

CITY OF PONTIAC VEBA TRUST

BOARD OF TRUSTEES SPECIAL MEETING

May 7, 2021

A meeting of the Board of Trustees was held on Friday, May 7, 2021 via Conference Call in accordance with Michigan's Executive Orders issued restricting in-person gatherings due to COVID-19, and Michigan's Open Meetings Act, as amended.

Trustees Present

Claudia Filler, Chairperson – Auburn Hills, MI
Walter Moore – Lantana, TX
Linda D. Watson – Pontiac, MI
Lon Britton – New Port Richey, FL
NZ Bryant, - Bingham Farms, MI

Others Present

Matt Henzi, AsherKelly
Duane Menter, BeneSys, Inc.
Jennifer Crosby, BeneSys, Inc

Absent Trustees

Darin Carrington, Finance Director
Deirdre Waterman, Mayor

Chairman Filler declared that a quorum was present and called the meeting to order at 9:01 a.m.

PUBLIC COMMENT – None

CHAIRPERSON REPORT

Ms. Filler informed the Board that she spoke with Darin Carrington and Mayor Waterman yesterday and that the Mayor opposed having the Opt-Out Deadline on the Agenda. The Mayor felt it was inappropriate and therefore the City Trustees and Legal Counsel would not be attending today's meeting. The Mayor stated the Trust has no jurisdiction and therefore should not be discussing the issue.

LEGAL REPORT

Mr. Henzi informed the Board that he is working on an updated Merger Timeline to keep the process moving and will have the details at the May 13, 2021 meeting.

UNFINISHED BUSINESS

A. VEBA Opt-Out Deadline

Discussion took place regarding the VEBA Opt-Out Deadline put in place by the City of April 22, 2021. Member feedback is that they were not given enough time and information to make a life changing decision. The Trust would like to see the deadline extended. Mr. Henzi stated that the City attorneys advised that they believe that the opt-out deadline is an issue governed by the CPREA v. Pontiac settlement agreement and that the VEBA Trust does not have jurisdiction over the opt-out deadline. However, since the issue of what entity pays the opt-out amount, or administers the opt-out payment, is undetermined, Board members stated their concern over the deadline, and their desire to discuss it. The Board will await further direction from the bargaining parties.

B. Insurance Detail

Trustee Britton stated to the Board that he has done some research regarding Insurance Details. The Members' concerns include that the information provided by the City in the mailing was not sufficient and the Board feels the same. Trustee Britton took it upon himself to go to Meadowbrook who has been the Agent for the City of Pontiac P&F since 2014. Meadowbrook had received the Settlement Agreement. Trustee Britton discussed this with the Trustees except the Mayor and Chairperson Filler spoke with the Mayor. Meadowbrook has provided a complete explanation of benefits. This Board has been working on this since February with little progress. To achieve the goal of having benefits in place by September 1, 2021 there is still a lot to be done to hire agent. Trustee Britton suggested that the Board choose Meadowbrook because they are ready to go. They can mail out the explanation of benefits, deal with the opt-outs, and offer Webinar Q&A's for both pre-65 and Medicare Advantage. This will allow the Board more time to prepare. Meadowbrook can be retained for the benefit period of September 1, 2021 to December 31, 2022. During that time the Board can interview a long-term agent.

Chairperson Filler took a poll from the Trustees in attendance.

Trustee Watson stated that she appreciated the explanation of benefits in line with the Settlement Agreement. It is what she has been looking for and feels the retirees need this information right away. Regarding hiring Meadowbrook, she feels it should be a bid out should be done.

Trustee Moore stated that the Board has already developed and assigned an Insurance Committee to research agents and bring back information. That committee should be allowed to do their due diligence.

Trustee Bryant stated that he doesn't have a problem with hiring Meadowbrook, but the Board met with other agents previously and Meadowbrook was not in the list of finalists. If Meadowbrook has the information, it should be distributed to the retirees. He stated the process should be followed.

Chairman Filler followed up with her opinion. The \$400 supplement must continue until benefits begin; the City would have to extend the supplement. She stated that the Board can look at Meadowbrook to give what they can. Meadowbrook provided benefits for the City before 2011 so they already have the data that the City has yet to provide for Census. Utilizing Meadowbrook would get a faster result. The cost is commission based and can be the Trusts benefit entity for the first year and a half but would need to have a contract in place. This information provided is further details for the Insurance Committee to evaluate. Mr. Henzi suggested asking Meadowbrook if the Board can utilize the Explanation of Benefit information to provide to retirees.

Further discussion took place with Trustee Watson agreeing that the Board should approach Meadowbrook about using the Explanation of Benefits to provide to the Trustees. She felt that another meeting should be held next week for bottom line proposals from the 4 finalist agents previously chosen by the Insurance Committee. At that point the Insurance Committee can meeting and make a final recommendation to the full Board.

Trustee Bryant felt that if we asked all four agents to provide a summary of benefits for both pre and post 65 retirees and give them the Settlement Agreement that would be helpful to the Insurance Committee.

The Board discussed the Census Data. The release of the Census Date from the City is unknown currently. Mr. Carrington was supposed to provide that information today, but the City is not attending this meeting. Trustee Moore requested that Mr. Henzi put a formal request in writing. Mr. Henzi will do so and give a deadline of May 13, 2021.

RESOLUTION by Mr. Moore; seconded by Ms. Watson

Further Resolved, to request that the City extend the Opt-Out Deadline until retirees have enough

information provided, including specific information regarding levels of benefits, to allow the retirees to at that time Opt-Out.

Roll Call Vote:	Claudia Filler	Yea
	Walter Moore	Yea
	Linda Watson	Yea
	Lon Britton	Yea
	NZ Bryant	Yea

Chairman Filler stated that the Insurance Committee will continue to do their work. She directed Mr. Henzi to send out the request along with the Settlement Agreement to the four finalist agencies and ask that they provide a summary of benefits to the Board, and to request permission from Meadowbrook to publish certain information it produced for this meeting. In addition, she directed Mr. Henzi to send the letter regarding Census Data to the City.

NEW BUSINESS

CORRESPONDENCE

NEXT MEETING DATE: May 13, 2021 at 9:00 a.m.

ADJOURNMENT

RESOLUTION by Mr. Moore; seconded Mr. Bryant

Further Resolved, that the meeting be adjourned at 10:21 a.m.

Roll Call Vote:	Claudia Filler	Yea
	Walter Moore	Yea
	Linda Watson	Yea
	Lon Britton	Yea
	NZ Bryant	Yea

I certify that the foregoing are the true minutes of the City of Pontiac VEBA Trust on May 7, 2021.

As recorded by BeneSys