

City of Detroit Police and Fire RHC Trust

April 11, 2016

Meeting minutes of the Board of Trustees

Chet Opolski	Chairman
John Clark	VP Chairman
Shirley Berger - Excused	Secretary
Tom Sheehan	Trustee
Floyd Allen (T)	Trustee
Don Taylor	Trustee
Andy Dillon (T)	Trustee

The meeting was held at the offices of the Trust's administrator, ABS, at 8220 Irving Road, Sterling Hgts., MI 48312. The Chairman called the Board meeting to order at 9:44 am

- Roll call of Trustees was held and a quorum was present.
- Legal Counsel representative(s) present: M. VanOverbeke
- ABS representative(s) present: L. Duncan, J. Holevas
- On the Phone from Graystone Consulting – B. Messner, M. Holycross, B. Carlson

**Motion** – To accept the agenda dated April 11, 2016: By T. Sheehan, seconded by F. Allen

- Motion carried – Unanimously

**Motion** – To accept the March 28, 2016 meeting minutes: By T. Sheehan, seconded by F. Allen

- Motion carried – Unanimously

## **Correspondence**

**Motion** – To accept the resignation of Greg Best and waive the 90 waiting period, and have Legal Counsel create a resolution of recognition: By D. Taylor, seconded by A. Dillon

- Motion carried - Unanimously

**Motion** – To accept and approve the transfer of the payment of interest payments from Wilmington Trust to Fifth Third: By T. Sheehan, seconded by D. Taylor

- Motion carried - Unanimously

## **Presentation by Graystone Consulting**

**Motion** – To acknowledge and accept the Overview of B notes and give Graystone the approval to invite 1 or 2 Fiduciary Managers to do a presentation at next board meeting: By T. Sheehan, seconded by J. Clark

- Motion carried - Unanimously

## **Receipts / Disbursements**

**Motion** – To acknowledge receipt of Paid/Payable list and Authorization the amended list of payables – remove VSP and add GRS - as of 4/11/16: By T. Sheehan, seconded by J. Clark

- Motion carried – Unanimously

## **Chairman request a break from 11:00 – 11:05**

## **Legal Report**

**Motion** – To authorize Legal Counsel to send out the denial letter to Robert Smith's 2<sup>nd</sup> level appeal: By T. Sheehan, seconded by J. Clark

- Motion carried – Opposed by D. Taylor

Legal Counsel will request a letter from Navia stating all claims have been processed and paid. After confirmation we will transfer any money left in the Navia HRA account to the Huntington HRA account.

## **Administrator Report**

**Motion** – To approve ABS to do a special bill for the newly discovered Direct Bill members that owe premium for 2016: By T. Sheehan, seconded by D. Taylor

- Motion carried – Unanimously

ABS will expand the Direct Bill excel spreadsheet to include amount's owed to RHT from RSCD for members that paid premiums in advance, and include an amount that RHT owes to RSCD.

The board will then direct ABS as to how to collect the past premium from members that owe.

**Motion** – To approve 2<sup>nd</sup> level appeal from [REDACTED] allowing him to enroll in Aetna effective 5-1-2016: By D. Taylor, seconded by J. Clark

- Motion carried – Unanimously

**Motion** – To approve 2<sup>nd</sup> level appeal from [REDACTED] to allow his spouse to enroll in the spousal HRA effective 3-1-2016, contingent on verifying that she qualifies: By D. Taylor, seconded by J. Clark

- Motion carried – Unanimously

## **Unfinished Business**

- Weiler settlement
- Trustee Compensation

## **New Business**

**Motion** – To give the Chair authorization to create sub committee's and appoint board members to these committees: By F. Allen, seconded by T. Sheehan

- Motion carried – Unanimously

Finance Committee – J. Clark, A. Dillon, C. Opolski

Administrative Committee – D. Taylor

## **Re: Status of benefit related matters**

The Board of Trustees of the RHC Trust (the "Board") recognizes that it is vested with the authority and responsibility for the management and administration of the RHC Trust, including, but not limited to designing, adopting, maintaining and administering the Health Care Plan for Police and Fire Retirees of the City of Detroit (the "Plan"). In accordance with this authority and responsibility the Board continued the plan design and benefit structure implemented by the City of Detroit throughout the 2015 calendar year, albeit with the legally required exchange of the cash stipend to a Health Reimbursement Arrangement (HRA).

During its administration of the Plan throughout the 2015 calendar year the Board discovered numerous issues relating to the accuracy and reliability of member data and records provided by the City. Accordingly, the Board elected to maintain the current plan design and benefit structure into the 2016 calendar year until more reliable data and information could be gleaned through open enrollment and data verification efforts. Through such efforts the Board has been able to obtain additional data and information with respect to the RHC Trust's membership and such data has been provided to the RHC Trust's actuary for analysis.

The Board is also aware of existing concerns amongst the RHC Trust's membership regarding plan design, benefit eligibility, funded status, etc., and the Board has made diligent efforts to address such concerns both individually and collectively through discussions with its professional advisors, who are in agreement that no changes to the existing Plan design and/or benefit structure should be made without first obtaining an analysis of the cost of such changes from the RHC Trust's actuary. Accordingly, the RHC Trust's actuary is currently in the process of preparing the RHC Trust's annual actuarial valuation for the year ended December 31, 2015, as well as a cost analysis of the extension of additional benefits to those members and/or beneficiaries not currently eligible for benefits under the Plan.

In light of the foregoing, the Board will not approve any changes to the design and benefit structure under the Plan until it has received an analysis of the estimated cost of such changes from its actuary. In the interim the Board will continue to diligently monitor and attend to those existing areas of concern as well as any additional concerns that may arise. Upon receipt of an acceptable cost analysis from its actuary along with the annual actuarial valuation identifying the RHC Trust's current funded status, the Board, in its sole discretion, may decide to revise the Plan design and benefit structure as deemed reasonable and prudent.

**Motion – To Adjourn:** By T. Sheehan, seconded by J. Clark  
- **Motion carried** – Unanimously

Meeting adjourned at 1:03