

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, September 27, 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
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
Andy Dillon	Remotely from Redford Twp, MI	Trustee

Others present: Burton Carlson, Graystone Consulting (via phone)
Erik Burger, 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 September 27, 2021: *By D. Bojalad, seconded by T. Shippy.*

- Motion Carried – Unanimously

Public Comment - None

Regular Minutes

Motion – To approve the Regular and Closed Meeting Minutes from August 23, 2021 as presented: *By B. Roehl, seconded by R. Kosmack.*

- Motion Carried – Unanimously

Motion – To approve the Admin Committee Meeting Minutes & Closed Meeting Minutes from September 13, 2021 with correction as requested: *By R. Kosmack, seconded by D. Bojalad.*

- Motion Carried – Unanimously

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

B. Carlson gave an update on the B Notes. The B Notes currently stand at \$96.59, relatively the same from last month. There has been no recent trade activity.

B. Carlson reviewed the Cash Flow Projection that is based on the 2022 benefit design numbers. As the additional proceeds from the B-Notes sales continue to be invested, the projected amounts for earnings will be added appropriately.

B. Carlson gave an Implementation Update based on the 45% equity allocation decided on at the last meeting. The details of the reallocation will take place monthly over a period of 6 months. With this implementation the Investment Policy Statement will need to be amended. They will provide the ability to invest in future alternative asset classes such as infrastructure or hedged asset classes.

Motion – to approve the rebalance schedule with 45% Global Equity, 45% Global Fixed Income and 10% cash as presented: ***By B. Roehl, seconded by R. Kosmack.***

- Motion Carried – Unanimously
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Motion – to approve the update to the Investment Policy Statement as presented: ***By T. Shippy, seconded by D. Bojalad***

- Motion Carried – Unanimously

Financial Reports

BeneSys provided the August 2021 Morgan Stanley Statement for review.

BeneSys provided the July 2021 Financial Statements for review.

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

- Motion Carried – Unanimously

Administrative Reports

A. Appeals

- a. **2732845948**
- b. **2739145819**
- c. **2794683126**
- d. **2830304271**

This matter is being handled in Closed Session at the end of meeting.

Legal Report

A. Direct Deposit

Mr. Castle updated the Board that he had requested a copy of Fifth Third's commercial banking fee schedule. He received it this morning. He will review that information, and everything should be finalized before the next meeting.

B. Admin Appeal Process/Procedures

Mr. Castle provided a draft Administrative Appeal Form for the Board's review and consideration.

Motion – to accept and approve the Administrative Appeal Form as provided: ***By D. Bojalad, seconded by B. Roehl.***

- Motion Carried – Unanimously

C. Trust Stipends

Mr. Castle provided proposed amendments to the Board's Policy for review and consideration.

Motion – to accept and approve the updated Trustee Stipend document as provided: ***By R. Kosmack, seconded by D. Bojalad.***

- Motion Carried – Unanimously

D. Benefits Consultant

Mr. Castle provided draft letters to Aon and Manquen Vance, inquiring to their willingness and ability to be engaged by the Board on an ad hoc basis for the Board's review and consideration.

Motion – to accept and approve the letters to be sent to Aon and Manquen Vance with an added respond by date: ***By B. Roehl, seconded by T. Shippy.***

- Motion Carried – Unanimously

E. Board Vacancies

Mr. Castle presented a draft letter informing the RDPFFA of the upcoming expirations of Chairman Opolski's and Trustee Dillon's terms of office.

Motion – to accept and approve the letter to be sent to the RDPFFA: ***By D. Bojalad, seconded by R. Kosmack.***

- Motion Carried – 4 yea and 1 abstain

Mr. Castle also updated the Board regarding the Open Meetings Act and the fact that currently effective December 31, 2021 there is no virtual option unless a Trustee is serving in the Military. MAPERS lobbyist has proposed amendments to go back to pre-pandemic protocol allowing the call-in/virtual option.

Correspondence

A. Member Correspondence

Chairman Opolski shared an email correspondence with a member who was needing assistance resolving a bill with Priority Health . Priority Health was able to assist them, and the member reached out to Mr. Opolski to thank him and stated that he would like to send in a donation.

Business Agent Report

Chairman Opolski shared that he has been sending out several Newsletters to keep members up to date on the benefit enhancements for 2022 and the upcoming Open Enrollment. The phones continue to be busy, and he continues to work with BeneSys to assist members.

New Business

Mr. Roehl stated that there is a fiduciary issue with Morgan Stanley. They were asked by Andy to check into something, and he was told that the fund wasn't within Morgan Stanley, that there are corporate limitations as consultants. Mrs. Castle confirmed that yes, Graystone is a fiduciary to the Board under the existing Consulting Agreement, but that it is not uncommon for them to have issues with one-offs like Elliott because they haven't gone through Morgan Stanley's due diligence process and therefore, the Graystone team cannot recommend such investments in their fiduciary role.

Unfinished Business

A. Summary Annual Report – December 31, 2020

This information has been finalized and provided to BeneSys for posting on their Website.

Trustee Comment/Open Forum

Mr. Sinagra left the meeting at 10:44 am as the Board was entering closed session.

Motion – To enter into closed session at 10:44 am to address administrative related matter containing confidential personal health information under HIPAA: ***By T. Shippy, seconded by D. Bojalad.***

- Roll call vote: Shippy - yes
Opolski – yes

Kosmack – yes
Bojalad – yes
Roehl – yes
Allen – yes
Dillon - yes

The Board exited closed session at 10:58 am.

Motion – to Approve Appeal for participant 2732845945 and allow participant to receive his 2020 HRA Reimbursement for 2020 Claims: ***By R. Kosmack, seconded by T. Shippy.***

- Motion Carried – Unanimously

Motion – to Approve Appeal for participant 2739145819 and allow participant to receive his 2020 HRA Reimbursement for 2020 Claims: ***By R. Kosmack, seconded by T. Shippy.***

- Motion Carried – Unanimously

Motion – to Approve Appeal for participant 2794683126 and allow participant to receive his 2020 HRA Reimbursement for 2020 Claims: ***By D. Bojalad, seconded by B. Roehl.***

- Motion Carried – Unanimously

Motion – to Approve Appeal for participant 2830304271 and allow spouse to be enrolled in HRA for 2020 and for participant and spouse to receive their 2020 HRA Reimbursement for 2020 Claims: ***By T. Shippy, seconded by R. Kosmack.***

- Motion Carried – Unanimously

Adjournment

Motion – to adjourn: ***by R. Kosmack, seconded by D. Bojalad.***

- Motion Carried - Unanimously

Meeting adjourned at 11:04 am.