



Police and Fire RHC Trust Special Meeting
Board of Trustees Minutes

September 23, 2016

The meeting was held at the ABS Office located in Sterling Heights Michigan. Chairman Opolski called the meeting to order at 9:30 A.M.

Chairman Opolski requested a Moment of Silence for Sergeant Kenneth Steil of the Detroit Police Department who was killed in the line of duty.

Roll call of Trustees was held and a quorum was present.

Present: Opolski, Clark, Berger, Sheehan, Dillon (T), Allen (T), Taylor and Tucker. Absent: None

General Counsel Present: Michael VanOverbeke and Aaron Castle, ABS Representatives Present: Lisa Duncan and Denise Allport and Graystone Representative Present: Burton Carlson

Approval of Agenda - **Motion** made by Sheehan and seconded by Tucker to approve agenda and add the September 6, 2016 minutes to agenda. Motion carried - Unanimously.

Approval of Minutes

August 22, 2016 - **Motion** made by Sheehan and seconded by Clark to approve with minor corrections as noted at the meeting. Motion carried - Unanimously.

August 26, 2016 - **Motion** made by Sheehan and seconded by Clark to approve with minor corrections as noted at the meeting. Motion carried - Unanimously.

September 6, 2016 - **Motion** made by Sheehan and seconded by Tucker to approve with minor corrections as noted at the meeting and that a copy of the revised minutes as approved be resent to Trustees. Motion carried - Unanimously.

Graystone Consulting Mr. Burton Carlson presented an update to the Board of Trustees on the bond summary and provided discussion on new projections.

Correspondence

Motion made by Sheehan and seconded by Tucker to acknowledge receipt of the Fifth Third account statement for August 2016 and the Wilmington Trust account statement for August 2016. Motion carried - Unanimously.

Accounting Report

The Cash Activity Report for August 2016 and the HRA Claims Processed YTD Report for August 2016 were presented. The Board acknowledged receipt.

Financials - August 1-31, 2016 - There were questions on the interest income statement. The Board acknowledges receipt of the report pending clarifications.

Receipts and Disbursements - **Motion** by Sheehan and seconded by Clark to approve all payables as presented. Motion carried – Unanimously.

Legal Report

Closed Session -10:35 a.m. - **Motion** made by Clark and seconded by Sheehan to go into close session for the purpose of General Counsel's presentation of his legal opinion regarding the removal of a Trustee. Motion carried – Unanimously. Roll Call Vote: YEAS: Oposki, Clark, Sheehan, Dillion, Taylor and Tucker (Not available for vote Allen).

Motion by Sheehan and seconded by Clark to end close session. Motion carried – Unanimously.

Break - 11:00- 11:05 a.m.

Open Session 11:05 a.m.

Motion by Sheehan and seconded by Clark to acknowledge receipt and presentation from the Board's General Counsel of the legal opinion dated September 12, 2016 regarding Appointment and Removal Powers; (2) Waive the confidential Attorney Client Privilege with respect to the legal opinion; (3) Concur in the analysis and conclusion of General Counsel as provided in the opinion; (4) Direct that an appropriate cover letter and a copy of the legal opinion be forwarded to the RDPFFA in response their earlier correspondence; and (5) That the minutes reflect the appropriate excerpts from the conclusion in the legal opinion. Roll Call Vote: YEAS: Opolski, Clark, Sheehan, Allen, Dillion and Tucker. Oppose/NAYS: Taylor. Motion Carried.

General Counsel's opinion concluded that "The Board of Trustees has fiduciary responsibility to administer and manage the RHC Trust in the best interests of its participants and beneficiaries and retains the authority to remove individual Board members in accordance with that responsibility. Neither the Plan of Adjustment, nor the RHC Trust Agreement, provides the RDPFFA with the asserted removal power. Further, the RDPFFA has not offered any other legal basis for the purported removal of Trustee Tucker from the Board of Trustees. Based on the foregoing it is the considered opinion of this writer that the RDPFFA does not currently have the authority to remove its appointed members serving on the Board of Trustees.

Furthermore, the RDPFFA and/or its membership remain entitled to pursue the removal of an individual trustee via court order. In such instance, it is this writer's opinion that a court must be persuaded that the trustee cannot properly carry out his or her duties or has otherwise committed a material breach with respect to his/her duties as a trustee to the RHC Trust in order for the removal to be approved. Trustee Tucker should remain a member of the Board of Trustees until his resignation or removal by the Board in accordance with the provisions of the RHC Trust Agreement.

The members' of the Board wished to acknowledge that the forgoing action is no reflection on the RDPFFA's attempt to appoint Greg Trozak to the Board.

Administrators Report

Open Enrollment – ABS presented the modified Open Enrollment package to the Board. A Town Hall Meeting was scheduled for Tuesday, October 18, 2016 from 2:00 p.m. – 5:00 p.m. at the Renaissance Unity Church located at 11200 W. 11 Mile Road, Warren, Michigan. Legal Counsel will provide the agenda. ABS will ensure that Atna, Hap, Delta Dental, Morgan Stanley and GRS will be at the meeting. Tables for each of the vendors will be set up for RHC Trust participants and spouses to ask questions.

The new dates for Open Enrollment are **October 10 – 31, 2016**. **Motion** made by Sheehan and seconded by Clark to notify the members and spouses of the new dates. Motion carried – Unanimously.

Aetna Letter From EPA/PPO - Aetna sent the Board of Trustees an Information ONLY letter regarding 2017 plan changes. No action necessary.

Trustee Allen exited conference call at 11:35 a.m.

Administrative Committee Board – No meeting

Finance Committee Board – No meeting

Unfinished Business

The Trustees acknowledged receipt of a letter from the RDPFFA to appoint Gregory Trozak to the RHC Trust Board. In accordance with the opinion of Legal Counsel, the action to remove Trustee Tucker has not been approved by the Board; and since there is no vacancy on the Trustee Board the appointment of Gregory Trozak is respectfully denied. The Trustees also acknowledge that this action is no reflection on Gregory Trozak.

New Business/Open Form

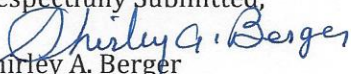
Motion by Sheehan and seconded by Clark to reconsider previous action regarding the financial reports. Motion carried – Unanimously.

Motion by Clark and seconded by Sheehan to table consideration of the financial reports until October 24, 2016 meeting. Motion carried – Unanimously.

Adjournment - **Motion** made by Sheehan and seconded by Clark to adjourn the meeting. Motion carried – Unanimously.

The meeting was adjourned at 12:00 p.m.

Respectfully Submitted,


Shirley A. Berger
Secretary