

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, August 23, 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 Redford Twp, MI | Trustee |

Others present: Burton Carlson, Graystone Consulting (via phone)
Bill Messner, Graystone Consulting (via phone)
Erik Burger, Graystone Consulting (via phone)
Louis Sinagra, Member (via phone)

Legal Representation: Michael VanOverbeke

BeneSys Representation: 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 9:30 am.

Motion – To accept the agenda for August 23, 2021: *By D. Bojalad, seconded by R. Kosmack.*

- Motion Carried – Unanimously

Public Comment - None

Regular Minutes

Motion – To approve the Regular and Closed Meeting Minutes from July 26, 2021 as presented: *By R. Kosmack, seconded by D. Bojalad.*

- Motion Carried – Unanimously

Motion – To approve the Admin Committee Meeting Minutes & Closed Meeting Minutes from August 9, 2021 with correction as requested: *By R. Kosmack, 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 \$97, slightly up from the report given. There was a broker/customer trade on August 9, 2021 for \$10M at \$96. He presented the trade summary showing trades from August 2021 – May 2021.

B. Carlson reviewed the Cash Flow Projection that is based on the current benefit design numbers not the new benefit design. 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 reviewed the updated Asset Allocation Study. He presented the current scenario, 50% Equity, 40% Equity and 28% Equity per the Boards request. He then went over the Implementation which showed current vs. equity allocations of 50%, 40% and 28%.

Additionally, Mr. Carlson reviewed Wealth Strategies Analysis for the Board. Discussion took place as to how to allocate the remaining available cash.

Motion – to adopt an asset allocation of 45% equity, 43% fixed income, 10% cash, 2% Detroit Series B Notes with the equity allocation implemented at \$3MM/mo. and Bond allocation full implemented: ***By B. Roehl, seconded by R. Kosmack***

- Motion Carried – Unanimously

Financial Reports

BeneSys provided the July 2021 Morgan Stanley Statement for review.

BeneSys provided the June 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 as amended: ***By R. Kosmack, seconded by D. Bojalad***

- Motion Carried – Unanimously

Administrative Reports

A. Appeals

a. 2802001822

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

B. BeneSys 2021 Outstanding Check Reporting

Ms. Crosby presented the list of the current Outstanding HRA Checks. She informed the Board that the process put in place to adhere to the Outstanding Check Policy from August 2020 went into effect March 2021. She told the Board how many letters have been mailed.

C. BeneSys Cyber Liability Coverage Clarification

At the previous Board Meeting, Mr. Castle requested additional information regarding how the amount of Liability Coverage was determined. Ms. Crosby updated the Board that BeneSys previous coverage was \$5M and an additional \$5M was added to the January 2021 renewal to reach \$10M in coverage. BeneSys coverage is based on the risk of their entire book of business, cost of coverage and availability of coverage in the market.

Legal Report

A. Direct Deposit

Mr. VanOverbeke informed the Board that updated contractual terms have been negotiated with Fifth Third. Despite requests, Fifth Third counsel would not agree to remove the jury trial waiver language contained in the Master Treasury Management and Online Banking agreements. The decision to waive the legal right to a trial by jury is a business decision for the Board. The Board determined to move forward and waive the right to a trial by jury.

B. Admin Appeal Process/Procedures

Mr. VanOverbeke reviewed proposed amendments to the Plan Document and Board Policy.

Motion – to accept the recommendation of the Admin Committee and approve the proposed amendments to the Plan Document and Board Policy: *By D. Bojalad, seconded by R. Kosmack*

- Motion Carried – Unanimously

C. HRA Benefit Cap

Mr. VanOverbeke review proposed amendments to the Plan Document, as recommended by the Board's Administrative Committee.

D. Trustee Stipends

Mr. VanOverbeke updated the Board that Chairman Opolski had indicated that the RDPFFA Board of Directors unanimously approved an increase to the monthly stipend payable to non-professional members of the Board, effective 1/1/2022. His office will prepare the corresponding amendments to the Board's Policy for consideration at the September meeting of the Admin Committee.

