

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, August 28, 2017

9:30 am at RDPFFA Office Sterling Heights Michigan

Conference Call In: 1-866-730-7512 Access Code 795253 Host 133963

Trustees:	Chet Opolski	Chairman
	John Clark	VP Chairman
	Shirley Berger	Secretary
	Don Taylor	Trustee
	Tom Sheehan	Trustee
	John Barr	Trustee
	Floyd Allen – (T)	Trustee
	Andy Dillon – (T)	Trustee

**ABS Representative: Melanie Taliercio
Lisa Duncan (T)**

VMT: Aaron Castle

**Guest's: GRS Consulting: Jim Cherundolo, Eric St. Pierre and Ken Alberts
Willis Towers Watson: Brian Tenner, Carrie Bork and Mitchell Morrison**

The meeting was held at the offices the Retired Detroit Police & Fire Fighters Association

The Chairman called the Board meeting to order at 9:30

Motion – To accept the agenda dated August 28, 2017: By J. Barr; supported by T. Sheehan

- Motion carried – Unanimously

Motion- To approve meeting minutes for July 24, 2017 by D. Taylor; supported by T. Sheehan.

Motion- To approve meeting minutes for August 14, 2017 by D. Taylor; supported by T. Sheehan.

Graystone Consulting

Graystone Consulting discussed B Notes summary and cash flow projection. Advised of recent sale of B Note at 0.55 and C Note at 0.88. Graystone also indicated that a change in the tax status of the B Notes from taxable to tax exempt would likely result in a significant increase in the market value of the notes.

Motion – To receive and file Graystone reports: By T. Sheehan; supported by J. Clark

Motion carried – Unanimously

Motion- To move to WTW presentation by D. Taylor; supported by J. Barr

Motion carried - Unanimously

Willis Towers Watson:

Presentation on One Exchange (OE) program for pre-65 retirees given by Brian Tenner, Carrie Bork and Mitchell Morrison.

- Overview of Exchange portal and discussion surrounding customer service support for RHT members.
- WTW will reach out to retirees to schedule appointments and off personal scheduled appointments in order to help members choose the best option available.
- Carrie Bork, Engagement Mngr., ready to initiate kickoff meeting as soon as the Board makes their decision on which vendor they will select for 2018.

Discussion post presentation regarding Pre-65 Retirees:

- GRS has no recommendation to the board regarding BCBS.
- J.Clark and T. Sheehan agree that Blue Cross is not offering what the Board is looking for and to proceed with WTW for 2018. Eric St. Pierre and Jim Cherundolo in complete agreement.

Motion- To award Willis Towers Watson's One Exchange Individual Model (OE) the preferred vendor for 2018 pre-65 retirees, subject to legal review and negotiation of contractual terms: By T. Sheehan; supported by J. Barr.

Motion carried- Unanimously

GRS to contact Willis Towers Watson and advise them to immediately partner with ABS regarding implementation.

Discussion regarding HMO Vendors:

- HAP HMO not competitive with rate for 2018 and reduced to 3.5 star rating.
- Priority Health presented a plan that would serve the Trust member swell over the next several years.
- Priority Health has a contract with Henry Ford Hospital (Downtown) as in in-network facility.

Motion- To move forward with Priority Health as the 2018 HMO Vendor of choice subject to legal review and negotiation of contractual terms, by T. Sheehan; supported d by J. Clark.

Motion carried- Unanimously

Discussion regarding PPO Vendors:

- GRS recommendation to the Board is to keep the incumbent Aetna.
- Aenta has an account team that is local, while Humana is out of state.
- Aetna's experience working with the Board, Trust members and TPA aids in zero administrative disruption.
- Aetna proposal offers more protection and predictability of future costs.

Motion- To retain Aetna as the PPO plan for 2018 by J. Barr; supported by J. Clark.

Motion - To move to item number 5. on the agenda by J. Clark; supported by J. Barr.

Motion carried- Unanimously

Correspondence

- a. Wilmington- Accepted with no further discussion By J. Clark; supported d by T. Sheehan.
- b. Fifth Third- Accepted with no further discussion By J. Clark; supported by T. Sheehan.

Accounting Report

- a. Cash Activity: Motion- To accept cash activity for July 2017 by J. Clark; supported by T. Sheehan.
- b. Receipts and Disbursements: Motion- To approve payables by T. Sheehan; supported by J. Clark.
- c. HRA Claims Processed YTD: Motion- To accept page 52. by J. Clark; supported by Don Taylor
(*Medicare retro-active and duplicate returned funds will require follow up*)
- d. Financials for July 2017: Fluctuation to due to the market of the bonds.
Motion- to accept by T. Sheehan; supported by J. Clark.

- All motions carried unanimously

Motion – To return to regular agenda: By J. Clark, seconded by D. Taylor

Motion carried – Unanimously

Legal Report

General Counsel provided the Board with an update on discussions w/Graystone regarding their ability and willingness to amend the existing contract to contemplate as-needed services and billing.

Administrator Report

Lisa Duncan advised the Board that the next monthly invoice from ABS would incorporate a 3% fee increase that was not implemented in 2017 as provided under the contract.

Ms. Duncan also provided the Board with a written proposal from ABS to provide the Board with recording secretary services, a monthly cash flow report, and reporting on the current market value of the B Notes according to EMMA at a rate of \$2,000 per month. The Board requested an itemized breakdown of the fees associated with each of the three proposed services.

A final draft of the Open Enrollment packet was presented and discussed. Ms. Duncan indicated it would be necessary to move the Open Enrollment dates back one-week in order to accommodate the printing and mailing timeline.

Finance Committee Board

Unfinished Business

The Board discussed plan design and benefit levels for 2018.

Motion to maintain existing plan design and benefit levels, subject to future reduction to participant Medicare Advantage premium contributions if 2018 Health Insurer Fee is waived, by T. Sheehan; support by D. Taylor

Motion Carried - unanimously

New Business/Open Forum

Trustee Dillon indicated that in light of Graystone's report of the significant increase in the market value of the B Notes if they were to be non-taxable, he would like the Board to explore the possibility of a change to the taxable status of the B Notes held by the VEBAs. He asked that legal counsel look into the mechanics of how this could be accomplished; whether it would require federal legislation or if it could be done by the IRS. Also he would like Graystone to memorialize their verbal report regarding the potential increase in market value of the B Notes if they were to be tax-exempt. General Counsel indicated that he would have a discussion with Graystone regarding their ability to provide a written report.

Adjournment

The meeting was adjourned at 3:08 pm.