

# CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



## Board Meeting Minutes

Monday, February 26, 2024

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

<u>Trustees:</u>	<u>Role:</u>
Chet Opolski	Chairman
Richard Kosmack	Trustee
Dan Bojalad	Trustee
Tracy Shippy	Trustee
Greg Trozak	Trustee
Brian Roehl	Trustee
Floyd Allen (via Teams)	Trustee

**Others present:** Brian Green, AndCo., Financial Consultant  
LaDominic Brandon Berkley, Priority Health (via Teams)  
Rob Roberts, Priority Health (via Teams)  
Hector Negroni, Foundation Infrastructure Debt Fund  
Steve Pinkos, Foundation Infrastructure Debt Fund  
Louis Sinagra, Member (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 9:30 am.

**Motion** – To accept the agenda for February 26, 2024: *By D. Bojalad, seconded by T. Shippy.*

- Motion Carried – Unanimously

### Public Comment – None

### Priority Health – LaDom Brandon Berkley & Rob Roberts

Ms. Berkley discussed with the Board what additional information she may provide that they would find helpful. It was determined statistics on use of Wellness Check Up and the reimbursement for that would be beneficial information to have. She is also going to check

with TruHearing to get their usage information and will report back at the March BOT meeting.

She informed the Board of the Change Healthcare cyber attack and security breach. None of the Trust's members were compromised but if there should be any breaches the members would be notified by Change Healthcare.

She also confirmed that she will be attending the RDPFFA Membership Meeting on March 7, 2024.

### **Foundation Infrastructure Debt Fund – Steve Pinkos & Hector Negroni**

Mr. Negroni provided an update on the FIO Fund 1. The fund is currently 88% called and the Investment Period will continue until August 30, 2024; after which they will distribute capital to investors upon realization over a 3-year harvest period. The FIO team has made 13 investments to date, deploying \$310M across the Sustainable /Environmental / Transportation/ Water/Wastewater and Social Infrastructure sectors. Quarterly income distributions have been made since December 2022 and will continue quarterly. He stated that the opportunity set, and deal pipeline continues to grow and broaden given the needs for local infrastructure financing coupled with the decrease in regional bank lending.

Mr. Pinkos informed the Board that they are beginning a FIO Fund II and gave a summary of the terms. There was a question-and-answer period followed by some discussion.

### **Regular Minutes**

**Motion** – To approve the Regular Meeting Minutes from January 22, 2024, and the Admin Committee Meeting Minutes from February 12, 2024: ***By R. Kosmack, seconded by T. Shippy.***

- Motion Carried – Unanimously

### **Financial Consultants**

#### **A. AndCo. Acquired by Mariner**

Mr. Green gave a brief review of the acquisition of AndCo by Mariner. No changes will be made to the Trust service team, Mr. Green will continue to work with the Board.

#### **B. Consent of Assignment of Investment Consulting Services Agreement**

Mr. Green requested a Mariner/AndCo Consent of Assignment of Investment Consulting Services Agreement.

**Motion** – To accept and execute the Consignment of Assignment of Investment Consulting Services Agreement with the change to Mariner as recommended by the Administrative Committee: ***By D. Bojalad, seconded by G. Trozak.***

- Motion Carried – Unanimously

### **C. Investment Performance Review – December 31, 2023**

Mr. Green gave an overview of the market environment. The US Federal Reserve Bank (the Fed) paused on additional rate hikes during the fourth quarter. As evidenced by capital market performance during the quarter, the pause was welcomed by participants. The Fed continued to prioritize fighting higher inflation over full employment. In its press release for the December meeting, the Fed said that in determining the extent of any additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will consider the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. They also indicated the Committee will continue to reduce the holdings on its balance sheet.

US equities moved broadly higher during the fourth quarter, led by a broad recovery across multiple sectors and expectations of a more favorable interest rate environment. The S&P 500 Index rose 11.7% for the quarter, its best-performing period since the first quarter of 2021. Small-cap value (15.3%) was the best performing segment of the domestic equity market during the quarter, while large cap value (9.5%), though solid, was the weakest relative performer for the period.