E. Actuary & Benefits Consultant RFP

Mr. VanOverbeke discussed that representatives from Aon, Manquen Vance and The Terry Group met with the ad hoc RFP Committee on 8/9. In light of the positive results of recent discussions with Priority Health, and the annual retainers proposed by the three finalists, the Committee was of the opinion that it does not make sense to pay for unnecessary services at this time. Rather, it was the consensus that it would make more sense to retain the services of one or more of the benefits consulting firms on an "as needed" basis, including, without limitation, to assist the Board with the RFP process for Medicare Advantage products, which may be necessary as early as next year.

Correspondence

A. Member 2800843539 Legal Correspondence

BeneSys provided this correspondence for the Board to review. The letter is from legal counsel for a Health Services Skilled Nursing Facility that Aetna failed to pay claims from the facility. Legal Counsel was asking for the Trusts assistance in getting the claims paid. It was agreed that Chairman Opolski would reach out to the Trusts contact at Aetna to have the claims reviewed. Mr. Castle will respond to the letter and inform them that the Trust is limited in the ability to help but will reach out to Aetna and request the claim be reviewed again.

B. BeneSys Plan & Progress Report re No Surprises Act

BeneSys provided this correspondence for informational purposes.

Business Agent Report

Chairman Opolski shared with the Board that he is very pleased with the Benefit Enhancements that they were able to obtain with Priority Health. He is very appreciative of Trustee Shippy's involvement in that process. In addition, he continues to work with BeneSys to address retiree concerns or issues as they arise.

New Business

A. Andy Dillon Announcement

Mr. Dillon announced to the Board that he will be resigning his post when it expires in December 2021. He has enjoyed his work with the Board and feels that with the sale of the B Notes this year he has accomplished his goal and purpose for the Board. He feels it is time for a new perspective from a new Trustee.

Chairman Opolski stated that Trustee Dillon has been an invaluable asset to the Board and his presence and insight will be missed.

Unfinished Business

A. 2022 Benefit Enhancements

The 2022 Benefit Enhancements with Priority Health were shared with the Board by Chairman Opolski and Trustee Shippy. Significant enhancements were made.

Motion – to adopt the Benefit Enhancements as presented and authorize Chairman Opolski to sign the plan documents: ***By D. Bojalad, seconded by R. Kosmack***

B. Summary Annual Report – December 31, 2020

This item is pending.

C. 2022 Open Enrollment Documents

Ms. Crosby presented the most recently updated 2022 Open Enrollment documents to the Board for review.

D. 2022 HRA Direct Deposit Form

Ms. Crosby presented the Board with an updated Draft of the HRA Direct Deposit Form to be used effective January 1, 2022. The Board recommended additional changes be made to the instruction sheet and an updated version be presented at the next meeting.

E. 2022 HRA Form

Ms. Crosby presented the Board with the Final 2022 HRA Form having made changes that were requested by the Admin Committee.

Motion – to approve the Open Enrollment Documents with the exception of the Direct Deposit information and with amendments as instructed: *By R. Kosmack, seconded by D. Bojalad*

Trustee Comment/Open Forum

Mr. Sinagra left the meeting at 11:24 am as the Board was entering closed session.

Motion – To enter into closed session at 11:24 am to address administrative related matter containing confidential personal health information under HIPAA: *By R. Kosmack, 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 11:26 am.

Motion – for participant 2802001822 to Deny Appeal for spouse 2020 HRA Claims that were filed past the filing limit as recommended by the Admin Committee: *By D. Bojalad, seconded by B. Roehl.*

- Motion Carried – Unanimously

Adjournment

Motion – to adjourn: *by B. Roehl, seconded by T. Shippy.*

- Motion Carried - Unanimously

Meeting adjourned at 11:28 am.