded by Mr. Sidrys, the Board approved the payment of the General Administration Subcommittee bills submitted.

Investment Subcommittee

Mr. Day provided the second quarter report. He noted that domestic equities were all negative, but that there had there had been improvement since the end of the second quarter. Assets as of August 20, 2012 were \$631,866,858.08.

Old Business

Ms. Zaveduk advised the Trustees that the draft valuation she had provided two meetings prior had been amended to reflect changes in the reimbursements, but was otherwise

unchanged. On motion by Mr. Sidrys, seconded by Mr. Burke, the Trustees approved the valuation.

Ms. Donahue reviewed the results for the RHCT for the first part of 2012, advising that the numbers indicated savings in line with what the projections had been prior to the provider changes effective January 1, 2012.

Ms. Donahue also reported on the status of renewal negotiations with the RHCT providers, and indicated she expected to have something final for the September meeting.

Ms. Donahue directed the Trustees' attention to the letter of August 22, 2012 summarizing the indexing of the out-of-pocket costs of the RHCT, indicating a 3.3% increase.

New Business

Mr. Kallianis noted that there had been a request to postpone consideration of the service credit item.

Mr. Kallianis described a pre-retirement seminar, to be provided by Steve Vernon, that he anticipated making available to participants in the Plan in early October. On motion by Mr. Kasmer, seconded by Mr. Burke, the Trustees approved up to \$5,000 for Mr. Vernon's seminar.

On motion by Mr. Sidrys, seconded by Mr. Kasmer, the meeting was adjourned.