

TRUSTEES' OPEN MEETING MINUTES

PLACE: Claims Conference Room/Okemos, MI

DATE: January 28, 2019

TIME CALLED TO ORDER: 9:03 a.m.

OPEN SESSION ADJOURNED: 9:40 a.m.

MEMBERS PRESENT:

Trustees: Mark Long, Lee Anne Fontaine

Assistant Attorney General: Brian Galin

Funds Staff: Rick Smith, Janice Remer and Beth VanElls

PRESIDING PERSON:

John W. Schrock, Funds Administrator

RESPECTFULLY SUBMITTED:

Beth VanElls, Executive Secretary

#	TOPIC	MOTIONS/SECOND/AMENDMENTS MEMORANDUMS/LETTERS	SUMMARY/RESULT
1.	Open Minutes from August 20, 2018, Trustee Meeting	August 20, 2018 Open Meeting Minutes Motion by Lee Anne Fontaine to approve the open minutes of August 20, 2018 as written. Mark Long supported.	Unanimous approval. Minutes approved.
2.	Financial Statements	July, August, September, October and November 2018 Financial Statements, including Delphi	John Schrock explained only the July thru November 2018 financial statements were provided. The April thru June 2018 financial statements are available if they would like to see them. Mark Long feels that the prior year and year-to-date comparisons are the most informative. The most recent statement is suitable for him. Lee Anne Fontaine agreed with his comment. John further explained that all of the funds are adequately funded.

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3.	AAG/SAAG Litigation and Billing Reports	July - December 2018 General Litigation Reports and SAAG Billing Reports, August - December 2018	Brian Galin explained the current case count continues to decline. The report indicates 302 cases not including Delphi; however, the active count is substantially less as many cases are final but just need to be closed. The remaining Delphi cases consist of matters where General Motors has agreed to assume the liability, which need to be dismissed. There are only a few remaining Delphi that need to be resolved. There are minimal SAAG cases which remain open mainly referrals to John Heikkila.
4.	High Profile Litigation Report		Brian Galin indicated there isn't anything to report.
5.	BOM & MCAC Outcomes	Report	Brian Galin explained there is not anything new to report since the last trustee meeting. More cases are being settled instead of being tried. Mark Long added that the Governor appointed new magistrates on Friday including Mike Heck, Philip Della Santina and David DeGraw from the Appellate Commission, with the remainder being reappointed.
6.	Redemption Activity: August 16, 2018 – January 21, 2019	Redemption Report	Brian Galin explained nothing significant stands out in this report other than continued resolution of Delphi cases and the Vecchio versus National Steel matter which was discussed at the last meeting.
7.	Delphi Update	None	Brian Galin explained they are nearing the end of the Delphi cases with only a few pending. There are still some outstanding cases waiting for the MSA and Saginaw Steering cases awaiting dismissal. Mark Long questioned the status of the few outstanding cases. Brian explained that they are negotiating settlements, and he does not feel these cases will be problematic.
8.	Actuary Report Update	None	John Schrock explained the staff provided the actuaries the requested information and the actuaries have provided preliminary numbers. The estimate shows the SISF outstanding liability will decrease significantly due to continued resolution of the Delphi cases. Rick will provide further information to actuaries and John anticipates receiving final figures soon. This information has been shared with the OAG.

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9.	OAG/SISF 2018 Audit Status		John Schrock explained the OAG has begun the SISF annual audit. The same OAG supervisor has returned for the third year which should help the auditing process. Additionally, the OAG has dealt with SIGMA for one year which should also help the process. The OAG report will be completed by March 31. Rick Smith indicated the OAG posed questions related to SIGMA data variances. Mark Long inquired if LARA Finance is aware of the variances in the financial data and John confirmed they are.
10.	City of Flint/Grand Traverse Pavilion Assessment Return Status	None	Brian Galin provided follow-up from the prior meeting regarding the two public employers that were incorrectly assessed: City of Flint and Grand Traverse Pavilion, and the trustees' decision to pursue return of the overpayment. Brian made contact with both parties to attempt to resolve this issue. A release has been drafted and is being review by the Attorney General and will be forwarded to John for review. Brian plans to forward the releases to both parties this week.
11.	Moved into Closed Session	Motion made by Mark Long to move the board meet in closed session under section 8e of the Open Meeting Act to consult with our attorney regarding trial or settlement strategy in connection with Etta Haywood v Delphi and James Kosheba v Howmet Co. Lee Anne Fontaine supported.	Unanimous approval. Moved into closed session at 9:22 a.m.
12.	Closed Minutes from August 20, 2018	Motion by Mark Long to approve the closed minutes from August 20, 2018 as presented in closed session. Lee Anne Fontaine supported.	Unanimous approval.
13.	Etta Haywood v Delphi & SISF	Motion by Lee Anne Fontaine to move forward on resolution of Etta Haywood v Delphi & SISF case as discussed in closed session. Mark Long supported.	Unanimous approval.

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14.	James Kosheba v Howmet Co. & SIF/VHP	Motion by Mark Long to move forward on resolution of James Kosheba v Howmet Co. & SIF/VHP case as discussed in closed session. Lee Anne Fontaine supported.	Unanimous approval.
15	Trust Closure	None	<p>John Schrock followed up from a prior meeting regarding closure of existing trusts for businesses that are no longer self-insured and there is no claim activity. Since there is not currently an appointed trustee to represent self-insureds' interest, he will not move forward until the trustee has been appointed. Mark Long added that he notified the LARA Executive Office of the vacancy and the need for a trustee in place by April because of assessment approval.</p> <p>Edward Brothers Malloy entered into a voluntary receivership which triggered the SISF Fund. John explained there are not any significant claims and there is ample security available for the minimal liability exposure.</p>
16.	Lee Anne Fontaine Case Handling	None	Lee Anne Fontaine commented that she is again representing cases for the Accident Fund but assured that she is not handling cases that deal with the Funds Administration and there will not be any conflicts.
17.	Adjourn Session	Motion by Mark Long to adjourn the meeting. Lee Anne Fontaine supported.	Unanimous approval. Session adjourned at 9:40 a.m.

Mark C. Long, Chair

Date

John W. Schrock, Funds Administrator

Date