

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, April 26, 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
Andy Dillon	Remotely from Redford Township, MI	Trustee
Tracy Shippy	In-Person	Trustee
Richard Kosmack	In-Person	Trustee
Floyd Allen	Remotely from Detroit, MI	Trustee
Dan Bojalad	In-Person	Trustee
Brian Roehl	In-Person	Trustee

Others present: Burton Carlson, Graystone Consulting (via phone)
Erik Burger, Graystone Consulting (via phone)
Bill Messner, Graystone Consulting (via phone)
Louis Sinagra, Member (via phone)

Legal Representation: Aaron Castle

BeneSys Representation: Violet Gjorgjevski and Jennifer Crosby

The meeting was held In-Person and via conference call from BeneSys Office, Troy, MI

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

Motion – To accept the agenda for April 26, 2021: *By D. Bojalad, seconded by R. Kosmack.*

- Motion Carried – Unanimously

Public Comment - None

Regular Minutes

Motion – To approve the Regular Meeting Minutes and Closed Meeting Minutes from March 22, 2021 with correction of adding B. Roehl to roll call vote for Closed Session: *By T. Shippy, seconded by D. Bojalad.*

- Motion Carried – Unanimously

Motion – To approve the Admin Committee Meeting Minutes and Admin Committee Closed Meeting Minutes from April 22, 2021: *By T. Shippy, seconded by B. Roehl.*

- Motion Carried – Unanimously

Graystone Financial – Burton Carlson, Bill Messner & Erik Burger (via phone)

B. Carlson gave an update on the B Notes. The B Notes currently stand at \$95.41. Not a profound change in the last few months since the sale in February 2021 which caused a rise in the pricing. He presented the trade summary showing trades from April 2021 – August 2020.

B. Carlson reviewed the Cash Flow Projection. The funds from the sale of the B-Notes were taken from the cash flow and moved to investments to implement the portfolio approved by the Board. The implementation is not complete because a Second Bond Ladder manager needs to be chosen after the Eaton Vance merger with Morgan Stanley.

E. Burger reviewed the Performance Summary for 1st Quarter 2021. The investment of the funds from the sale of the Bonds can be seen according to the Asset Allocation approved by the Board. An update was given on the Investment Policy Statement to show the transition of the portfolio. B. Messner is working with Mr. Castle on the New Investment Policy Statement embracing the Portfolio that was approved by the Board and is about 95% complete.

A discussion took place surrounding the possibility of selling additional B Notes. An informal offer has been made so the Board discussed the offer in detail and what the parameters would be for the sale. In addition, if the B Note sale takes place it would provide the opportunity to further diversify the Trust's investment portfolio.

Motion – To authorize the Investment Committee to take up to 80% of the Trust's remaining B Notes to market for sale and inform the party that expressed interest in purchase: ***By F. Allen, seconded by D. Bojalad.***

- Motion Carried – Unanimously

Financial Reports

BeneSys provided the March 2021 Fifth Third Statement for review.

BeneSys provided the March 2021 Morgan Stanley Statement for review.

BeneSys provided the February 2021 Financial Statements for review.

Motion – to review and accept the Fifth Third, Morgan Stanley, BeneSys Financial Statement and to pay the Bills for Approval as provided: ***By B. Roehl, seconded by D. Bojalad.***

- Motion Carried – Unanimously

Administrative Reports

A. Appeal

- a. **2825215117**

Motion – to approve participant's spouses Appeal to receive HRA Benefit for 2020 per the Admin Committee's recommendation: ***By D. Bojalad, seconded by T. Shippy.***

- Motion Carried – Unanimously

B. BeneSys 1st Quarter 2021 Performance Guarantee Reporting

Ms. Crosby presented the 1st Quarter 2021 Performance Guarantee reports to the Board. All performance guarantees were met by BeneSys.

C. BeneSys 1st Quarter 2021 Call Back Reporting

Ms. Crosby presented the 1st Quarter 2021 Call Back Option Reporting to the Board. The Call Back Feature was activated for the member in September 2020 to reduce call wait times during high volume times such as Open Enrollment. The reporting shows that members are utilizing the feature and the success can be shown by the Call Answer Times in the Performance Guarantee Reporting.

Legal Report

A. Priority Health

Mr. Castle states that at the request of the Board's Administrative Committee, he reviewed the existing PPO and HMO agreements with Priority Health for the 2021 calendar year. Neither agreement contemplates a rate guarantee for the 2022 calendar year. He recommended that the Board reach out to its Benefits Consultant, GRS, regarding the availability of a 3rd year rate guarantee from Priority Health. Mr. Castle will reach out to Mr. Pranschke with GRS to request that new RFP's be presented to Health Benefits at the next Admin Committee meeting. Mr. Roel suggested that the Board approach Priority Health prior to the RFP's to discuss pricing and additionally enhanced benefits.

Motion – to authorize Trustee Shippy to contact Priority Health on behalf of the Board to discuss pricing and additionally enhanced benefits for the 2022 benefit year. She will report back findings to the Admin Committee: ***By R. Kosmack, seconded by B. Roehl.***

- Motion Carried – Unanimously

B. Level 2 Appeal #1895765386

Mr. Castle informed the Board that he prepared a proposed Resolution, based upon the Administrative Committee's recommendation to the Board, reaffirming the prior denial of the Level 2 Appeal.

Motion – to approve the resolution for member #1895765386 based on the Admin Committees recommendation: ***By D. Bojadad, seconded by B. Roehl.***

- Motion Carried – Unanimously

C. Graystone Consulting Fee

Mr. Castle provided the Board with a copy of the contractual fee amendment previously discussed with the Board. He stated he has reviewed the proposed fee amendment and has confirmed that it is consistent with the previous discussions.

Motion – to approve accepting and signing the Amendment to Graystone Consulting Institutional Consulting Agreement as presented: ***By R. Kosmack, seconded by B. Roehl.***

- Motion Carried – Unanimously

D. Weiler Settlement Surplus

Mr. Castle informed the Board that there is no update regarding the Weiler Settlement Surplus at this time.

E. Actuary & Benefit Consultant RFP

Mr. Castle presented the Board with his analysis of the RFP's received for Actuary & Benefit Consultants. The supplemental responses were substantially the same as the initial responses with a few minor exceptions. The Board requested that the responses be reviewed and discussed in further detail with the Administrative Committee.. They would also like GRS to present at the next Board Meeting with an update, if possible.

Correspondence - None

Business Agent Report

Chairman Opolski updated the Board regarding the Member Not Enrolled project that he has been working on. Out of 378 Member Not Enrolled he has had 66 responses, 27 were discovered to not qualify, he is waiting on 17 members to send in enrollments and 22 members have been enrolled in the HRA effective January 1, 2021 per the previous Board decision. Several of the members enrolled had spouses added as well.

New Business - None

Unfinished Business

A. Total Members Not Enrolled

This item was discussed by Mr. Opolski in his report to the Board.

B. Actuarial/Benefit Consulting Service

This item was discussed by Mr. Castle in his report to the Board.

C. Direct Deposit of HRA Checks

Ms. Gjorgjevski informed that she is working on a Cost/Benefit Analysis for the Board and hopes to present it at that next Board Meeting.

D. Weiler Settlement Surplus Funds

This item was discussed by Mr. Castle in his report to the Board.

Trustee Comment/Open Forum - None

Adjournment

Motion – to adjourn: *by T. Shippy, seconded by D. Bojalad.*

- Motion Carried - Unanimously

Meeting adjourned at 11:32 am.