

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, September 30, 2019

9:30 am at BeneSys, Inc. Office Troy, Michigan

Conference Call in: 1-866-730-7512 Access Code 700275 Host 484296

Trustees:	Chet Opolski	Chairman
	Dan Bojalad	Trustee
	Tracy Shippy	Trustee
	John Barr	Trustee
	Brian Roehl	Trustee
	Floyd Allen – (T)	Trustee
	Andy Dillon – (absent)	Trustee

Others present: Burton Carlson, Graystone Consulting (via phone), Ken Alberts, Jim Pranschke, and Michael Reed (via phone), GRS Consulting

Legal Representation: Aaron Castle

BeneSys Representation: Ed Wolyniec, Dean Carlson & Violet Gjorgjevski

The meeting was held at the offices of BeneSys, Inc. 700 Tower Drive, Suite 300 Troy, MI 48098.

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

Motion – To accept the agenda for September 30, 2019: By B. Roehl, seconded by D. Bojalad.

- Motion Carried – Unanimously

Public Comment

- None

Regular Agenda

Motion – To approve the meeting minutes from August 26, 2019: By B. Roehl, seconded by D. Bojalad.

- Motion Carried - Unanimously

Motion – To approve the Closed Session meeting minutes from August 26, 2019: By B. Roehl, seconded by D. Bojalad.

- Motion Carried - Unanimously

Motion – To approve the Administrative Committee meeting minutes from September 9, 2019: By B. Roehl, seconded by D. Bojalad.

- Motion Carried - Unanimously

Graystone Consulting – Burton Carlson (via phone)

Mr. Carlson updated the Board regarding the market value of the B Notes and recent trade activity noting that the current Bond valuation is remaining steady and trade activity has been non-eventful. Per J.J Kenny Drake, the current Bond price is \$87.02. The price is down \$4.64 since last month of \$91.66, Mr. Carlson noted that the Bond price from the previous month was not likely to be a true representation of the bond price. He continued to say that the trade activity has been quiet since the Dutch offer last year and that he believes that the uptick was from the Bond Market rally.

Mr. Carlson provided the Board with a cash flow analysis through the 2020 calendar year which is similar to last month, there are slight changes as the July 31, 2019 financials were used.

There was further discussion on the investment of the \$750,000 into the equity funds, Mr. Carlson advised that it has been put to work as requested by the Board.

Trustee Roehl discussed further investments and how to further invest funds, Mr. Carlson recommends taking the dollar cost average process.

Motion – to allow Graystone Consulting to move forward with the dollar cost average process for further investments.: By B. Roehl, seconded by D. Bojalad.

- Motion Carried – unanimously

The Board requested that Mr. Carlson provide documentation to review before the next meeting.

Mr. Carlson followed up on the proposed Fundamental Advisor investment opportunity and advised that the comparison process is taking a bit longer to put together and will try to have more information by the next meeting.

Morgan Stanly requires personal information for each individual that will require log in access, he will provide a list of the information for the access to be provided.

GRS

Mr. Ken Alberts was present to review the Actuarial Valuation Report as of December 31, 2018. He provided several assumptions based on the actuarial calculations upon data and information provided to them.

Motion – to approve and accept the Actuarial Valuation Report as presented. By T. Shippy, seconded by B. Roehl.

- Motion Carried – unanimously

Mr. Jim Pranschke and Mr. Michael Reed from GRS were present to further discuss the Medicare Advantage RFP results as well as provide their recommendation for plan changes. Mr. Pranschke provided a review of the plans and the benefit enhancements that he was able to secure.

After extensive discussion the Board decided it was in the best interest to proceed with the Priority Health PPO Plan which will be a zero premium for the Retirees and include a monthly \$25.00 HRA in addition to their Medicare Advantage Plan. This would also be extended to the Priority Health HMP Plan.

Motion – To accept the proposed benefit enhancements that was provided by Priority Health for both the PPO and HMO Plans, this will have a zero premium for the member as well as include a monthly \$25.00 HRA. By D. Bojalad, seconded by B. Roehl.

