

# TRUSTEES' OPEN MEETING MINUTES

**PLACE:** Claims Conference Room/Okemos, MI

**DATE:** August 17, 2016

**TIME CALLED TO ORDER: 1:31 p.m**  
**OPEN SESSION ADJOURNED: 2:17 p.m.**

**MEMBERS PRESENT:**

Trustees: Douglas A. Green, Mark C. Long, Lee Anne Fontaine

Assistant Attorney General: Brian Galin

Funds Staff: Richard Smith, Janice Remer, Allison Kelly 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 June 13, 2016 Trustee Meeting	June 13, 2016 Open Meeting Minutes  Motion by Doug Green to approve the open minutes of June 13, 2016 as written. Lee Anne Fontaine supported.	Unanimous approval. Minutes approved.
2.	Financial Statements	May and June 2016 Financial Statements, including Delphi FY 2016	John Schrock explained the new May and June internal statements included with the packet show excess insurance recoveries as revenues instead of expenditure credits, similar to the method reported in prior years. There was discussion regarding the SISF fund balance and Doug Green questioned whether we would anticipate a need to call an additional assessment in the future. John responded based upon all things being equal the SISF fund is sufficiently funded to handle existing and future Delphi claims however, unexpected situations could occur that could change prior analysis. Mark Long indicated the State

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2.	Financial Statements		Budget office posed the same question and Mark provided the same response.
3.	AAG/SAAG Litigation and Billing Reports	June and July 2016 General Litigation Reports and SAAG Billing Reports	Brian Galin explained the case counts as compared to last year are down, and even more from previous years. The push is for cases to be handled in-house versus by the SAAG's as the Attorney General Office is fully staffed. The cases aren't being pulled from the SAAGs, they will continue to handle existing cases. However, priority will be given to assign claims to the AG's staff with the exception being in the more distant locations.
4.	High Profile Litigation Report	Report	Brian Galin explained there is nothing of significance to report. Brian added they still haven't received a notice of oral argument on the Robert Florian case and don't expect to until the end of 2016. The employer filed a late brief at MCAC and therefore it wasn't considered. The employer argued since they complied with the timely filing requirement, it should have been allowed. In addition, the employer argued since the Funds' prevailed at MCAC, the employer also shouldn't be a responsible party. The plaintiff's argument is there isn't a correlation to the Funds' win and that of the employer.
5.	2016 BOM & MCAC Outcomes	Report	Brian Galin explained there is nothing new to report.
6.	Redemption Activity: February June 9, 2016 – August 10, 2016	Redemption Report	John Schrock explained that Delphi cases continue to be steadily resolved. Brian pointed out a couple Delphi voluntary pay cases that were resolved based on IME's that were ordered, surveillance, etc.
7.	FAIS Rewrite	None	Rick Smith provided an update on the FAIS system rewrite. The team is currently working on the payment module and plans to implement towards the end of March 2017. This will enable management of claims payments in release 2.0. The newest release will run parallel with the current release to allow management of cases not able to be processed in the 2.0 version. The final target completion date is August 2017.

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8.	Assessment Update	None	Allison Kelly provided the status of assessments received so far. 97% of the assessment amounts have been collected, with 7% of the employers still outstanding. Currently, there will be 50 letters sent which will allow the employers 10 days to send the assessments otherwise interest penalties will be assessed. From there the penalty letters will be mailed. One explanation for the late payments is the assessments were due August 1 and suspect the companies thought they were due August 31, same as last year.
9.	Moved into Closed Session	Motion made by Mark Long to move into closed session to discuss issues of trial or settlement strategy with Council and attorney-client privileged documents. Doug Green supported.	Unanimous approval. Moved into closed session at 1:46 p.m.
10.	Closed Minutes from June 13, 2016	Motion by Mark Long to approve the closed minutes from June 13, 2016 as presented in closed session. Lee Anne Fontaine supported.	Unanimous approval
11.	Other Business Before the Board: National Bankruptcy Seminar	Motion made by Doug Green to authorize Jason Welch to attend the Annual National Bankruptcy Seminar. Lee Anne Fontaine supported.	<p>Brian Galin explained their office deals mostly with Chapter 11 and 13 bankruptcies and is requesting approval for Jason Welch to attend the National Bankruptcy Seminar that is hosted by the National Association of Attorney Generals. The Attorney General Office, on behalf of the Funds Administration, has attended the last 10 – 15 years and this seminar provides up-to-date information on bankruptcy law, particularly as it relates to state agencies.</p> <p>Unanimous approval.</p>
12.	Reappointment of Doug Green to the Funds Administration Board of Trustee	None	The Governor's Appointment office communicated with Mr. Green regarding his appointment. The Governor has a two-term appointment rule, but the staff has reconsidered their position and will forward the recommendation for Mr. Green's appointment to the Governor, but are unsure what the Governor's position will be. They are supposed to meet at the end of the month and will hopefully hear something at that point. The MSIA has voted on a replacement trustee

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12.	Reappointment of Doug Green to the Funds Administration Board of Trustee		in the event Mr. Green's reappointment is not approved.
13.	Buitenhuis, Arend v MacDonalds Industrial Products	Motion by Mark Long to approve strategy as discussed in the closed session regarding Arend Buitenhuis. Doug Green supported.	Unanimous approval
14.	Adjourn Session	Motion by Doug Green to adjourn the meeting. Lee Anne Fontaine supported.	Unanimous approval. Session adjourned at 2:17 p.m.

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Mark C. Long, Trustee

Date

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John W. Schrock, Funds Administrator

Date