

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, April 23, 2018

9:30 am at RDPFFA Office Sterling Heights Michigan

Conference Call In: 1-866-730-7512 Access Code 700275 Host 484296

<b>Trustees:</b>	Chet Opolski	Chairman
	John Clark	Vice Chairman
	Shirley Berger (T)	Secretary
	Don Taylor	Trustee
	Tom Sheehan	Trustee
	John Barr	Trustee
	Floyd Allen (T 9:43am)	Trustee
	Andy Dillon -Excused	Trustee

**ABS Representation:** Lisa Duncan  
Chesla Emerick

**Legal Representation:** Aaron Castle

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

The meeting was called to order at 9:30.

**Motion** – To accept the agenda dated April 23, 2018: By T. Sheehan, seconded by J. Clark

- Motion Carried – Unanimously

**Motion** – To approve the meeting minutes dated March 26, 2018, as amended: By T. Sheehan, seconded by J. Clark

- Motion Carried – Unanimously
- Discussion followed

**Graystone Consulting – Burton Carlson**

**B Notes Summary** – As of Friday, April 20, 2018 the price of the bond was at \$79.33 per J.J. Kenny Drake. Historically, the price was in the high 40's and low 60's through the summer of 2017. There were trades with serious volume behind them. More recently, the volume of trades and number of meaningful trades have fallen off. More recently, the price has remained in the low 80's and high 70's. The bonds have had a steady state with low trading activity or price changing.

Cash Flow –The numbers have been updated to reflect the removal of the line of credit. The costs of benefits have been updated for the benefit year of 2019 based on the purposed benefit design changes. The updated cash flow projections use the most realistic and up to date numbers based on claims. When calculated, the \$1.8 million in outstanding liability from the prior period was included. At no point does the cash flow fall below \$15.5 million.

Statement of Investment Policy – Reviewed draft produced by Graystone. Legal made changes to terminology in the first draft. Legal has concern with the reference to ACT 314 being in the Statement of Investment Policy. The Board of Trustees is not legally bound by the ACT. The ACT limits how much can be invested in any one security. Currently, 95% of the portfolio is the B-notes. If the Board of Trustees were to take on the restrictions of ACT 314, they would be in violation. Legal believes the Board of Trustees is still able to have a Statement of Investment Policy. However, the verbiage would need to be changed. Graystone is requesting comments from the Board of Trustees before the next meeting. Legal is going to work with Graystone to write the Statement of Investment Policy.

Graystone leaves call at 10:11am.

Aetna Renewal - Jim Cherundolo joined call at 9:46am and presented at 10:11am.

Representative from Aetna reviewed renewal information and key considerations for 2019 with the Board of Trustees. Membership has decreased by approximately 4%. The population of the plan is aging. Aetna has been reaching out to the membership and doing home visits. Aetna reviewed the CMS Call Letter, and Health Insurers Fee. Final rates for 2019 will be available in July. Priority Health is working to out together material to educate members. The material would potentially be web based. Before the material is rolled out to members, a demo would be created and presented to the Board of Trustees.

#### Public Comment

No one from the general public was present.

#### Correspondence

Wilmington – March 20018: Ending market value is zero; the money has been moved.

Fifth Third – March 2018

**Motion** – To approve the Wilmington and Fifth Third March 2018 statements: By T. Sheehan, seconded by J. Clark

- Motion Carried – Unanimously

#### Accounting Report

Cash Activity - March 2018

**Motion** – To approve the cash activity report for March 2018: By T. Sheehan, seconded by J. Clark

- Motion Carried – Unanimously

#### Receipts and Disbursements

**Motion** – To approve the receipts and Disbursements report for March 2018: By T. Sheehan, seconded by J. Barr.

- Motion Carried – Unanimously
- Discussion followed on invoiced Business Agent Fees

### HRA Claims Processed YTD

Reviewed information on processed claims with the Board of Trustees.

### Financials – March 2018

**Motion** – To approve the March 2018 Financials: By T. Sheehan, seconded by J. Barr.

- Motion Carried – Unanimously
- Discussion followed on miscellaneous expenses – ABS to provide information on what is included in this category

### Legal Report

No formal report. Legal to comment under unfinished business.

### Administrator Report

Draft Audit Report – Copy of draft audit is included on page 80 of the board packet. Once audit is concluded, a final report will be sent out.

Investment Policy – Graystone reviewed during their portion of the meeting

Blue Cross Blue Shield Statement - Nikki with Blue Cross Blue Shield is working with IT and the reports department to see if they are able to provide an excel formatted report.

### Administrative Committee Board

### Meeting Minutes – April 9, 2018

**Motion** – To approve the meeting minutes dated April 9, 2018, as amended: By D. Taylor, seconded by J.Barr.

- Motion Carried – Unanimously
- Discussion regarding corrected meeting minutes followed.

### 2016 Appeal

**Motion** – To approve the appeal for Mr. 's request for reimbursement for his 2016 HRA claims: By T. Sheehan, seconded by J.Barr.

- Roll call vote:
  - Allen – yes
  - Barr – yes
  - Clark – yes
  - Opolski – yes
  - Sheehan – no
  - Taylor – yes
- Motion carries – five in favor, T. Sheehan opposes

### Business Agent Report

There have been a number of calls and visits related to member benefits. To date, everything has been resolved with the help of ABS. Five newsletters have went out to members. Aetna has been the only outside source to provide

information for newsletters thus far. After many outreach attempts, the updated meeting information needed, hasn't been provided for the Retired Police Members Association.

**Motion** – To no longer include the meeting information for the Retired Police Members Association: By D. Taylor.

- Motion fails for lack of second

### Finance Committee Board

No update

### Unfinished Business

Draft Plan Document - Approved changes in respect to the claims appeals process reviewed by legal. Appeals within 12 months of the end of the plan year will be taken to the Board of Trustees for approval. Anything older than 12 months will not be eligible for review. This will limit liability.

Draft Trust Agreement – Legal discussed proposed amendments to the Trust Agreement regarding the ability to remove Trustees from the Board.

Weiler Settlement – Legal is researching if divorced spouses from the Weiler Settlement are eligible for COBRA continuation coverage benefits after a divorce is finalized. As of today, ex-spouses are not covered after divorce. Discussion on the bankruptcy settlement followed.

\_\_\_\_\_ – Mr. \_\_\_\_\_ did not receive retirement benefits until February, 2018 and was considered a Vested Former Member prior to that date. There isn't specific information included in the documentation of the bankruptcy for this category of vested former members. Legal to provide analysis for the next administrative committee meeting regarding the Board of Trustees' ability to provide coverage to deferred retirees whose retirement date is after December 31, 2014.

### New Business/ Open Forum

Next Full Board Meeting – May 29, 2018 \*\*This is a Tuesday\*\*

- J. Clark requests to be excused due to jury duty

\*\* ABS excused from meeting at 11:43am\*\*

Discussion regarding the TPA finalist interviews and best and final fee proposals.

**Motion** – To retain BeneSys to serve as the RHC Trust's Third Party Administrator effective 1/1/2019, subject to legal review and approval of contractual terms; By T. Sheehan, seconded by J. Clark

- Motion Carried - Unanimously

### Adjournment

**Motion** – To adjourn Full Board Meeting: By J. Barr, seconded by T. Sheehan

- Motion Carried – Unanimously

Meeting adjourned at 11:58am.