- Motion Carried – one opposed, one abstained

Financial Reports

BeneSys provided a copy of the August 2019 Fifth Third Statement for review.

BeneSys provided copies of the June and July 2019 Financial Statements for review

Motion – to review, accept and pay the Bills for Approval: By B. Roehl, seconded by D. Bojalad.

- Motion Carried – Unanimously

Administrative Reports

Ms. Gjorgjevski provided the Board with the final copy of the December 31, 2018 audit and the End of Audit letter provided by Plante Moran.

Mr. Carlson provided an update on the communication emails from Chairman Opolski, he noted that the all issues/concerns have been addressed and completed.

Legal Report

Attorney Castle reviewed his Legal report;

Legal presented the Board with a proposed Addendum to the Graystone Consulting Agreement. He indicated that Morgan Stanley compliance is requiring the Addendum to be signed in order for Graystone to provide the Board with analysis and alternatives to the Fundamental investment proposal.

Motion – to approve the Addendum to the Graystone Consulting Agreement and authorize the Chairperson to sign By T. Shippy, seconded by J. Barr.

- Motion Carried – unanimously

Mr. Castle discussed a recent cyber fraud incident involving another public VEBA fund in the State of Michigan. He advised the Board to review its Fiduciary Liability Insurance Policy for cybersecurity coverage and consider adding such coverage if desired.

Correspondence

Ms. Gjorgjevski presented a refund check received from BCBSM for a closed segment of the City of Detroit Medicare Advantage. BCBSM confirmed with the City of Detroit that the refund is to go directly to the Police and Fire Retiree Trust.

An executed wire transfer was presented for confirmation of completion.

Business Agent Report

Chairman Opolski discussed the next email to the membership that will be sent it will include an update on the 2020 Open Enrollment options, meeting dates and when to expect the mailing.

New Business

Motion – To enter into closed session at 12:57 pm to address administrative appeals containing confidential personal health information under HIPAA: By D. Bojalad, seconded by J. Barr.

- Roll call vote: J. Barr – yes
- D. Bojalad – yes
- C. Opolski – yes
- T. Shippy – yes
- B. Roehl – yes

Motion - To come out of closed session at 1:22 pm: By J. Barr, seconded by D. Bojalad.

- Motion Carried – unanimously

A. Appeals

Motion - To approve Appeal No. **2782836739**: By J. Barr, second by D. Bojalad.

- Motion Carried – unanimously

Motion - To approve Appeal No. **2816424776**: By J. Barr, second by T. Shippy.

- Motion Carried – one opposed

Motion – To approve Appeal No. **2683577390**: By T. Shippy, second by J. Barr.

- Motion Carried – unanimously

No. **2804117516** – Legal to prepare a letter to the member.

B. 2020 Open Enrollment

BeneSys provided draft copies of the 2020 Open Enrollment materials for the Board to review. BeneSys requested that the Board provide any comments and/or edits by the end of the week in order to get the materials printed in time for the mailing.

C. Fifth Third Bank

BeneSys provided additional forms requiring signatures from Fifth Third Bank to update the signers on accounts. The Board added Mr. Dean Carlson and Mrs. Violet Gjorgjevski of BeneSys on the accounts as authorized signers.

Motion – To approve Chairman Opolski sign the forms: By T. Shippy, second by J. Barr.

- Motion Carried – unanimously

Unfinished Business

A. Duty Disability List & Pension Codes

BeneSys provided the list with the additional information requested by the Board. meeting.

B. Post 1/1/15 Retiree's Health Care coverage

Additional discussions will continue as information is available.

C. Weiler Settlement Surplus Funds

Legal has not received any further information.

Trustee Comment/Open Forum - None

Adjournment

Motion – to adjourn by B. Roehl, seconded by D. Bojalad

- Motion Carried - Unanimously

Meeting adjourned at 1:47 pm.