

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Monday, March 22, 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
Andy Dillon	Remotely from Kissimmee, FL	Trustee
Tracy Shippy	In-Person	Trustee
Richard Kosmack	Remotely from Grosse Pointe Woods, MI	Trustee
Floyd Allen	Remotely from Detroit, MI	Trustee
Dan Bojalad	Remotely from Rochester, MI	Trustee
Brian Roehl	Remotely from Troy, MI	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 9:30 am.

Motion – To accept the agenda for March 22, 2021: *By T. Shippy, seconded by R. Kosmack.*

- Motion Carried – Unanimously

Public Comment - None

Regular Minutes

Motion – To approve the Regular Meeting Minutes from February 15, 2021: *By T. Shippy, seconded by B. Roehl.*

- Motion Carried – Unanimously

Motion – To approve the Admin Committee Meeting Minutes from March 8, 2021: *By T. Shippy, seconded by B. Roehl.*

- Motion Carried – Unanimously

Graystone Financial – Burton Carlson & Erik Burger (via phone)

B. Carlson gave an update on the B Notes. There was a sale of \$3M B Notes at \$94 on March 1, 2021 by another investor. The B Notes currently stand at \$92.49.

B. Carlson reviewed the Cash Flow Projection. The funds from the sale of the B-Notes were added to the Cash Flow.

B. Carlson informed the Board that the Morgan Stanley/Eaton Vance purchase was closed on March 1, 2021. Morgan Stanley will not be charging the Fund any management fees due to conflict of interest. They will be providing a review of other managers for the Board at their April 2021 Board Meeting.

B. Carlson presented an Asset Allocation Study at the request for the Board to invest the cash available from the sale of the B Notes in February 2021. He reviewed the current scenario and 3 portfolio options. An expected performance for each portfolio over time from current to 2050 was provided. An implementation plan was given for each portfolio presented and it was suggested that a second manager be added. The reviews for second manager were given by B. Carlson. In addition, a breakdown of cost was given.

Motion – To adopt portfolio 3 at the recommendation of the Investment Committee with the hybrid approach. Investment to be split equally between equity and fixed. Also invest minimum amount required into Kopernik Global All-Cap I before March 31, 2021 deadline: **By T. Shippy, seconded by D. Bojalad.**

- Motion Carried – Unanimously

Motion – To update contracts for both Eaton Vance and Graystone: **By T. Shippy, seconded by R. Kosmack.**

- Motion Carried – Unanimously

Financial Reports

BeneSys provided the February 2021 Fifth Third Statement for review.

BeneSys provided the February 2021 Morgan Stanley Statement for review.

BeneSys provided the January 2021 Financial Statements for review.

Motion – to review and accept the Fifth Third, Morgan Stanley, BeneSys Financial Statement and to pay the Bills for Approval as provided: **By T. Shippy, seconded by R. Kosmack.**

- Motion Carried – Unanimously

Administrative Reports

A. Appeals (see closed session at end of meeting)

a. **1895765386**

b. **2683572371**

Legal Report

A. Surviving Spouse Benefits

Mr. Castle presented his Memo from Admin Committee Meeting which reviewed a case where member divorced but then remarried same spouse prior to his passing which left the question of surviving spouses' eligibility for benefits. Mr. Castle stated that the Surviving Spouse in question is eligible to continue receiving benefits from the VEBA on account of the following facts: She was not a former spouse at any time on or after the VEBA's effective date; she was legally married to a Participant in the Plan as of the date of his death; she is the Surviving Spouse/Beneficiary of a Detroit Police and Fire Retiree, and is thereby herself considered a Detroit Police and Fire Beneficiary as such term is defined in the Plan of Adjustment; she had been in receipt of benefits from the VEBA prior to her Participant husband's death; and she is an allowed claim holder under the Plan of Adjustment.

Motion – to continue surviving spouse benefits per the recommendation of the Admin Committee: ***By F. Allen, seconded by D. Bojalad.***

- Motion Carried – Unanimously

Mr. Castle gave an update regarding the Open Meetings Act which is set to expire March 31, 2021. There are three bills before Legislation now that could extend or alter the current Act. He expects to have an update prior to the next Admin Committee Meeting.

Correspondence

A. BeneSys Navigator 1st Quarter 2021

Ms. Gjorgjevski presented the BeneSys Navigator 1st Quarter 2021 Newsletter for the Boards review.

Business Agent Report

Chairman Opolski shared with the Board that he has been working on the Non-Enrolled Members list provided by BeneSys and is about 20% through the list by calling or mailing letters to these members. So far, he has sent out 10 enrollments and received 2 back. Follow up letters are being mailed to the members that responded by BeneSys. These members are being enrolled in the HRA effective January 1, 2021 per the Boards previous approval.

Chairman Opolski updated that Board that Priority Health has mailed out the new ANOC and EOC books to members. As a reminder the waiver of PCP Visit Co-Pay due to COVID-19 ends March 31, 2021 and there is no intention of extending it.

New Business

A. Member 2830409796 – Fraudulently Cashed HRA Check

Ms. Crosby informed the Board that this matter has been resolved. The bank completed their investigation and the funds are being reissued to the member.

B. Direct Deposit of HRA Checks

Ms. Gjorgjevski presented information from Fifth Third Bank regarding cost of Direct Deposit of HRA Checks. She informed the Board that members have been inquiring about Direct Deposit because of problems with the mail since COVID-19 began. The Board asked that Ms. Gjorgjevski do a cost analysis and present it to the Board at the next meeting. Once cost is determined the Board can make further decisions.

Unfinished Business

A. Member Count/Not Enrolled Data

This item was discussed under the Business Agent Report.

B. Actuarial/Benefit Consulting Service

Consulting Services will be presenting their RFP's after April 1, 2021.

C. Weiler Settlement Surplus Funds

Mr. Castle stated there are no updates at this time.

Trustee Comment/Open Forum - None

Mr. Sinagra left the meeting at 10:23 am as the Board was entering closed session.

Motion – To enter into closed session at 10:23 am to address administrative related matter containing confidential personal health information under HIPAA: ***By T. Shippy, seconded by D. Bojalad.***

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

The Committee exited closed session at 10:47 am.

Motion – for participant 1895765386 to deny Appeal for member to receive Non-Medicare 65+ HRA for 2020 because member had Priority Health Coverage for 2020 and there is no dual coverage allowed under the plan: ***By T. Shippy, seconded by B. Roehl.***

- Motion Carried – Unanimously

Motion – for participant 2683572371 to approve Appeal for member to receive HRA Benefit for 2020 and 2021: ***By T. Shippy, seconded by B. Roehl.***

- Motion Carried – Unanimously

Motion – for participant 2697584425 to approve Appeal for member and spouse to receive HRA Benefit for 2021: ***By T. Shippy, seconded by D. Bojalad.***

- Motion Carried – Unanimously

Adjournment

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

- Motion Carried - Unanimously

Meeting adjourned at 10:51 am.