

# CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



## Admin Committee Meeting Minutes

Monday, May 10, 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	Remotely from Sterling Heights, MI	Trustee
Richard Kosmack	In-Person	Trustee
Dan Bojalad	In-Person	Trustee
Brian Roehl	In-Person	Trustee

**Others present:** Louis Sinagra, Member (via phone)

**Legal Representation:** Aaron Castle (in-person)

**BeneSys Representation:** Jennifer Crosby (via phone)

The meeting was called to order at 9:30 am.

**Motion** – To accept the agenda dated May 10, 2021: By D. Bojalad, seconded by B. Roehl.

- Motion Carried – Unanimously

Copy of the previously approved Administrative Committee Meeting minutes from the March 8, 2021 were presented.

### Public Comment – None

### Plante Moran – Spencer Tawa & Michelle Watterworth (Via Phone)

Mr. Tawa presented the results of the December 31, 2020 audit as well as the Financial Statements.

He stated that “in our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the City of Detroit Police and Fire Retiree Health Care Trust as of December 31, 2020 and the changes in its fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.” There was a net decrease in Net Position Held in Trust due to the value of the B Notes dropping in 2020. No significant deficiencies were found in communication with those charged with governance. There were no difficulties or disagreements with management in performing the audit. There were also no unrecorded possible adjustments.

**Motion** – To recommend to the Board to accept the audit and allow Plante Moran to release the results to the City of Detroit immediately: By B. Roehl, seconded by R. Kosmack.

- Motion Carried – Unanimously

## **Legal Report**

### **A. Weiler Settlement Surplus Funds**

A. Castle informed the Admin Committee that there is no update regarding the Weiler Settlement Surplus Funds at this time.

### **B. Actuarial and/or Benefit Consulting Service**

A. Castle reviewed the comparison spreadsheet he presented to the Board at the last meeting. After discussion it was determined that the matter would be presented again as the next Board meeting.

## **GRS – Jim Pranschke**

### **A. Overview of Options for 2022 Benefit Renewal**

J. Pranschke presented an overview of Option for 2022 Benefit Renewal. He stated historically the process has been to request RFP's from vendors every two years which would be the 2022 benefit year. His recommendation is to do this again but request RFQ's rather than RFP's. Doing this would ensure that premiums are competitive compared to the market and future increases are capped. However, there is the concern of member disruption if a different vendor is selected as well as additional consulting costs. The Board also has the option of doing a Simple Renewal with Priority Health. GRS will be reviewing the year end 2020 reporting to see if there are any areas of concern and report a summary of the results. The Board is focused on increased benefits and has asked that when GRS completes the Actuary Valuation the present that information at the June 14, 2021 Admin Committee. The Admin Committee requested at that meeting GRS present a range of cost for both the RFP and the RFQ. In addition, the Admin Committee would like to request an early renewal from Priority Health, so they have that detail to consider as well.

## **Administrative Report/Administrative Committee Report**

### **A. Direct Deposit of HRA Checks Cost/Benefit Analysis**

Ms. Crosby reviewed the cost/benefit analysis for offering Direct Deposit of HRA Checks for members. It was shown by the analysis that it would be more cost efficient to allow for members to have a direct deposit option for their HRA reimbursements. It also significantly reduces the risk of fraud for the members and the Trust.

**Motion** – To recommend to the Board to move forward with offering Direct Deposit to members receiving HRA reimbursements effective January 1, 2022: By B. Roehl, seconded by R. Kosmack.

- Motion Carried – Unanimously

### **B. Member 2837716886**

Ms. Crosby informed the Admin Committee that during the audit process it was discovered that this member, who is a surviving spouse, has her new spouse receiving medical, dental and vision benefits through the Trust. According to records the members information came over to BeneSys from ABS with the members new spouse listed as a dependent. The Spouse appears to have been receiving these benefits going back to January 2016. According to the rules of the Plan a Surviving Spouse cannot enroll a new spouse in Medical Benefits. Dental and Vision benefits are permissible because the member pays for those benefits in full.

**Motion** – To recommend to the Board that Legal write a letter to member informing that her spouse is not eligible for medical benefits through the Trust, the spouses benefits will be terminated effective June 30, 2021 and that they must reimburse the Trust for past premiums paid for spouse: By B. Roehl, seconded by D. Bojalad.

- Motion Carried – Unanimously

### **Business Agent Report**

Mr. Opolski updated the Board that he continues to work on pursuing Members who are not enrolled.

### **New Business**

#### **A. Final – End of Audit Letter – December 31, 2020**

This item was covered by the presentation from Plante Moran.

#### **B. Final – City of Detroit P&F Financial Report – December 31, 2021**

This item was covered by the presentation from Plante Moran.

#### **C. Plante Moran – End of Audit Communication**

This item was covered by the presentation from Plante Moran.

#### **D. Plante Moran Audit Rep Letter**

This item was presented to the Admin Committee for informational purposes.

#### **E. GRS Medicare Advantage Prescription Drug Proposed RFP**

This item was covered by the presentation from GRS.

#### **F. GRS – Overview of Options for 2022 Renewal**

This item was covered by the presentation from GRS.

#### **G. Priority Health Renewal 2022**

In an email communication with Trustee Shippy, Priority Health informed that there would not be a premium increase for 2022.

#### **H. B-Note Sale**

Trustee Roehl informed the Admin Committee that the Investment Committee authorized the sale of 80% of the Trusts remaining B-Note holdings. The P&F VEBA is no longer the primary holder of B Notes. The funds will go to the Investment Consultants to allocate according to the agreed upon Asset Allocation.

### **Unfinished Business**

#### **A. City of Detroit Charter Commission**

Discussion took place surrounding the New Charter and its potential financial impact on the City of Detroit. The City of Detroit is still on review from the Bankruptcy that took place in 2014. The Governor has rejected the Charter and it is back in the Commissions hands. The Admin Committee will continue to monitor this and may have to weigh in at some point. The sale of the B-Notes is a good course of action because of the impact this Charter may have on its value going forward.

### **Correspondence**

Mr. Opolski shared with the Admin Committee several Thank You notes and Donations to the Trust that have come in from Members he has aided. He shared that the Gift Card he was given was passed to Ms. Crosby for her efforts in assisting the members as well.

### **Trustee Comment/Open Forum**

The Admin Committee agreed to move the October 11, 2021 meeting to October 4, 2021 per Mr. Opolski's request.

The new Investment Policy Statement has been written and Mr. Roehl is reviewing it for the next meeting.

Discussion took place as to the sale of additional B-Notes. The Investment Committee will wait until after June 30, 2021 before making any decisions, but it is a possibility.

### **Adjournment**

**Motion** – To adjourn the Administrative Committee Meeting: By D. Bojalad, seconded by R. Kosmack.

Motion Carried – Unanimously

Meeting adjourned at 11:41 am.