

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, June 28, 2021

9:30 am at BeneSys Office, Troy, MI via In-Person and via Conference Call

<u>Trustees:</u>	<u>Attending:</u>	<u>Role:</u>
Chet Opolski	In-Person	Chairman
Andy Dillon	Remotely from Annapolis, MD	Trustee
Tracy Shippy	In-Person	Trustee
Richard Kosmack	In-Person	Trustee
Floyd Allen	Remotely from Detroit, MI	Trustee
Dan Bojalad	In-Person	Trustee
Brian Roehl	In-Person	Trustee

Others present: Burton Carlson, Graystone Consulting (via phone)

Erik Burger, Graystone Consulting (via phone)

Louis Sinagra, Member (via phone)

Legal Representation: Aaron Castle

BeneSys Representation: Violet Gjorgjevski and Jennifer Crosby

The meeting was held In-Person and via conference call from BeneSys Office, Troy, MI

The meeting was called to order by Chairman Opolski at 9:35 am.

Motion – To accept the agenda for June 28, 2021: *By D. Bojalad, seconded by T. Shippy.*

- Motion Carried – Unanimously

Public Comment - None

Regular Minutes

Motion – To approve the Regular Meeting Minutes from May 24, 2021 as presented: *By D. Bojalad, seconded by R. Kosmack.*

- Motion Carried – Unanimously

Motion – To approve the Admin Committee Meeting Minutes from June 16, 2021: *By D. Bojalad, seconded by R. Kosmack.*

- Motion Carried – Unanimously

Graystone Financial – Burton Carlson, Bill Messner & Erik Burger (via phone)

B. Carlson gave an update on the B Notes. The B Notes currently stand at \$96.55, down from the report given. There has been a lot of trade and sale activity this year which is driving the price to fluctuate between \$92.25 and \$97.70. He presented the trade summary showing trades from June 2021 – February 2021. For the second series B Notes there has not been much activity until the VEBA's recent sale.

B. Carlson reviewed the Cash Flow Projection. As the additional proceeds from the B-Notes sales continue to be invested projected amounts for earnings will be added to the Investment Earnings which are currently down. A preliminary Asset Liability Study was given to the Board for a review and a final study will be presented at the next Board Meeting.

Motion – To authorize moving a portion of the funds from sale of B-Notes to be invested equally among Equity, Intermediate Bond Ladder and Short-Term Bond ladder: **By B. Roehl, seconded by D. Bojalad.**

- Motion Carried – Unanimously

Financial Reports

BeneSys provided the May 2021 Fifth Third Statement for review.

BeneSys provided the April 2021 Morgan Stanley Statement for review.

BeneSys provided the April 2021 Financial Statements for review.

Motion – to review and accept the Fifth Third, Morgan Stanley, BeneSys Financial Statement as provided and to pay the Bills for Approval with the added invoices for Comcast May and June 2021 and Shred-it for June 2021: **By T. Shippy, seconded by D. Bojalad.**

- Motion Carried – Unanimously

Administrative Reports

A. Appeals

- 2802028933**
- 2726006322**

These matters are being handled in Closed Session at the end of meeting.

B. BeneSys Data Security Summary – February 2021

This information was provided to the Board for informational purposes. Mr. Castle will review and report any concerns if needed.

C. BeneSys Network Penetration Testing – June 2021

This information was provided to the Board for informational purposes. Mr. Castle will review and report any concerns if needed.

Legal Report

A. Member #2837716886

Mr. Castle presented a draft letter to the Member seeking recovery of the overpayments made by the VEBA on account of the Medicare Advantage coverage provided in error to the Member's new spouse.

B. Actuary & Benefits Consultant RFP

Mr. Castle presented draft letters to Aon, Manquen Vance and The Terry Group for the Boards review and approval.

D. Weiler Settlement Surplus

Mr. Castle informed the Board that he spoke with the Retirees' legal Counsel on June 18, 2021 regarding the recent communication received from the City law department..

Correspondence – None

Business Agent Report

Chairman Opolski updated the Board that the RDPFFA picnic was well attended. Both BeneSys and Priority Health attended the picnic to address questions from retirees. All feedback was positive for both providers. He also informed the Board that the monthly Retiree Meetings will be resuming in September 2021.

New Business

A. Great American Insurance Group Renewal Policy Effective June 1, 2021

Benesys provided a copy of the fiduciary liability renewal policy from Great American Insurance Group for the Board to review.

Unfinished Business

A. Asset Allocation

Trustee Brian R. reviewed his illustration for asset allocation with an aging population. As the population of the Trust ages, you want to reduce the risk which means less equities and more fixed income. Every year the mix should be reviewed, and changes made as market conditions change. As a baseline a minimum of one year's cash requirements should be kept in a money market type account so that claims and expenses can be paid regardless of portfolio performance. The members can be better served by increasing benefits now while more people can take advantage of them.

Trustee Comment/Open Forum

Discussion took place regarding the ability to legally offer an opt-out to members under 60 or 65. Mr. Castle stated that the VEBA can't offer cash payments to opt-outs currently, and that he would have to investigate what would be involved to allow the VEBA to do something like that if the Board wants to pursue.

Also, the requirements for Duty Disability were discussed as to what currently is in place with the City of Detroit versus Social Security requirements. Mr. Castle stated the City of Detroit requirements are believed to be more stringent than those in place by the Social Security Administration.

Chairman Opolski stated that benefit enhancement discussions with Priority Health are going well. Priority Health is gathering cost information by the next meeting so it can be discussed and voted on.

Mr. Sinagra left the meeting at 11:01 am as the Board was entering closed session.

Motion – To enter into closed session at 11:01 am to address administrative related matter containing confidential personal health information under HIPAA: ***By B. Roehl, seconded by T. Shippy.***

- Roll call vote: Dillon – yes
- Shippy - yes
- Opolski – yes
- Kosmack – yes
- Allen – yes
- Bojalad – yes
- Roehl - yes

The Board exited closed session at 11:03 am.

Motion – for participant 2802028933 to Approve Appeal for spouse 2020 HRA Claims as recommend by the Admin Committee: ***By B. Roehl, seconded by D. Bojalad.***

- Motion Carried – Unanimously

Motion – for participant 2726006322 to Approve Appeal for spouse 2020 HRA Claims: ***By B. Roehl, seconded by D. Bojalad.***

- Motion Carried – Unanimously

Adjournment

Motion – to adjourn: ***by D. Bojalad, seconded by R. Kosmack.***

- Motion Carried - Unanimously

Meeting adjourned at 11:04 am.