

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
Via Microsoft Teams Videoconference
Pursuant to the Governor's Executive Order 2021-18
June 24, 2021

TRUSTEES PRESENT

Keith Hill	Chairman
Thomas McKone	Secretary
Joseph Burke	
Eric Dixon	
Christopher Kasmer	
April Morgan	
Paul Sidrys	

ALSO PRESENT

John V. Kallianis	Executive Director
Elsa Trejo	Fund Office Staff
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
Michael Bowen	Alternate Trustee
Andrew Fuller	Alternate Trustee
Georgette Hampton	Alternate Trustee
John Burkard	Alternate Trustee
Mark Weems	Alternate Trustee
Marqueal Williams	Alternate Trustee
Ronald M. Willis	Dowd, Bloch, Bennett, Cervone, Auerbach & Yokich, on behalf of the ATU Local 241 appointed Trustee
Anita Tanay	General Counsel for ATU Local 308, on behalf of the ATU Local 308 appointed Trustee
James P. Daley	On behalf of the CTA appointed Trustees
Miguel Zarate	Investment Consultant, Marquette Associates
Dan Levin	Benefits Consultant, Segal Consulting
Dorothy Stawiarski	Benefits Consultant, Segal Consulting
Barbara Zaveduk	Actuarial Consultant, Segal Consulting

CALL TO ORDER

The Chairman called the meeting to order at 10:30 a.m.

ROLL CALL

Mr. Kallianis called roll and a quorum was declared present.

CONSIDERATION OF THE MINUTES FROM THE May 27, 2021 MEETING

The Minutes of the May 27, 2021 meeting had previously been distributed to the Trustees. A copy of those Minutes is attached and made part of these Minutes. Consequently, the reading of the Minutes was dispensed with. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the Minutes of the May 27, 2021 meeting as presented.

The Minutes of the May 27, 2021 Executive Session had previously been distributed to the Trustees. A copy of those Minutes is attached and made a part of these Minutes. Consequently, the reading of the Minutes was dispensed with. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the Minutes of the Executive Session of the May 27, 2021 meeting as presented.

REPORT OF THE INVESTMENT COMMITTEE

Mr. Zarate directed the attention of the Trustees to the monthly update as of May 31, 2021, prepared by Marquette Associates. A copy of that report is attached and made part of these Minutes. The Fund returned 0.6% in May 2021 and 5.8% for the fiscal year through May 31, 2021. Equities continue to drive returns. The Fund is slightly overweight to equities and underweight to fixed incomes in regard to its policy targets. There has been some rebalancing in order to satisfy capital calls. As of earlier today, Mr. Zarate reported the Fund's assets were \$1,097,123,236.32. He noted that there was a \$2.4 million capital call for American Realty Advisors that will need to be satisfied shortly. He then reviewed the annualized performance of each asset class and each manager. The Fund earned 12.4% in 2020. That performance was

somewhat tempered by underperformance from some managers that have now been terminated.

Mr. Zarate was thanked for his report.

OLD BUSINESS

Report from Payroll Audit Committee

Ms. Morgan made a report on behalf of the Committee. She said that the Payroll Audit Committee met on Wednesday, June 17, 2021 at 10:30 a.m. via Microsoft Teams. At the meeting, Mr. Kallianis reported on the follow-up work that had been done between Legacy and the parties since the last Committee meeting in April. At the meeting, Mr. Kallianis described the appointment of assistants to the Trustees by the International Trustee at ATU Local 241. He explained that the assistants to the Trustees, during the Trusteeship were not technically full-time Union officers, but were treated as full-time officers for purposes of the payroll audits for the Plan and Trust. The Committee affirmed this treatment. Mr. Kallianis and Mr. Kerulis described how the collected contributions and earnings were used to recalculate the benefit calculations for Messrs. Tolson, Jones and Love. Mr. Kallianis presented the comparison of their current benefit calculations with the corrected contributions and earnings.

At the Committee meeting, Mr. Kerulis described the ethics training pay for some of the participants in the sample. Mr. Kerulis indicated that it appeared that earnings should have had contributions deducted for the Plan and the Trust. After some discussion, the Committee affirmed this treatment. Messrs. Kerulis and Kemperas then described various job titles for which contributions were not made to the RHCT. Mr. Kerulis reported that there were some titles within the list covered by the 2008-2011 audit for which contributions should be continue to be excluded. He also reported that there were additional titles that were covered by the court order for which contributions should not be made. For the balance of the titles, the Committee asked Mr. Kerulis

to work with the CTA's payroll department to get additional information and report back to the Boards. The Committee heard the description of the request by ATU Local 241 to use required work hours in the calculation of hours for premium determination. After some discussion of this topic, the Committee indicated that it would defer consideration of this item.

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

RESOLVED: To confirm the full-time status of the ATU Local 241 assistants to the Trustee appointed by the International;

FURTHER RESOLVED: To accept the corrected contribution and earnings records for Messrs. Tolson, Jones and Love; and

FURTHER RESOLVED: To confirm the titles excluded from the RHCT participation.

Summary of Litigation from Counsel for the Plan

Mr. Rosenblat referred to the Litigation Report previously distributed to the Trustees. A copy of that report is attached and made part of these Minutes. He said that no action was needed by the Trustees today and that he would answer any questions on pending litigation. There being no questions, Mr. Rosenblat was thanked for his report.

Segal Update on 2021 Significant Dates

Ms. Stawiarski referred the Trustees to an updated Calendar. She said that contract renewal actions for Humana which will be for plan design only. Renewals for the Blue Cross Blue Shield HMO Program and for Caremark should be received by July 1. She also said that the PCORI fee is due at the end of July and that Segal is calculating the amount due and will send it to the Fund Office.

NEW BUSINESS

Mr. Kallianis reminded the Trustees that in the past they have canceled the July meeting. He reported that he is not aware of any pressing matters that would need to be addressed by the Trustees at a meeting in July 2021. Discussion ensued. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To cancel the July 2021 Board meeting.

GENERAL ADMINISTRATION COMMITTEE REPORT

Mr. Kasmer said that applications for benefits and bills and remittances had previously been distributed to the Trustees and appeared to be in order. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve the applications for benefits and bills and remittances as presented.

Mr. Kasmer noted that there were no requests for educational conference pre-approvals.

EXECUTIVE SESSION

In response to a question from the Chairman, Mr. Rosenblat said that he was not aware of any need for an executive session.

ADJOURNMENT

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

RESOLVED: That the meeting be adjourned.

The meeting was adjourned at 11:02 a.m.

SECRETARY