

CITY OF DETROIT POLICE AND FIRE RETIREE HEALTHCARE TRUST



Board Meeting Minutes

Tuesday, July 25, 2023

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

Trustees:

Chet Opolski
Richard Kosmack
Dan Bojalad
Brian Roehl
Tracy Shippy
Greg Trozak

Role:

Chairman
Trustee
Trustee
Trustee
Trustee
Trustee

Others present: Floyd Allen, Trustee (via phone)
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 July 25, 2023: *By B. Roehl, seconded by D. Bojalad.*

- Motion Carried – Unanimously

Public Comment - None

Regular Minutes

Motion – To approve the Regular Meeting Minutes from June 19, 2023, and the Admin Committee Meeting Minutes from July 11, 2023, as amended: *By R. Kosmack, seconded by G. Trozak.*

- Motion Carried – Unanimously

Financial Consultants

A. Quarterly Report – June 2023

B. Quarterly Wire Transfer

Motion – To direct Graystone Consulting to transfer \$3M to the cash account for paying benefits and invoices: ***By R. Kosmack, seconded by G. Trozak.***

- Motion Carried – Unanimously

Financial Reports

BeneSys provided the June 2023 Fifth Third Statement, the June 2023 Morgan Stanley Statement, and the May 2023 Financial Statements for review.

Motion – to review and accept the Fifth Third, Morgan Stanley and Financial Statements and to pay the Bills for Approval: ***By D. Bojalad, seconded by R. Kosmack.***

- Motion Carried – Unanimously

Administrative Reports

A. BeneSys Telephone Response Time Report 2nd Quarter 2024

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

B. Appeal

Ms. Gjorgjevski reviewed the following participant Level 2 appeals with the Board.

a. 2678260568

Motion – to approve the Level 2 Appeal for participant 2678260568 based on information presented to the Board with the Level 2 Appeal: ***By R. Kosmack, seconded by D. Bojalad.***

- Motion Carried – Unanimously

b. 2726006322

Motion – to deny the Level 2 Appeal for participant 2726006322 based on the information presented to the Board with the Level 2 Appeal: ***By G. Trozak, seconded by R. Kosmack.***

- Motion Carried – Unanimously

c. 2734205975

Motion – to approve the Level 2 Appeal for participant 2734205975 based on the information presented to the Board with the Level 2 Appeal: ***By G. Trozak, seconded by R. Kosmack.***

- Motion Carried – Unanimously

d. 2746529811

Motion – to deny the Level 2 Appeal for participant 2746529811 based on the information presented to the Board with the Level 2 Appeal: ***By R. Kosmack, seconded by D. Bojalad.***

- Motion Carried – Unanimously

e. 2772998085

Motion – to approve the Level 2 Appeal for participant 2772998085 based on the information presented to the Board with the Level 2 Appeal: ***By G. Trozak, seconded by D. Bojalad.***

- Motion Carried – Unanimously

f. 2790633731

Motion – to approve the Level 2 Appeal for participant 2790633731 based on the information presented to the Board with the Level 2 Appeal: ***By T. Shippy, seconded by R. Kosmack.***

- Motion Carried – Unanimously

g. 2816424776

Motion – to deny the Level 2 Appeal for participant 2816424776 based on the information presented to the Board with the Level 2 Appeal: ***By B. Roehl, seconded by T. Shippy.***

- Motion Carried – Unanimously

h. 3076262172

Motion – to approve the Level 2 Appeal for participant 3076262172 based on the information presented to the Board with the Level 2 Appeal: ***By B. Roehl, seconded by T. Shippy.***

- Motion Carried – Unanimously

Legal Report

Mr. Castle provided follow up to the Board regarding the new investment consulting services agreement with AndCo Consulting. An updated document was provided for signature by the Board Chairman.

