

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, March 27, 2023

9:30 am at BeneSys Office, Troy, MI via In-Person and via Conference Call

Trustees:

Chet Opolski
Richard Kosmack
Dan Bojalad
Brian Roehl
Tracy Shippy

Role:

Chairman
Trustee
Trustee
Trustee
Trustee

Others present: Greg Trozak, Trustee (via phone)
Floyd Allen, Trustee (via phone)
Burton Carlson & Erik Burger, Graystone Consulting
Zari Gano & Abra Hill, GRS Consulting (via phone)
Louis Sinagra (via phone)

Legal Representation: Aaron Castle

BeneSys Representation: Violet Gjorgjevski and Jennifer Crosby

The meeting was held In-Person at the BeneSys Office, Troy, MI

The meeting was called to order by Chairman Opolski at 9:34 am.

Motion – To accept the agenda for March 27, 2023: ***By T. Shippy, seconded by R. Kosmack.***

- Motion Carried – Unanimously

Public Comment

Mr. Sinagra thanked the Board for continuing to allow members and the public to call in to meetings.

Regular Minutes

Motion – To approve the Regular Meeting Minutes from February 27, 2023, and the Admin Committee Meeting Minutes from March 6, 2023, as amended: ***By D. Bojalad, seconded by T. Shippy.***

- Motion Carried – Unanimously

Graystone Financial – Burton Carlson and Erik Burger

B. Carlson addressed the Board and stated that in response to a question asked by a member of the Investment Committee, we identified a procedural error in the process we have been using to generate the quarterly Performance Reports. The result of that error was that the fees paid to certain investment managers were not being considered in the calculation of those manager's performance statistics. The purpose of this schedule is to provide a side-by-side comparison of the performance numbers that changed as the result of fixing that procedural error. A Performance Reporting Reconciliation was provided to the Board.

B. Carlson gave a brief update on the B Notes. The B Notes have decreased slightly again to \$72.91. There were significant trades that took place in March 2023, but they did not have an impact on the price of the notes.

The cash flow performance based on the most recent financial statements as of January 31, 2023, was reviewed.

Mr. Burger updated the Board regarding the two recently failed regional banks and exposure to the Trust's portfolio. It appears the exposures are limited to very small allocations withing the passive equity investments and one bond holding. Discussion took place regarding the bond holding.

Motion – To liquidate the SVB Financial Bond holding immediately in accordance with the current Investment Policy Statement: ***By B. Roehl, seconded by D. Bojalad.***

- Motion Carried – Unanimously

Financial Reports

BeneSys provided the February 2023 Fifth Third Statement, the February 2023 Morgan Stanley Statement, and the December 2022 and January 2023 Financial Statements for review.

Motion – to review and accept the Fifth Third, Morgan Stanley and Financial Statements and to pay the Bills for Approval: ***By B. Roehl, seconded by T. Shippy.***

- Motion Carried – Unanimously

GRS Consulting – Zari Gano & Abra Hill

The Admin Committee invited GRS to attend the Board Meeting so that the Board would have the opportunity to review funding levels with potential benefit enhancements prior to making any decisions for the 2024 benefit year. Various scenarios were reviewed and analyzed.

The Board instructed Chairman Opolski to have Ms. Brandon Berkley with Priority Health move forward with a \$50 Medicare Part B buy back benefit bid to CMS for the 2024 benefit year.

Administrative Reports

A. Appeals

- a. 2804506359
- b. 2838791988
- c. 2753138777

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

Legal Report

Mr. Castle updated the Board that he has provided BeneSys and Chairman Opolski with a contract for Plante Moran to perform the December 31, 2022, audit. There is a slight increase in the cost for the audit.

Motion – to approve the Plante Moran contract and have Chairman Opolski sign it: ***By B. Roehl, seconded by D. Bojalad.***

- Motion Carried – Unanimously

Correspondence

A. BeneSys DOL CyberSecurity Program Response Q1 2023

B. BeneSys Navigator Q1 2023

C. Clarkston Capital – New Team Member

D. The Top 50 of 2022 – Plaintiff Law Firms

Business Agent Report

Mr. Opolski stated to the Board that he has been busy with the end of March deadline for 2022 HRA Reimbursement submissions. He continues to send BeneSys a weekly deceased members report so that they can maintain their records.

Mr. Opolski updated the Board that he was asked to provide to the RDPFFA a report of the Trustee stipends. He has provided that report. He was also asked by the RDPFFA to provide statistics regarding the utilization of the Hearing Aid benefit from Priority Health. He is waiting on that information from Priority Health and will then provide it as requested.

New Business

A. Open Meeting Bill

Chairman Opolski shared information with the Board regarding an Open Meeting Bill that is being worked on. Mr. Castle had provided information regarding this at the last Board Meeting as well. Mr. Castle stressed that nothing has been introduced as of yet, but it is in the works.

B. Great American – Fiduciary Liability Insurance Renewal

Ms. Crosby shared the Fiduciary Liability Insurance Renewal application to the Board for review and approval.

Motion – to approve that the Great American Fiduciary Liability Insurance Renewal application be submitted as presented: ***By B. Roehl, seconded by R. Kosmack.***

- Motion Carried – Unanimously

C. GRS Consulting – Data Request for December 31, 2022, Actuarial Valuation

Ms. Crosby presented the Data Request from GRS consulting for the December 31, 2022 Actuarial Valuation for the Boards review.

Unfinished Business

A. Professional Advisor Review – Investment Consultant

Mr. Roehl updated the Board that he has spoken to representatives from several providers. There are four providers that he would like to invite to do presentations. The Board agreed to have presentations at the Admin Committee meetings on May 9, 2023, and June 6, 2023.

B. Priority Health – Part B Buydown

This item was discussed earlier in the meeting.

C. HRA Disbursement Analysis

Ms. Gjorgjevski informed the Board that this is in process.

D. HRA Reimbursement Direct Deposit Directive

This item continues to be discussed but the HRA Disbursement Analysis is needed before a final decision can be made.

Trustee Comment/Open Forum

Mr. Castle stated to the Board that, although they are not obligated to continue allowing members and the public to call in to meetings, there is no reason to not continue to allow that option.

Mr. Sinagra left the meeting at 11:16 am as the Board was entering closed session.

Motion – To enter into closed session at 11:16 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

The Board returned to open session at 11:21 am.

Motion – to deny the Level 2 Appeal for participant 2804506359: ***By R. Kosmack, seconded by D. Bojalad.***

- Motion Carried – Unanimously

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Motion – to deny the Level 2 Appeal for participant 2838791988: ***By R. Kosmack, seconded by B. Roehl.***

- Motion Carried – Unanimously

Motion – to approve the Level 2 Appeal as of February 2023 for participant 2753138777: ***By B. Roehl, seconded by T. Shippy.***

- Motion Carried – Unanimously

Adjournment

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

- Motion Carried - Unanimously

Meeting adjourned at 11:23 am.