

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

June 27, 2016

The meeting was held at the offices of ABS located at 8220 Irving Road, Sterling Heights Michigan.

Chairman Opolski called the meeting to order at 9:30 a.m.

Chet Opolski
John Clark
Shirley A. Berger
Thomas Sheehan
Andy Dillon
John Tucker

Chairman
VP Chairman
Secretary
Floyd Allen (T)
Don Taylor

- Roll call of Trustees were held and a quorum was present
- Legal representation present: Michael VanOverbeke (T) and Aaron Castle
- ABS Representatives Present Denise Allport and Lisa Duncan

Approval of Agenda – **Motion** made by Sheehan and seconded by Tucker to approve the agenda.
Motion carried – Unanimously.

Approval of Minutes - **Motion** made by Sheehan and seconded by Tucker to approve the May 23, 2016 minutes. Motion carried – Unanimously.

Graystone Consulting – Graystone Representatives presented an updated summary of the Police and Fire B Notes Summary and the Cash Flow Estimates.

Gabriel, Roeder, Smith & Company Consulting – GRS Representatives presented an update summary of benefits. The update indicated that the RHC Trust was underfunded and may need to change the level of benefits for retirees moving forward. There was a discussion about how the Weiler settlement would affect the cash flow. GRS representatives will highlight the changes each month for the trustees.

Correspondence

Motion made by Sheehan and seconded by Clark to acknowledge of Fifth Third Statements for May 2016 and Wilmington Trust Statement for –April 2016. Motion carried – Unanimously.

Graystone Response to P& F VEBA Accounts – The Board requested clarification from Graystone regarding the fee structure. The fee will be calculated on all plan assets, which would include the assets at Fifth Third Bank, Wilmington and Huntington Banks. The billable market value would be the combined custodial statement market values.

Motion by Clark and seconded by Taylor that this issue be forwarded to the Finance Committee for further review. Motion carried - Unanimously.

Accounting Report

Motion by Sheehan and seconded by Clark to acknowledge receipt of the Cash Activity Report for May 2016 in the amount of \$387,880.55 and the HRA Claimed processed YTD Report in the am \$697,191.45. Motion carried – Unanimously.

Motion made by Sheehan and seconded by Clark to correct the amount on the Payable Report to \$266,777.43 instead of \$507,140.43. Motion carried – Unanimously.

Legal Report

The IRS Determination Letter sent to the Internal Revenue Service requesting tax exempt status under Section 501 © (9) was approved. The Determination Letter also recognized that City of Detroit RHC Trust is exempt from filing Form 990.

RSCD Foundation sub-Committee. **Motion** by Sheehan and seconded by Taylor to support a resolution in support of the Sub-Committee proposal to establish a non-profit Foundation to seek financial support for the RHC Trust. Motion carried – Unanimously. The RSCD also requested that the RHC Trust appoint a representative to serve on the Foundation Sub-Committee.

Motion by Sheehan and seconded by Clark that Legal Counsel notify the RSCD Sub-Committee that Trustee Berger was selected as the RHC Trust representative. Motion carried – Unanimously.

Reduction to Citibank Line of Credit Section 2.11 of the Loan and Security Agreement with Citibank provides the RHC Trust Board the ability to reduce the overall commitment from Citibank.

Motion by Sheehan and seconded by Tucker to reduce loan with Citibank by \$15,000,000 dollars and adopt a resolution for Citibank via Legal Counsel. Motion carried – Unanimously.

Administrator Report

The RSCD submitted a spreadsheet to ABS outlining the Past Due Amount owed by the RHC Trust to the RSCD. **Motion** made by Sheehan and seconded by Clark for RHC Trust to approval payment of \$8,505.17 to the RSCD for net Due City obligation. Motion carried – Unanimously.

Administrative Committee Board

The Trustee discussed changing the date for RHC Trust for September full board meeting until Friday, September 23, 2016. **Motion** made by Sheehan and seconded by Taylor. Motion carried – Unanimously

– Level 2 appeal – This appeal was referred to the Administrative Committee for review.

Unfinished Business

Weiler Settlement group – Trustee Taylor submitted a written motion about benefits. Motion made by Taylor and seconded by Tucker. No quorum present- motion taken off the table.

| Trustee Dillion and Allen exited the conference call at approximately 1:45 a.m. Trustee Sheehan exited meeting at 2:00 p.m. A quorum was lost and the meeting concluded.

Shirley A, Berger
Secretary