While economic data signaled that inflation continued to moderate, the Fed maintained its conviction in fighting inflation by keeping the fed funds rate unchanged during the quarter. Equity and fixed-income markets rallied on the hope that this could signal a pivot in the Fed's policy stance in 2024.

Central banks remained vigilant in their stance against inflation going into the new year. Signs of cooling price pressures have shown up in most regions around the world, and many central banks have chosen to pause on their rate hiking cycle, much in line with the US Fed's stance.

The total fund had a 4<sup>th</sup> quarter increase of 7.27% with a total year-to-date increase of 10.81%.

Discussion took place regarding some concerns the Board had with performance of some of the investment managers.

### **D. Allocating to Closed-End Private Investment Strategies**

Mr. Green provided materials relating to client considerations for building, maintaining, and reporting on private investment programs.

#### **Financial Reports**

BeneSys provided the January 2024 Fifth Third Statement and the November and December 2023 Financial Statements for review.

**Motion** - pay the Bills for Approval including the COPS Trust/Delta Dental Invoices for February 2024 provided as a handout: ***By G. Trozak, seconded by R. Kosmack***

## Administrative Reports/Administrative Committee Report

### **A. Appeals**

#### **a. 2740103447**

**Motion** – To approve the Level 2 Appeal for participant 2740103447 for enrollment into the Medicare Opt-Out HRA effective August 1, 2023, as recommended by the Administrative Committee: ***By B. Roehl, seconded by D. Bojalad.***

- Motion Carried – Unanimously

#### **b. 2839502600**

**Motion** – To approve the Level 2 Appeal for participant 2839502600 for enrollment in HRA for his spouse effective January 1, 2023, per the recommendation of the Administrative Committee: ***By B. Roehl, seconded by D. Bojalad.***

- Motion Carried – Unanimously

#### **c. 2831244658**

**Motion** – To approve the Level 2 Appeal for spouse of participant 2831244658 for spouse to receive reimbursement for a 2022 Service Date and to allow reimbursement for OTC supplements with a letter of medical necessity provided by her physician: ***By D. Bojalad, seconded by R. Kosmack.***

- Motion Carried – Unanimously

### **B. BeneSys Claims Accuracy Report 4<sup>th</sup> Quarter 2023**

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

### **B. BeneSys Telephone Response Time Report 4<sup>th</sup> Quarter 2023**

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

### **Legal Report - None**

### **Correspondence**

#### **A. Foundation Infrastructure Debt Fund Management Letter**

## **Business Agent Report**

Chairman Opolski updated the Board that he had sent out a Newsletter to the membership with updates regarding the Priority Health Wellbeing Hub Rewards with the addition of mammograms. He has been receiving a normal volume of calls and continues to work with Ms. Crosby to help resolve member issues.

## **New Business**

### **A. Cone Retiree Healthcare Group – Letter of Introduction & Company Overview**

Mr. Opolski received this letter of introduction and company overview from Cone Retirement Healthcare Group and provided it for the Board to review.

### **B. Standard for Claims Processing re: OTC Supplements**

Mr. Castle recommended adding this item to the agenda. He will work on developing a claims process for BeneSys to follow regarding OTC Supplements.

## **Unfinished Business**

### **A. BeneSys – HRA Overpayment**

Ms. Crosby brought this matter to the Administrative Committee meeting held on February 12, 2024. There were 5 members who were given a \$35 HRA Reimbursement in January 2024 in error. A letter was presented to send to these members letting them know of the error and asking them to repay the \$35 to the Trust.

**Motion** – To approve the HRA Overpayment letter as provided by BeneSys per the recommendation of the Administrative Committee: ***By B. Roehl, seconded by G. Trozak.***

- Motion Carried – Unanimously

### **B. Direct Deposit Letter/Form Included with Checks for Jan/Feb 2024**

Per the Board's request the Direct Deposit Letter/Form is being included with checks, Ms. Crosby confirmed that this has been completed.

### **C. VEBA Grant Program**

No updates currently.

## **Trustee Comment/Open Forum**

**Adjournment**

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

- Motion Carried - Unanimously

Meeting adjourned at 11:16 a.m.