



City of Detroit General Retiree Healthcare Trust

City of Detroit General Retiree Healthcare (RHC) Trust Meeting Minutes

Tuesday, April 22, 2025, Meeting

BeneSys, Inc., 700 Tower Drive, Troy, MI 48098

I. Call to order and Roll call

- a. A regular meeting of the Board of Trustees of the Detroit General RHC Trust was called to Order by Chairperson Thomas Sheehan at 1:04 p.m.
- b. **Board Members present at roll call:** Chairperson Thomas Sheehan; Trustee Barbara Wise-Johnson; Trustee Charles Gayney; Trustee Ed Hannan; Trustee Roger Cheek; Trustee Floyd Allen (via Teams); Trustee Dion Stevens. As four (4) Trustees are required to make a quorum and seven (7) were present, Chairperson Sheehan declared a quorum and the meeting proceeded.
- c. **Others Present:** Frank Judd (*Legal Counsel*); Jean Young, Justin Chambers and Philip Femminineo (*Plante Moran via Teams*); Kevin Leonard and Kim Kaczor (*NEPC via Teams*); Violet Gjorgjevski and Jennifer Crosby (*BeneSys*)

II. Approval of Agenda

Motion was made by Trustee Hannan and seconded by Trustee Wise-Johnson to approve the agenda.

Motion passed unanimously.

III. Public Comment – None

IV. Regular Agenda

A. Approval of March 25, 2025, Meeting Minutes

Motion was made by Trustee Wise-Johnson and seconded by Trustee Hannan to approve the Meeting Minutes of March 25, 2025, as amended.

Motion passed unanimously.

V. Financial Reports

A. Fifth Third Statement – March 2025

Motion was made by Trustee Hannan and seconded by Trustee Stevens to approve and accept the Fifth Third Statement for March 2025.

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Motion passed unanimously.

B. Principal Statement – February 2025

Motion was made by Trustee Hannan and seconded by Trustee Stevens to approve and accept the Principal Statement for February 2025.

Motion passed unanimously.

C. Financial Statements February 2025

Motion was made by Trustee Hannan and seconded by Trustee Wise-Johnson to approve and accept the Financial Statements for February 2025.

Motion passed unanimously

D. Bills for Approval

Invoices in the aggregate amount of \$31,661.16 were presented for payment from: BeneSys (\$31,661.16).

Motion was made by Trustee Wise-Johnson and seconded by Trustee Hannan to approve and authorize payment of the presented invoices subject to availability of funds.

Motion passed unanimously.

E. Bills for Ratification

The Bills for Ratification report was presented to the Board along with the invoices of premiums paid.

Motion was made by Trustee Wise-Johnson and seconded by Trustee Gayney to approve the bills for ratification for April 22, 2025, as presented.

Motion passed unanimously.

F. Fifth Third Bank Balance

Ms. Gjorgjevski provided the current cash balance from Fifth Third.

VI. Plante Moran – Jean Young, Justin Chambers and Philip Femminineo

A. Draft Financial Statement – December 31, 2024

B. Audit Presentation

Mr. Femminineo reviewed the presentation. Plante Moran issued an unmodified opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the City of Detroit General Retiree Health Care Trust as of

December 31, 2024, and the changes in its fiduciary net position for the year then ended, in accordance with accounting principles generally accepted in the United States of America. He reviewed the Statement of Fiduciary Net Position showing that as of December 31, 2024, the fund's Net Position restricted for retiree health care was \$220,694,040, an increase of \$15,325,316 from 2023. Ms. Young discussed that there were no material weaknesses, and no significant weaknesses found. She reviewed the required communication that there are management estimates included within the financial statements for harder to value investments such as City of Detroit B Notes, based upon third-party valuations firm or other various sources. No other recommendations were given.

Motion was made by Trustee Hannan and seconded by Trustee Gayney to accept, approve and have finalized the Financial Statement for December 31, 2024, as presented today by Plante Moran.

Motion passed unanimously.

C. Engagement Letter

Motion was made by Trustee Stevens and seconded by Trustee Gayney to approve and authorize the Chair to execute the Engagement Letter as presented.

Motion passed unanimously.

D. End of Audit Letter

E. Management Rep Letter

Motion was made by Trustee Stevens and seconded by Trustee Gayney to approve and authorize the Chair to execute the Management Rep Letter as presented.

Motion passed unanimously.

