

**CITY OF PONTIAC, MICHIGAN  
POLICE AND FIRE RETIREE PREFUNDED  
GROUP HEALTH & INSURANCE PLAN**

**“VEBA MINUTES”  
December 13, 2011  
SPECIAL MEETING**

**Trustees Present**

Matthew Nye  
Leon Jukowski, Mayor  
John Naglick, Secretary

**Trustees Absent**

Brian Lee, Chairman (*excused*)  
Craig Storum (*excused*)

**Others Present**

Ellen Zimmermann, Retirement Administrator  
Matthew Henzi, Sullivan, Ward, Asher & Patton

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*The meeting was called to order at 1:22 p.m.*

**CITY HEALTH INSURANCES REIMBURSEMENT 7**

**Health Insurances Reimbursement #7: July – September 2011 : Q3**

Ms. Zimmermann presented a summary of the health insurances reimbursement for the third quarter of 2011 covering July through September of 2011. She reported the total was \$764,337.27. Of the total \$12,216.00 was for Medicare Advantage Premiums, \$436,194.68 was for medical claims, \$167,698.78 was for prescription costs, \$96,178.05 was for stop loss and administrative premiums, \$44,389.80 for dental costs, \$4,811.40 was for optical costs and \$2,848.56 for life insurance premiums.

She explained that she tests the amounts reported for each member listed based on a materiality limit that covers more than fifty percent of the dollar amounts shown. This is done by summing the individual claims reported for the period for each category.

**RESOLUTION 11-XXX** By Naglick, Supported by Nye

Resolved, That the Board approve the transfer of \$764,337.27 to the City of Pontiac to reimburse various health insurances for those covered by the PF VEBA.

Yeas: 3 – Nays: 0

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**RESOLUTION 11-XXX** By Nye, Supported by Naglick to move to closed session at 1:25 p.m. to discuss litigation of the contributions due from the City.

Jukowski – yea, Naglick – yea, Nye – yea

Out of closed session at 1:59 p.m.

Trustee Nye asked about the stop loss and whether the City currently pays all claims up to \$95,000 per person. He said it seems very expensive and questioned whether money could be saved by standard insurance premiums.

Trustee Naglick said that it is being looked at. There are eighty-seven health plans. The City used to be big enough to self-insure but it is not any longer. Mr. Schimmel wants to consolidate it all into one plan and then shop premiums.

Trustee Nye opined that the union would be willing to consider such a change.

#### **ADJOURNMENT**

**RESOLUTION 11-015** By Naglick, Supported by Jukowski  
Further Resolved, That the meeting be adjourned at 2:10 p.m.

Yeas: 3 – Nays: 0

I certify that the foregoing are the true minutes of the Police & Fire Retirement Pre-funded Group Health and Insurance Plan “VEBA Trust” on December 13, 2011.

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John Naglick, Secretary  
*As recorded by Ellen Zimmermann*