

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, July 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
Tracy Shippy	In-Person	Trustee
Richard Kosmack	In-Person	Trustee
Floyd Allen	Remotely from Detroit, MI	Trustee
Dan Bojalad	In-Person	Trustee
Brian Roehl	Remotely from Troy, 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 9:43 am.

Motion – To accept the agenda for July 26, 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 June 28, 2021 as presented: *By T. Shippy, seconded by D. Bojalad.*

- Motion Carried – Unanimously

Motion – To approve the Admin Committee Meeting Minutes from July 12, 2021 with correction as requested: *By T. Shippy, seconded by D. Bojalad.*

- 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 \$96.99, slightly down from the report given. There have been some small trades in July but nothing significant. He presented the trade summary showing trades from June 2021 – May 2021.

B. Carlson reviewed the Cash Flow Projection. As the additional proceeds from the B-Notes sales continue to be invested projected amounts for earnings will be added to the Investment Earnings which are currently down.

B. Carlson presented the Board with an Implementation Update for discussion. In the report he gave three AA Study Portfolio's. After discussion of these portfolio options, the Board requested to see a 50/50, 60/40 and 60/28 portfolio option at the next meeting prior to making a final decision. In addition, the Board would like to have the investments discussed at the last meeting be made right away.

Financial Reports

BeneSys provided the June 2021 Fifth Third Statement for review.

BeneSys provided the May 2021 Morgan Stanley Statement for review.

BeneSys provided the June 2021 Morgan Stanley Statement for review.

BeneSys provided the Clarkston Capital Quarterly Report for review.

BeneSys provided the May 2021 Financial Statements for review.

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

- Motion Carried – Unanimously

Administrative Reports

A. Appeals

a. 2735526588

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

B. BeneSys Performance Guarantee Report – 2nd Quarter 2021

Ms. Crosby presented the 2nd Quarter 2021 Performance Guarantee reports to the Board. All performance guarantees were met by BeneSys.

C. BeneSys Data Security Summary – June 2021

This information was provided to the Board for informational purposes. Mr. Castle requested additional information regarding how the amount of Liability Coverage was determined.

Legal Report

A. Actuary & Benefits Consultant RFP

Mr. Castle updated the Board that the three finalists have been confirmed for the Admin Committee Meeting on August 9, 2021. They will present to the Benefit Consultant Committee after the Admin Committee Meeting.

Mr. Castle discussed with the Board the previously given idea of offering an Opt-Out or Buy-Out to the retirees under 65. He stated that the VEBA cannot pay non health or welfare type benefits. It isn't impossible to offer this option but there are a lot of moving parts involved: (i.e., the VEBA would need to be converted to a 115 Trust, a process and procedure would need to be developed to elect the Buy-Out, the IRS would not allow it to be open ended or they would want their portion, how to calculate the amount to offer, etc.). After further discussion the Board determined that maximizing benefits for retirees is the way they wish to move forward.

Correspondence

A. BeneSys Acquires Beacon Technologies Group

BeneSys provided this correspondence for informational purposes.

Business Agent Report

A. Appeal Process

Chairman Opolski addressed the Board to discuss the current Appeal Process and suggest a simplified Appeal Process. Currently retirees must submit a Level 1 Appeal initially to BeneSys, the Third-Party Administrator. BeneSys has very limited capability to approve a Level 1 Appeal so much of the time they are denied. Upon denial the retiree can then file a Level 2 Appeal which goes before the Board for decision. Mr. Opolski is suggesting doing away with the redundancy and burden of filing two appeals and instead have just one Appeal that is initially reviewed by BeneSys, if BeneSys denies the appeal then it will automatically go before the Board without any additional paperwork needed to be completed/filed by the retiree. BeneSys will still send out communication as to their decision and inform the retiree when the Board will hear the matter and make their decision. The Board agreed with Mr. Opolski's suggestion. Mr. Castle will review the Plan Document to begin the process of updating the Appeal structure.

Chairman Opolski stated that he continues to work with BeneSys to address retiree concerns or issues as they arise. In addition, he briefly reviewed the Enrollment Form for 2022 and made some suggested edits for Ms. Crosby to continue to work on.

New Business

A. Fifth Third ACH Origination Documents

B. Fifth Third ACH Contact Information Form

Mr. Castle is reviewing the Fifth Third ACH documents before Chairman Opolski signs them.

Unfinished Business

A. 2022 Benefit Enhancements

Chairman Opolski and Trustee Shippy have been in negotiations with Priority Health for benefit enhancements for 2022. Chairman Opolski shared the enhancements that they are working on finalizing before the Administrative Committee Meeting in August.

B. GRS – Supplemental Projections

GRS provided several benefit enhancement projections for the Board to review. These items were discussed in detail.

C. 2022 Enrollment Form

Ms. Crosby presented the Enrollment Form to be used for 2022 Open Enrollment with changes made so far per the Board's request. Feedback was given for additional updates to be made.

D. 2022 HRA Direct Deposit Form

Ms. Crosby presented the Board with an initial Draft of the HRA Direct Deposit Form to be used effective January 1, 2022. This Form will be included in the Open Enrollment Materials. The Board would like for Ms. Crosby to reach out to Fifth Third to see if they have a specific form that may need to be used before further decisions are made on this form.

E. 2022 HRA Form

Ms. Crosby presented the Board with the 2022 HRA Form having made changes that were requested by the Admin Committee. Further updated will be needed once benefit enhancement are decided.

F. 2022 Open Enrollment Meeting Schedule

Ms. Crosby presented a draft of the 2022 Open Enrollment Meeting Schedule for the Board to review. This will be included in the Open Enrollment Materials sent to members homes. The Board determined a Vendor Presentation Schedule that will be added and brought back for approval.

Trustee Comment/Open Forum

Ms. Gjorgjevski informed the Board that she will be out of the Country on vacation for the next month. Ms. Crosby will be facilitating meetings while she is away and is also available should any issues arise.

Mr. Sinagra left the meeting at 11:29 am as the Board was entering closed session.

Motion – To enter into closed session at 11:29 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 exited closed session at 11:36 am.

Motion – for participant 2735526588 to Approve Appeal for retirees 2020 HRA Claim for \$354: ***By B. Roehl, seconded by R. Kosmack.***

- Motion Carried – Unanimously

Adjournment

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

- Motion Carried - Unanimously

Meeting adjourned at 11:37 am.