Motion – to accept, approve and authorize Board Chairman to sign the AndCo Investment Consulting Agreement: ***By D. Bojalad, seconded by R. Kosmack.***

- Motion Carried – Unanimously

Correspondence

A. PIMCO Settlements with SEC

Business Agent Report

A. Appeal Process

Chairman Opolski discussed with the Board that he took a call from a member who wanted to follow up on a Level 2 Appeal that he submitted in April 2023. He reached out to Ms. Crosby at BeneSys because the Level 2 Appeal hadn't been presented to the Board. Ms. Crosby did some investigating, and it was discovered that there were a number of Level 2 Appeals that were pending review by the Board. Ms. Crosby followed up on these and they have all been presented today. BeneSys has an obligation to present Level 2 Appeals to the Board in a timely fashion. Going forward Ms. Crosby will monitor Benesys systems to make sure all Level 2 Appeals are being presented timely.

B. House Bill 4437

Chairman Opolski shared with the Board that House Bill 4437 has been passed by the Michigan House and Senate and is awaiting signature by Governor Whitmer. He provided Sec. 1010 paragraph 8 for the Board to review. Paragraph 8 states: From the funds appropriated in part 1 for healthcare grants, \$10M must be awarded to a voluntary employee's beneficiary association located in a city with population greater than 600,000 according to the most recent federal decennial census that was formed during the city's bankruptcy. The funds shall be used to provide association members funding for benefits that were reduced because of the city's bankruptcy. The RDPFFA and this Board's Legal Counsel will monitor for the governor to sign and what next steps would need to happen for this VEBA to obtain its potential portion of the funds being made available.

New Business - None

Unfinished Business

A. Draft Actuarial Valuation for December 31, 2022

Motion – To accept and approve the Actuarial Valuation for December 31, 2022, using a 60% HRA utilization assumption per the recommendation of the Admin Committee: ***By G. Trozak, seconded by B. Roehl.***

- Motion Carried – Unanimously

B. BeneSys Statement of Work for Process Check Fee on HRA Checks

Motion – To approve and execute the BeneSys Statement of Work for Process Check Fee on HRA Checks as recommended by the Admin Committee: **By B. Roehl, seconded by R. Kosmack.**

- Motion Carried – Unanimously

C. Open Enrollment Materials for 2024

Ms. Crosby reviewed the Open Enrollment materials for 2024 with the Board, highlighting the changes or updates that were made.

Motion – To submit Open Enrollment materials to the printer with recommended edits made today and have proofs presented at the August Admin Committee Meeting: **By G. Trozak, seconded by D. Bojalad.**

- Motion Carried – Unanimously

D. BeneSys Claims Performance Q1 2023 – Root Cause Analysis

Ms. Gjorgjevski presented the Root Cause Analysis to the Board in relation to BeneSys not meeting the performance guarantee for first quarter 2023 claims processing. The root cause was listed as a high-volume of claims and phone calls received within the first quarter each year. Staffing levels have been appropriate for the three out of four quarters of the year and SLAs have consistently been met in those quarters. Incoming claims and call volumes exceeded staffing levels for first quarter. The remediation was set forward that Specialty Claims has allocated one full time employee to oversee City of Detroit Police & Fire claims and has trained three additional analysts as back up to help process during the busy season. In addition, a better workflow processes for incoming claims received via email specifically from City of Detroit Police & Fire members has been put into place. A fund specific email address and fax number is now in available that will route claims directly into the Benesys tracking and processing system. Also, all analysts have been removed from the phones so that they can focus on processing claims. Calls regarding claims will go to the BeneSys Member Services department where there are twice as many agents to answer calls. All Member Service agents have been trained to respond to questions and concerns regarding claims.

Trustee Comment/Open Forum

Mr. Sinagra joined the meeting late and wanted the Board to know that the information posted on the website for the meeting stated Monday but gave today's date and Chet's Newsletter had the time at 10a and not 9:30a so there was confusion.

Adjournment

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

- Motion Carried - Unanimously

Meeting adjourned at 11:10 am.