

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, October 25, 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 Phoenix, AZ | Trustee |

Others present: Burton Carlson, Graystone Consulting (via phone)
Erik Burger, Graystone Consulting (via phone)
Bill Messner, 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 9:31 am.

Motion – To accept the agenda for October 25, 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 September 27, 2021 as presented:
By R. Kosmack, seconded by B. Roehl.

- Motion Carried – Unanimously

Motion – To approve the Admin Committee Meeting Minutes from October 4, 2021 as presented: *By R. Kosmack, seconded by B. Roehl.*

- 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 \$95.42, relatively the same from last month. There has been no recent trade activity.

B. Carlson reviewed the Cash Flow Projection. 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 a presentation regarding Hamlin Capital Management as a means for due diligence prior to investment by the Board. The investment Process was reviewed, Quantitative Initial Screening, Qualitative and Fundamental Analysis and Portfolio Management.

Mr. Burger gave the Board a Performance Review that included a new report that combines Morgan Stanley performance as well as Fifth Third to encompass the entire fund.

Financial Reports

BeneSys provided the September 2021 Morgan Stanley Statement for review.

BeneSys provided the August 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 D. Bojalad, seconded by R. Kosmack.***

- Motion Carried – Unanimously

Administrative Reports

A. Appeals

- a. 2739135018
- b. 2753141633
- c. 2847103529

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

Ms. Gjorgjevski approached the Board regarding an email that was sent by a member to Mr. Opolski stating that his HRA Reimbursement Checks issued on October 4, 2021 did not clear when he attempted to cash them on October 11, 2021. BeneSys confirmed with Fifth Third that the appropriate funds were transferred to cover the HRA Checks but it appeared that there was a delay between the transfer of funds from the bank and this member cashing his checks. The result to this matter is that the member was able to successfully cash his checks and BeneSys apologized for the inconvenience of him having to go back to the Bank to have that done. Benesys pointed out that over 300 HRA Reimbursement Checks were successfully cashed that day with no issue. Ms. Gjorgjevski is going to reach out to Fifth Third to investigate the option of an overdraft protection for the Trust so that these issues do not arise in the future.

Ms. Crosby updated the Board that BeneSys is prepared for the upcoming Open Enrollment Meetings scheduled for October 28, 2021 and November 11, 2021. Priority Health is confirmed to attend as well as Delta Dental. VSP has provided information for the meeting but their policy is to not attend events due to COVID-19.

Legal Report

Mr. Castle informed the Board that Mr. Carlson gave the presentation for Hamlin Capital Management at his request because he felt more due diligence needed to take place.

Motion – to accept and have Chairman Opolski sign the investment agreement with Hamlin Capital Management: ***By B. Roehl, seconded by D. Bojalad.***

Mr. Castle updated the Board regarding the Open Meeting Act. He stated that legislation has been introduced, House Bill 5427. There will be a hearing in November. If this Bill passes it would allow municipal Retirement and Retiree Healthcare Boards to continue to meet fully or partially virtually on an as-needed basis.

Mr. Castle informed the Board that regarding the changes to Trustee Stipends, the waiver forms are complete and have been emailed to each Trustee.

Correspondence - None

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 Events. He also informed the Board that he has had 2 additional members who haven't been enrolled respond to his message and letter and will be enrolled. The phones continue to be busy, and he continues to work with BeneSys to assist members.

New Business

A. Trustee Appointment Letter

The Board received notification from the RDPFFA to inform them of action taken by the Board of Directors in regards to the two Board of Trustees of the Police & Fire Healthcare Trust, whose Terms of office expire December 31, 2021, Chet Opolski and Andy Dillon. Chet Opolski has been re-appointed to serve the term of office expiring December 31, 2025. Greg Trozak has been appointed to serve term of office expiring December 31, 2025, the Trustee position currently held by Trustee Andy Dillon. Trustee Dillon did not request to be re-appointed and will depart at the end of the current term expiring December 31, 2021.

B. Manquen Vance Ad-Hoc Benefit Consulting Response

Mr. Castle shared with the Board the response received from Manquen Vance regarding the offer to provide Benefit Consulting services on an ad-hoc basis. The Board discussed this in detail and determined that a further discussion needs to take place regarding what exactly the Board is looking for as well as the cost associated with it.

Mr. Castle informed the Board that AON has not responded as of yet, but he will follow up with them.

Unfinished Business

Trustee Comment/Open Forum

Mr. Opolski discussed with the Board a change in the March 2022 Board Meeting date. The Board agreed to the change from March 21, 2022 to March 14, 2022.

Mr. Sinagra left the meeting at 10:36 am as the Board was entering closed session.

Motion – To enter into closed session at 10:36 am to address administrative related matter containing confidential personal health information under HIPAA: ***By B. Roehl, seconded by T. Shippy.***

- Roll call vote: Shippy - yes
- Opolski – yes
- Kosmack – yes
- Bojalad – yes
- Roehl – yes
- Allen – yes
- Dillon - yes

The Board exited closed session at 10:48 am.

Motion – to Approve Appeal for participant 2739135018 and allow surviving spouse to enroll in the 2021 HRA and submit 2021 Claims: ***By B. Roehl, seconded by D. Bojalad.***

- Motion Carried – Unanimously

Motion – to Approve Appeal for participant 2753141633 and allow participant's spouse to receive her 2020 HRA Reimbursement for 2020 Claims: ***By B. Roehl, seconded by T. Shippy.***

- Motion Carried – Unanimously

Motion – to Approve Appeal for participant 2847103529 and allow participant to receive her 2021 HRA Reimbursement with additional documentation being provided: ***By T. Shippy, seconded by D. Bojalad.***

- Motion Carried – Unanimously

Adjournment

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

- Motion Carried - Unanimously

Meeting adjourned at 11:52 am.