VII. Financial Consultant – Kevin Leonard and Kim Kaczor

A. Monthly Performance Report – March 31, 2025

Mr. Leonard informed the Board that the Market has been very volatile over the last several weeks. He stated that the Market was down 3% yesterday but up 2% today. He showed that the total composite was at -2.0% for the month of March 2025. For the quarter the total composite was at 0.3% and the 1-year trailing is at 6.7%.

B. Market Update – Tariff Turmoil

Mr. Leonard provided a Market Update which stated that recession risks are high should the effective tariff rate on imported goods remain above 20%, but they expect rates to be negotiated lower. Brace for volatility as tariff policy uncertainty and additional announcements are likely to continue buffeting equity markets. Periods of heightened market fear offer elevated long-term returns, and we encourage rebalancing back into

S&P 500. They recommend investors to ensure they have appropriate safe-haven fixed-income exposure and sufficient liquidity for cash flow needs. They urge investors to stay the course and not pull away from markets when panic takes hold; look for opportunities should the rout deepen.

Discussion took place regarding rebalancing, but it was determined to not do so at this time. Discussion also took place regarding advance billing by NEPC. Mr. Leonard will make sure that doesn't occur going forward.

VIII. Administrative Reports

A. BeneSys Barometers through February 2025

The BeneSys Barometers were provided as follows:

Eligible by Month - A report showing the number of eligible members by month through the month of February 2025. This report reflects the breakdown of eligible members by HRA, HAP, Blue Care Network, and Blue Cross Blue Shield Medicare Advantage, Humana and Priority Health and a total of all participants. The number of total eligible participants as of February 2025 was 5,216, which is a decrease of 55 eligible participants from January 2025.

Income and Expenses by Month - A report showing the income and expenses, excluding investment income, for the months of February 2023 through February 2025, was provided. This report shows an expense of \$1,457,092 at the end of February 2025.

Investment Income by Month - A report showing the investment gain/loss for the months of February 2023 through February 2025 were provided. There was a increase in investment income comparing February 2024 with February 2025.

Fund Assets - A report showing the assets and equity of the Fund for the months of February 2023 through February 2025 was provided for review. This report shows both Assets and Fund Equity have remained steady from January 2025 to February 2025.

Benefit and Operating Costs by Month – A report showing the total benefit and operating costs for the months of February 2023 through February 2025 was provided.

Benefit Premiums Paid – A report showing the total premiums paid for medical, dental and vision for the months of February 2023 through February 28, 2025, was reviewed.

Motion was made by Trustee Wise-Johnson and seconded by Trustee Hannan to accept and approve the BeneSys Barometers as of February 2025, as presented.

Motion passed unanimously.

B. BeneSys Telephone Response Time Report 1st Quarter 2025

Ms. Crosby presented the Telephone Response Time Report for first quarter 2025. BeneSys met the Performance Guarantee for Telephone Response Time in the first quarter of 2025.

C. BeneSys Claims Performance Report 1st Quarter 2025

Ms. Crosby presented the Claims Performance Report for the first quarter of 2024. BeneSys met the Performance Guarantee for Claims Performance in the first quarter of 2024.

D. BeneSys Claims Accuracy Report 1st Quarter 2025

Ms. Crosby presented the Claims Accuracy Report for the first quarter of 2024. BeneSys met the Performance Guarantee for Claims Accuracy in the first quarter of 2024.

Motion was made by Trustee Stevens and seconded by Trustee Gayney to accept and approved the BeneSys Performance Guarantees as provided.

Motion passed unanimously.

E. BeneSys Agreement Renewal

The Board asked Ms. Gjorgjevski and Ms. Crosby to step out while they discussed the BeneSys Agreement Renewal. The Board discussed a counterproposal to BeneSys's initial proposal. The Board directed its Legal Counsel to communicate its counterproposal to BeneSys.

IX. Legal Report - None

X. New Business

A. Humana Open Enrollment Allowance Proposal

Ms. Crosby presented Humana's Open Enrollment Allowance Proposal which allows payment to be made for the Humana portion of the Open Enrollment Payment.

B. 2025 Open Enrollment Vendor Invoicing/Payment

Ms. Crosby presented the reporting of payments received from vendors for the 2025 Open Enrollment expense.

XI. Unfinished Business

A. Audit December 31, 2024

This item has been completed.

B. Actuarial Valuation December 31, 2024

This item is in progress.

XII. Correspondence

XIII. Trustee Comment/Open Forum

XIV. Adjournment

There being no further business a **Motion** was made by Trustee Stevens and seconded by Trustee Wise-Johnson to adjourn the meeting at 2:21 p.m.

Motion passed unanimously.

Respectfully submitted,

Jennifer Crosby, Plan Associate