

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Tuesday, August 22, 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
Greg Trozak

Role:

Chairman
Trustee
Trustee
Trustee
Trustee
Trustee

Others present:

Louis Sinagra, Member (via phone)
Brian Green, AndCo.

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 9:30 am.

Motion – To accept the agenda for August 22, 2023: *By R. Kosmack, seconded by B. Roehl.*

- Motion Carried – Unanimously

Public Comment - None

Regular Minutes

Motion – To approve the Regular Meeting Minutes from July 25, 2023, and the Admin Committee Meeting Minutes from August 8, 2023: *By D. Bojalad, seconded by T. Shippy.*

- Motion Carried – Unanimously

Financial Consultants – AndCo.

A. Status Update

Mr. Green updated the Board that AndCo. has set up access to all current service providers (Morgan Stanley, Fifth Third, Investment Managers). There has been a successful transition of assets from Morgan Stanley to Fifth third which occurred by August 7, 2023, with zero changes made to current investment portfolio. In addition, all legacy information has been transferred to AndCo. The legacy information will be reviewed for accuracy.

Next, a review will be completed of the current asset allocation. A forecast for cash flow needs will be made. A review of current investment managers will take place as well.

B. Recommended Investment Vehicle Changes

Mr. Green made recommendations for immediate changes to investment vehicles to implement cost savings. No asset allocation changes were made at this time only leveraging for lower costs.

Motion – To authorize the following:

- Upon recommendation by the Admin Committee and Investment Consultant that the current index investments with iShares be changed to lower cost Fidelity options
- Upon recommendation by the Admin Committee and Investment Consultant that the current investments with Reinhart Partners Genesis Mutual Fund be changed to Reinhart Partners Genesis Separate Account subject to legal review and approval of Contract.
- Upon recommendation by Admin Committee and Investment Consultant that the Boyd Watterson account paperwork be updated to remove Morgan Stanley

By B. Roehl, seconded by D. Bojalad.

- Motion Carried – Unanimously

C. Trading Cost Estimate – Fifth Third

Mr. Green discussed the trading cost estimate for the recommended changes.

Financial Reports

BeneSys provided the July 2023 Fifth Third Statement, the July 2023 Morgan Stanley Statement, and the June 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

Administrative Reports

A. BeneSys Claims Performance Report – 2nd Quarter 2023

Ms. Crosby reviewed the second quarter 2023 claims performance report with the Board. She informed the Board that BeneSys did meet the claims performance guarantee for the second quarter of 2023.

B. BeneSys Claims Accuracy Report – 2nd Quarter 2023

Ms. Crosby reviewed the second quarter 2023 claims accuracy report with the Board. She informed the Board that BeneSys did meet the performance guarantee for claims accuracy for the second quarter of 2023.

C. Appeal

Ms. Gjorgjevski reviewed the following participant Level 2 appeals with the Board.

a. 2715356963

Motion – to approve the Level 2 Appeal for participant 2715356963 based on information presented to the Board with the Level 2 Appeal: ***By G. Trozak, seconded by R. Kosmack.***

- Motion Carried – Unanimously

b. 2705134674

Motion – to approve the Level 2 Appeal for participant 2705134674 based on the information presented to the Board with the Level 2 Appeal: ***By R. Kosmack, seconded by T. Shippy. Opposed by B. Roehl.***

- Motion Carried – 5 to 1 (Roehl opposed)

c. 2795528313

Motion – to approve the Level 2 Appeal for participant 2795528313 based on the information presented to the Board with the Level 2 Appeal: ***By G. Trozak, seconded by D. Bojalad.***

- Motion Carried – Unanimously

d. 2845546827

Motion – to deny the Level 2 Appeal for participant 2845546827 based on the information presented to the Board with the Level 2 Appeal: ***By B. Roehl, seconded by T. Shippy.***

- Motion Carried – Unanimously

Legal Report

Mr. Castle provided an update on House Bill 4437. He recommended that the Board authorize him to prepare a draft letter to the Department of Labor, Governor and Legislators regarding this Board's apparent eligibility for the grant funds available to "a VEBA located in a city with a population of 600,000, established under the City's bankruptcy plan.". The Board gave this authorization, and a draft will be presented at the next Admin Committee Meeting.

Correspondence

A. BeneSys DOL Cybersecurity Program Response Q3 2023

Business Agent Report

Chairman Opolski informed the Board that he just returned from the FOP conference in Las Vegas, NV this past week.

New Business - None

Unfinished Business

A. Direct Deposit Letter/Form Included with Checks

Ms. Crosby updated the Board that the Direct Deposit Letter/Form has gone into the August HRA Reimbursement checks for the past 3 weeks.

B. Open Enrollment Materials for 2024

Ms. Crosby provided the 2024 Open Enrollment Material Proofs for the Boards to review and approval.

Motion – To approve for printing the 2024 Open Enrollment Materials as presented: ***By D. Bojalad, seconded by T. Shippy.***

- Motion Carried – Unanimously

C. BeneSys – HRA Duplication Error

Ms. Crosby informed the Board that it was brought to her attention that there were an additional 11 spouses who received a duplicate HRA Reimbursement direct deposit in March 2023. The Claims department began holding monthly reimbursements for these 11 spouses in June 2023 without approval from the Board and without informing the members. Ms. Crosby and Ms. Gjorgjevski informed the Claims Supervisor that this was not acceptable. Letters have been mailed to these 11 spouses to have them pay back the overpayment per the Boards previous decision. As of today's meeting, eight have done so.

Trustee Comment/Open Forum

Ms. Crosby stated to the Board that she reached out to some of the other MA providers that BeneSys works with to discuss the concerns that Priority Health had mentioned at the Admin Committee meeting regarding the format of information relayed between BeneSys and Priority Health on a weekly basis. Priority Health mentioned that if the address provided by BeneSys does not perfectly match the address on file with CMS (Center for Medicare Services) then enrollments can be rejected. Ms. Crosby's concern was that recommendations made by Priority Health could potentially cost the fund money that may not be necessary. The feedback that she received from other providers was that the assertions made by Priority Health don't seem to be an issue for them. Ms. Crosby will provide the responses she received to Legal Counsel and the Board Chairman for follow up with Priority Health.

Adjournment

Motion – to adjourn: *by T. Shippy, seconded by R. Kosmack.*

- Motion Carried - Unanimously

Meeting adjourned at 10:31 am.