



Police and Fire RHC Meeting

Board of Trustees Minutes

December 19, 2016

The meeting was held at the office of ABS located in Sterling Heights Michigan. Chairman Opolski called the meeting to order at 9:30 A.M. A quorum was present.

Trustees:	Chet Opolski	Chairman
	John Clark	Vice Chairman
	Shirley A. Berger	Secretary
	Thomas Sheehan	Trustee
	Floyd Allen	Trustee (T)
	Andy Dillion	Trustee (T)
	Don Taylor	Trustee
ABS:	Lisa Duncan and Denise Allport	Legal Counsel: Michael VanOverbeke
Graystone:	Burton Carlson,	<u>and</u> Aaron Castle
	Bill Messner	
GRS:	Eric St. Pierre and Jim Cherundolo	

Approval of Agenda

Motion made by Sheehan and seconded by Tucker to approve agenda. Motion carried - Unanimously.

Approval of Minutes

Motion made by Sheehan and seconded by Tucker to approve the December 19, 2016. Motion carried – Unanimously.

Graystone Update

Graystone Representative provided an updated presentation to the Trustees regarding the B Notes and RHC Trust's anticipated future cash flows.

Gabriel, Roeder, Smith Update

GRS Representatives introduced President and CEO Craig Horton and Patrick Martin from SSDC Service Cooperation to discuss the Medicare Coordination Opportunity. They passed out a handout for Trustees to review.

GRS Representatives provided Trustees with overview of the Health Plan (Aetna) performance.

Motion made by Sheehan and seconded by Clark to accept report from GRS. Motion carried - Unanimously.

Correspondence

The Custodial bank statements have not been received yet by ABS since the meeting was held (1) week earlier.

Break – 12:00 p.m. – 12:05 p.m.

Accounting Report

The Cash Activity Report for November 2016 was presented. The Trustees acknowledged receipt.

Receipts and Disbursements – **Motion** made by Sheehan and seconded by Clark to approve all payables except payment to the Retirement System of \$2,542.00. This item was tabled until the January 2017 meeting. Motion carried – Unanimously.

HRA Claims Processed YTD HRA report was presented. The Trustees acknowledged receipt.

Financials – There were no banking statement for November 2016. A double report will be provided at the January meeting.

Legal Report

VEBA Plan Document

A revised draft of the VEBA Plan Document, Addendum A was distributed for review and comments of the Trustees and ABS. The revisions outlined the benefit changes approved by the Board for the 2017 Plan year. After review, all comments should be forwarded to Mr. Castle prior to the next meeting.

House Bill No.5421

Attorney VanOverbeke updated the Trustees on House Bill 5421. The Michigan Senate passed a substitute for House Bill No. 5421 on December 14, 2016, which was subsequently concurred in by the House on December 15, 2016. A copy of the Senate substitute bill as concurred in by the House was attached as Addendum B. This bill only was applicable for the City of Detroit Police and Fire and General VEBA's.

Citibank Loan Facility

The Board of Trustees of the General Retiree Health Care Trust has agreed in principle to amend the terms of the Citibank Loan Agreement and to extend the term of the facility for one year. To summarize, the Loan Agreement will be amended as follows:

- The Agreement will be extended for one year, until June 30, 2018;
- The Market Value Termination Trigger will be lowered to the higher of (a) \$20 or (b) a minimum 3x collateralization vs. the outstanding loan amount; and
- Reduction of the interest rate on drawn funds from 5.58% to 5.25%.

The General Board has requested that the Police and Fire VEBA Board amend its Loan Agreement with Citibank to split the total costs between both General and Police VEBA's.

Motion made by Sheehan and seconded by Clark to accept the agreement. Motion carried - Unanimously.

Administrators Report

There was no report from ABS. ABS will have Open Enrollment numbers at the January 2017 meeting.

Administrative Committee Meeting Motion made by Taylor and seconded by Sheehan to approve the December 12, 2016 minutes and recommendations. Motion carried - Unanimously.

Finance Committee – No Meeting

Board of Trustees Meeting Minutes
December 19, 2016
Page Four

Unfinished Business

ABS was directed to verify the checks sent to the City from Navia.

New Business/Open Form

The Trustees received a quote from Segal Select Insurance Company with a discount of \$5,000 for a (2) year agreement. **Motion** made by Sheehan and seconded by Tucker to accept the discounted insurance quote. Motion carried - Unanimously.

A motion to hold the 2017 Election for the Trustee's was tabled until the January 2017 meeting.

Adjournment

Meeting was adjourned at 1:30 p.m. Motion made by Allen and seconded by Sheehan. Motion carried – Unanimously.

Respectfully Submitted,

Shirley A. Berger
Secretary