

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Admin Committee Meeting Minutes

Monday, June 14, 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
Tracy Shippy	In-Person	Trustee
Richard Kosmack	In-Person	Trustee
Dan Bojalad	In-Person	Trustee

Others present: Ken Alberts, Jim Pranschke and Abra Hill, GRS Consulting (via phone)
Beth Sinagra, Spouse of Member (via phone)

Legal Representation: Aaron Castle (in-person)

BeneSys Representation: Violet Gjorgjevski and Jennifer Crosby (via phone)

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

Motion – To accept the agenda dated June 14, 2021: By D. Bojalad, seconded by R. Kosmack.

- Motion Carried – Unanimously

Copy of the previously approved Administrative Committee Meeting minutes from the May 10, 2021 were presented.

GRS Consulting

A. Actuarial Valuation Report as of December 31, 2020

Mr. Alberts gave a brief introduction to the Actuarial Valuation Report as of December 31, 2020.

Ms. Hill discussed the results of the Actuarial Valuation in detail. She pointed out that there was a larger than normal decrease in population because of the COVID-19 Pandemic. Currently the Fund has a funded ratio of 122.4% to 181.6% depending on the monetization percentage used.

Experience during the year was more favorable than assumed, in aggregate. Sources of favorable experience were greater than expected recognized investment return and greater than expected retiree mortality.

GRS recommends that the administrator separately track the HRA benefit payments for Non-Medicare Advantage members and Medicare Advantage members. This will enable them to develop a more precise utilization assumption in future valuations once sufficient Medicare Advantage HRA experience emerges.

It was stated that while the report measures some of the impact of COVID-19, it does not consider the effect of the pandemic after the valuation date of December 31, 2020. All the direct and indirect effects of the pandemic are not fully known (and may not be fully known for years) they noted the following observations.

- The Detroit area was hit hard by the pandemic and will likely continue to see direct and indirect effects from the pandemic greater (and longer) than that of its peer communities.
- Mortality was greater than assumed in 2020. It is likely that the mortality rates will also be greater than assumed in 2021 and possible that mortality rates will be less than assumed in near-term subsequent years because of COVID-19. This may make short-term projections of rates of mortality more difficult to model; and
- In response to the pandemic, the U.S. Congress has expanded the items that are HRA reimbursable. It is, therefore, possible that this will result in higher HRA utilization than assumed during 2021 and beyond.

It was recommended that the Board consider all these possible affects while deciding on next year's benefit levels.

The Admin Committee had a lengthy discussion about how to proceed with potentially enhancing benefits for members for the 2022 Benefit Year. Many thoughts were given, and further discussion will take place at future meetings.

Motion – To authorize Chet Opolski and Tracy Shippy to communicate with Priority Health regarding Benefit Enhancements at a level not to exceed \$50 PMPM: By D. Bojalad, seconded by T. Shippy.

- Motion Carried – Unanimously

Public Comment

Beth Sinagra, spouse of Member, thanked the Admin Committee for their hard work and stated that it is appreciated. She felt that Hearing Aid benefits would be great for Members.

Legal Report

A. Weiler Settlement Surplus Funds

A. Castle informed the Admin Committee that he received communication from the City of Detroit Legal Counsel questioning why the City of Detroit wouldn't be entitled to the Weiler Settlement Surplus Funds. Mr. Castle feels it is necessary to step back at this time because the VEBA wasn't a party to the Weiler lawsuit. Chairman Opolski stated he would inform the RDPFFA Board and if they would like to have the case reopened, they can pursue it.

B. Actuarial and/or Benefit Consulting Service

A. Castle will set up presentations after the August 9, 2021 Admin Committee Meeting for Benefit Consultants. The Benefit Consultant RFP Committee will hear the presentations and handle the interview process.

C. City of Detroit Charter Revisions

Mr. Castle updated the Admin Committee that the question of whether the proposed revisions to the Detroit City Charter can be included on the August primary ballot is now at the Michigan Supreme Court. The high court on June 4, 2021 halted a lower court's decision to remove a charter revision plan off the August Ballot. The Court of Appeals opinion affirmed the Wayne County Circuit Court ruling that the plan, Proposal P, should not be on the ballot. Because the matter is now with the Supreme Court parties can no longer intervene on behalf of Retirees.

Administrative Report/Administrative Committee Report

A. Appeal

a. 2802028933

Will be discussed during Closed Session at end of Meeting

B. Member 2837716886 Response Letter

Ms. Gjorgjevski presented a letter written by Member to the Board. She does not intend to Appeal the decision of the Board but wanted to provide an explanation of the circumstances behind her new husband receiving Medical Benefits through the Trust.

Motion – To send a letter to Member acknowledging receipt of her letter and inform her of the amount owed to the Trust for benefits paid for her new spouse going back to January 2016: By D. Bojalad, seconded T. Shippy.

- Motion Carried – Unanimously

Business Agent Report

A. Asset Allocation

This item is pending the Board Meeting being held on June 28, 2021.

Mr. Opolski updated the Board that he is finishing his work on pursuing Members who are not enrolled and will turn over information to BeneSys.

New Business

A. Actuarial Valuation Report – December 31, 2020

This item was covered by the presentation from GRS.

B. Great American Fiduciary Liability Renewal

This item was presented and BeneSys was authorized to pay the invoice minus the Waiver of Recourse payments which are to be paid by Board Members.

C. Priority Health Medicare Interactive Voice Response

Priority Health informed BeneSys and Mr. Opolski that they are initiating a new Interactive Voice Response system for Members. This information was shared in Mr. Opolski's Newsletter and was posted on the Trust Website.

Unfinished Business

Correspondence

Mrs. Sinagra left the meeting at 12:18 pm.

Motion – To enter into closed session at 12:18 pm to address administrative appeals containing confidential personal health information protected under HIPAA: By T. Shippy, seconded by R. Kosmack.

- Roll call vote: Bojalad – yes
Opolski – yes
Shippy – yes
Kosmack – yes

The Committee exited closed session at 12:21 pm.

Motion – for participant 2802028933 to recommend that the Board approve Appeal for spouse to be reimbursed for 2020 HRA Claims: By T. Shippy, seconded by R. Kosmack.

- Motion Carried – Unanimously

Trustee Comment/Open Forum

Adjournment

Motion – To adjourn the Administrative Committee Meeting: By T. Shippy, seconded by D. Bojalad.

Motion Carried – Unanimously

Meeting adjourned at 12:22 pm.