

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Admin Committee Meeting Minutes

Monday, July 11, 2023

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

Trustees:

Chet Opolski

Tracy Shippy

Brian Roehl

Dan Bojalad

Greg Trozak

Richard Kosmack

Role:

Chair

Vice-Chair

Trustee

Trustee

Trustee

Trustee

Others present: Zari Gano & Abra Hill, GRS Consulting (via Teams)
Louis Sinagra, Member (via phone)

Legal Representation: Aaron Castle

BeneSys Representation: Violet Gjorgjevski and Jennifer Crosby

The meeting was called to order at 9:30 am.

Motion – To accept the agenda dated July 11, 2023: By D. Bojalad, seconded by R. Kosmack.

- Motion Carried – Unanimously

GRS – Zari Gano & Abra Hill

A. Presentation of Actuarial Valuation for December 31, 2022

Ms. Hill reviewed the Draft of the Actuarial Valuation for December 31, 2022, with the Admin Committee. As of December 31, 2022, the present value of all future obligations at that date is \$179.05 million. Plan assets as of December 31, 2022, based on an 80% monetization of Trust's remaining B-Notes, are \$208.30 million.

The difference between the market value of assets of \$208.30 million and present value of future obligations of \$179.05 million represents a plan surplus of \$29.25 million. The plan is 116.3% funded after consideration of \$418,728 in future scheduled contributions from the Foundation for Detroit's Future. A funded percentage of over 100% implies that the Trust will still have money after the last participant dies, if experience is similar or more favorable than assumed.

Motion – To recommend that the Board approve the Actuarial Valuation for December 31, 2022, using a 60% HRA utilization assumption: By B. Roehl, seconded by G. Trozak.

- Motion Carried – Unanimously

Public Comment

Louis Sinagra stated that he read an article that mentioned that Detroit Police & Fire Retiree VEBA will be getting \$10 million toward healthcare benefits. He wanted to know if the Admin Committee has any information regarding this matter. Mr. Opolski stated that they just became aware of this and the RDPFFA is looking into details regarding it. As more information becomes available it will be shared with the Board and the retirees.

Legal Report

A. AndCo. Consulting

Mr. Castle updated the Admin Committee that Contractual negotiations with AndCo Consulting (“AndCo”) have been finalized and we are targeting an August 1, 2023, transition date from Morgan Stanley. A copy of the draft Consulting Services Agreement with AndCo was provided.

On June 22nd Mr. Opolski signed an Authorization Letter with AndCo that allowed AndCo to communicate with the VEBA’s current investment managers, custodial bank, etc., to ensure a timely transition. He has been in frequent contact with Brian Green during this transition period and everything appears on schedule at this point.

Motion – Motion to recommend approval and execution of the AndCo. Consulting Services Agreement by the full Board of Trustees: By G. Trozak, seconded by T. Shippy.

- Motion Carried – Unanimously

B. Investment Management Agreements

Mr. Castle informed the Admin Committee on account of the transition of Trust assets away from Morgan Stanley, there may be a need to amend a few of the Trust’s existing investment contracts. For instance, the agreement with Eaton Vance may need to be amended to reflect the fact that the management fee will no longer be waived. The contractual documentation with Boyd Watterson may also need to be updated to reflect the Board’s new consultant, Fifth Third wire instructions, etc. He will keep the Board apprised of any contractual revisions that become necessary.

Administrator Report/Administrative Committee Report

A. BeneSys Statement of Work for Process Check Fee on HRA Checks

Ms. Gjorgjevski reviewed the BeneSys Statement of Work for the HRA process check fee implementation and processing.

Motion – To recommend approval and execution of the BeneSys Statement of Work for Process Check Fee on HRA Checks by the full Board of Trustees: By B. Roehl, seconded by D. Bojalad.

- Motion Carried – Unanimously

B. Appeal 2816424776

Ms. Gjorgjevski presented the Appeal for participant 2816424776 to the Admin Committee. Discussion took place.

Motion – to recommend to the Board denial of the Appeal for participant 2816424776 as untimely: **By G. Trozak, seconded by B. Roehl.**

- Motion Carried – Unanimously

Business Agent Report

Chairman Opolski thanked BeneSys and Priority Health for attending the Annual Picnic in Frankenmuth this past June. The turn-out was very good and having BeneSys and Priority Health there was very appreciated.

Chairman Opolski went on to say that he sent out a Newsletter this past week updating members on the benefit enhancements for 2024. That those enrolled in Priority Health will be getting a \$50 per month Medicare Part B credit each month and those receiving HRA benefits will get an increase of \$15 per month except for the Duty Disabled HRA which has been capped at \$400 per month.

New Business

A. CMS Race and Ethnicity Mandate Memo

Ms. Gjorgjevski informed the Admin Committee that CMS is requiring that new enrollees or enrollees changing coverage for 2024 must provide Race and Ethnicity information to CMS. Ms. Crosby let them know that, according to CMS, the thought being that more information can be obtained regarding healthcare disparity among certain groups. Discussion took place regarding this mandate.

B. Updated Open Enrollment Form for 2024

Ms. Crosby presented a draft of an updated Enrollment Form for 2024 that included the mandated race and ethnicity information required by CMS. Suggested edits were given.

C. Direct Deposit Letter/Form Included with Checks – August 2023

Ms. Crosby provided an updated Direct Deposit letter that includes the amount that will be taken per check for the check processing fee. This letter is posted on the website already and Chet has put it in his newsletters, but she wanted to see if it could be included in with all the checks that are mailed out in August to promote signing up for Direct Deposit. The Admin Committee agreed that it would be a good idea to do so.

Unfinished Business

A. Professional Advisor Review – Investment Consultant

This matter has been completed with the change from Graystone Consulting to AndCo for Investment Consulting.

B. BeneSys – HRA Duplication Error

Ms. Crosby updated the Admin Committee that BeneSys has received checks from all spouses that received the duplicate payment back in March 2023. This matter has been resolved.

C. Open Enrollment Materials for 2024

Ms. Crosby provided updated Open Enrollment Materials for 2024 for the Admin Committee to review and provide feedback on. The admin committee agreement to review the documents provide any suggested edits.

D. BeneSys Claims Performance Q1 2023 – Root Cause Analysis

Ms. Gjorgjevski updated the Admin Committee that a meeting took place with the Claims Supervisor and the Client Services Supervisor, and a Root Cause Analysis will be presented at the next board meeting.

Correspondence

A. Distribution Notice – Foundation Infrastructure Debt Fund

Trustee Comment/Open Forum

Trustee Kosmack stated to the Admin Committee that he felt Trustee Brian Roehl should be given additional stipend because of all the work he did on the Investment Consultant review and change. Trustee Roehl stated that he appreciated it, but he did not want additional stipend, he enjoyed doing it for the benefit of the Trust.

Adjournment

Motion – To adjourn the Administrative Committee Meeting: By R. Kosmack, seconded by B. Roehl.

Motion Carried – Unanimously

Meeting adjourned at 11:22 a.m.