

MINUTES OF THE MEETING
BOARD OF TRUSTEES
CTA RETIREE HEALTH CARE TRUST
Via Microsoft Teams Videoconference
November 23, 2021

TRUSTEES PRESENT

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

ALSO PRESENT

John V. Kallianis	Executive Director
Elsa Trejo	Finance Officer
Stephen J. Rosenblat	Fund Counsel, Baum Sigman Auerbach & Neuman, Ltd.
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
Daniel Salemi	Morgan Lewis & Bockius, LLP on behalf of the RTA appointed Trustee
James P. Daley	Counsel on behalf of the CTA appointed Trustees
Michael Bowen	Alternate Trustee
John Burkard	Alternate Trustee
Andrew Fuller	Alternate Trustee
Georgette Hampton	Alternate Trustee
Mark Weems	Alternate Trustee
Marqueal Williams	Alternate Trustee
Miguel Zarate	Investment Consultant, Marquette Associates
Brendan Hopkins	Investment Consultant, Marquette Associates
Dan Levin	Benefits Consultant, Segal Consulting
Colleen Batty	Benefits Consultant, Segal Consulting
Alexander Vesselinovitch	Special Counsel, Freeborn & Peters

CALL TO ORDER

The Chairman called the meeting to order at 11:30 a.m.

ROLL CALL

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

CONSIDERATION OF THE MINUTES FROM THE OCTOBER 28, 2021 MEETING

The Minutes of the October 28, 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 adopted:

RESOLVED: To approve the Minutes of the October 28, 2021 meeting as presented.

REPORT OF THE INVESTMENT COMMITTEE

Mr. Zarate directed the attention of the Trustees to the Marquette Associates Retiree Health Care Trust Monthly Update as of October 31, 2021. A copy of that report is attached and made part of these Minutes. The Fund returned 2.9% in October 2021, which matched the benchmark for that same period. Year to date through October 31, 2021, the Fund has returned 10.8%, compared to the benchmark return of 10.7%. Mr. Zarate said that October returns were strong and returns in November have continued to be strong.

Mr. Zarate then directed the attention of the Trustees to the asset allocation review. Fixed income is -4.0% underweight and equities are 3.3% overweight. Mr. Zarate anticipates rebalancing before the end of the year. As of October 31, 2021, the total value of Fund assets was \$1,147,242,648. As of yesterday, November 22, 2021, total assets were \$1,156,655,788.95. He

then reviewed the various asset classes. Fixed income is having a difficult year, but managers have protected on the downside. Mr. Zarate said that fixed income manager Garcia Hamilton & Associates continues to struggle. Small cap managers Kayne Anderson and Eagle have underperformed on the equity side. William Blair's China holdings have hurt its performance. Artisan's focus on health care and growth stocks have negatively affected its performance. Parametric and real estate have had strong years. Mr. Zarate was thanked for his report.

OLD BUSINESS

A. Report from Payroll Audit Committee on 2011 - 2017 Payroll Audit

Mr. Kallianis said he will work to schedule a Committee meeting in December, prior to the December Board meeting.

B. Summary of Litigation from Plan Counsel

Mr. Rosenblat directed the attention of the Trustees to the Legal Report which had previously been distributed to the Trustees. A copy of that report is attached and made part of these Minutes. He advised that no decisions were necessary by the Board today. Mr. McKone asked about a billing item from Burke Warren regarding the Wakpamni Bond cases. Mr. Rosenblat said he would check, but believed it was likely a late bill for previously performed work. Mr. Rosenblat was thanked for his report.

C. Update on 2021/2022 Significant Date

Mr. Levin addressed the Trustees. He first addressed calendar updates for 2021, including the December Board meeting. Mr. Levin said the Board would need to consider various RFP's for

2022, including for non-Medicare coverage currently provided by Blue Cross Blue Shield and a dental network, currently provided by MetLife. Both contracts expire at the end of 2022. Mr. Levin also noted that if the U.S. Senate passes the Build Back Better Act, it may impact the Plan. Segal is monitoring the legislation. Mr. Levin introduced Colleen Batty, who is also a Segal consultant. She will assist him on Plan assignments. He recommended scheduling a G.A. Committee meeting in January to address contracts expiring in 2022.

Mr. Levin also expects to receive an amendment to the CVS contract which is currently being negotiated with a coalition of city welfare funds.

NEW BUSINESS

A. and B. Presentation of Report from Agreed Upon Procedures Benefit Review and Final Audited Financial Statements for 2020

Mr. Kallianis introduced Kenny Adegoke and Khaleel Baig from Mitchell Titus to present the agreed upon procedures for 2020. A copy of that report is attached and made part of these Minutes. Benefit administration was reviewed. The agreed upon procedures report is still in draft form. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To accept the agreed upon procedures report from Mitchell Titus as presented.

Next the attention of the Trustees was directed to the audited financial statement for 2020. A copy of that report is attached and made part of these Minutes. Mr. Adegoke said a draft of this report was presented to the Trustees at the September 23, 2021 Board meeting. The final report was issued on September 29, 2021. There were no internal control issues. There were no disagreements with management. One item that was outstanding on September 23, 2021 was the

representation letter. No issues were noted in the representation letter. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To accept the Auditors' report.

C. Request to Revise Engagement Letter with Freeborn & Peters

This matter was deferred until the December meeting.

D. Request to Revise Fee Agreement with Baum Sigman

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

RESOLVED: That effective January 1, 2022, the 5% hourly fee increase requested by Baum Sigman Auerbach & Neuman, Ltd. is approved.

Mr. Rosenblat thanked the Trustees.

GENERAL ADMINISTRATION COMMITTEE ISSUES

A and B. Applications for Benefits and Bills and Remittances

Mr. Kasmer reported that applications for benefits and bills and remittances had been provided to the Trustees for their review. Upon motion made and seconded, the following Resolution was unanimously adopted:

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

C. Mr. Kasmer reported that he requested approval for attendance at an International Foundation for Employee Benefits conference to be held in February 2022. His expenses would be shared with the Retirement Plan. Upon motion made and seconded, the following Resolution was unanimously adopted:

RESOLVED: To approve reimbursement for Mr. Kasmer as requested.

ADJOURNMENT

There was no need for an Executive Session.

Chairman Hill wished everyone a happy Thanksgiving. 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 12:14 p.m.

SECRETARY

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