



City of Detroit General Retiree Healthcare Trust

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

Tuesday, May 11, 2021 Regular Meeting

Via Microsoft Teams

I. Call to order and Roll call

A. A Regular meeting of the Trustees of the Detroit General RHC Trust was called to Order by Chairperson Tom Sheehan at 1:02 p.m.

B. **Board Members present at roll call:** Chairperson Thomas Sheehan remotely from Royal Oak, MI; Trustee Floyd Allen remotely from Detroit, MI; Trustee Chuck Gayney remotely from Detroit, MI; Vice Chairperson Barbara Wise-Johnson remotely from Detroit, MI; Trustee Doris Ewing remotely from Glendale Heights, IL; Trustee Shirley Lightsey remotely from Southfield, MI. As five (5) Trustees are required to make a quorum and six (6) were present, Chairperson Sheehan declared a quorum and the meeting proceeded.

C. **Others Present:** Aaron Castle (*Legal*), Spencer Tawa and Michelle Watterworth (*Plante Moran*), Duane Menter and Jennifer Crosby (*BeneSys*)

II. Approval of Agenda

Motion was made by Trustee Lightsey and seconded by Trustee Wise Johnson to approve the agenda, as submitted. **Motion** passed unanimously.

III. Public Comment - None -

IV. Regular Meeting Agenda

Approval of Minutes

A. Proposed April 27, 2021 regular meeting minutes

Motion was made by Trustee Wise Johnson and seconded by Trustee Ewing to approve the minutes of the April 27, 2021, with corrections as requested. **Motion** passed unanimously.

V. Financial Reports

A. Fifth Third Statement – April 2021

Motion was made by Trustee Wise Johnson and seconded by Trustee Lightsey to approve and accept the Fifth Third Statement for April 2021. **Motion** passed unanimously.

B. Bills for Approval

Invoices in the aggregate amount of \$619,109.92 were presented for payment from: BCBS MA (\$548,117.20); BeneSys (\$39,672.95); Heritage Vision (\$20,849.77); Plante Moran (\$9,750.00); Priority Health (\$720.00).

Motion was made by Trustee Wise Johnson and seconded by Trustee Lightsey to approve and authorize payment of the invoices subject to availability of funds. **Motion** passed unanimously.

C. Fifth Third Bank Balances

Ms. Crosby provided balance amount from Fifth Third to ensure funds are available to submit invoices for payment and benefit payments to retirees.

VI. Administrative Reports

A. Direct Deposit for HRA Checks Cost/Benefit Analysis

Ms. Crosby reviewed the cost/benefit analysis for offering Direct Deposit of HRA Checks for members. It was shown by the analysis that it would be more cost efficient to allow for members to have a direct deposit option for their HRA reimbursements. It also significantly reduces the risk of fraud for the members and the Trust. The Board asked for Ms. Crosby to present the information based off the total 2020 checks so they can get a big picture of the saving potential for the Trust at the next meeting.

VII. Financial Consultants - None

VIII. GRS Consulting - None

IX. Legal Report

A. Discussion w/Fifth Third Regarding Arrangement

Mr. Castle updated the Board on their pending arrangement with Fifth Third. The Board feels a written agreement would be best. The Board discussed options for continuing forward.

B. Communications with the Retirement Unit regarding RHC eligibility

Mr. Castle reviewed the Boards request to send a letter to the Retirement Unit reminding them that the VEBA Board determines eligibility for members. There have been instances where the Retirement Unit has given inaccurate information to members causing confusion and misunderstanding. It was determined that it would be better received for the Letter to come from Chairman Sheehan as a representative of the Board.

X. New Business

A. Final – End of Audit Letter – December 31, 2020

Ms. Watterworth from Plante Moran gave an introduction to the Audit for City of Detroit General Retiree HCT.

B. Final – City of Detroit General Financial Report – December 31, 2020

Mr. Tawa gave a presentation to review the City of Detroit General Financial Report.
(See below)

Motion was made by Trustee Ewing and seconded by Trustee Gayney to receive, accept and approve the City of Detroit General Financial Report for December 31, 2020. **Motion** passed unanimously.

C. Plante Moran – End of Audit Communication

Mr. Tawa stated that “In our 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, 2020 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.

Mr. Tawa reviewed the Statement of Changes in Fiduciary Net Position, the Trust experienced a net increase in Fiduciary Net Position for 2020. No significant deficiencies or material weaknesses were found. There were no unrecorded possible adjustments.

D. Management Rep Letter

Ms. Crosby presented this letter to the Board for informational purposes.

XI. Unfinished Business

A. Pension Report – Eligibility Dates for Early Retirees

No updates were discussed for this item, it is still in progress.

B. Service Provider Review – BeneSys, Inc.

The Board would like to wait on additional discussion until they can meet in person again.

C. Participant 2838105414

Ms. Crosby provided an email with the additional details requested by the Board. Chairman Sheehan will follow up with the City of Detroit Pension Department to get the most accurate information available.

XII. Correspondence

BeneSys provided the following communication to The Board for review.

A. Correspondence Email with Keith Flynn/Post 2014 VEBA

B. BCN Low Income Subsidy – January 2021

C. BCN Low Income Subsidy – February 2021

D. BCN Low Income Subsidy – March 2021

E. BCN Low Income Subsidy – April 2021

F. Blues Marketplace Alert – April 28, 2021

XIII. Trustee Comment/Open Forum

Trustee Gayney mentioned communication that has been mailed regarding a BCBS Settlement and asked if BeneSys was receiving calls regarding it. Mr. Menter stated that BeneSys is not receiving many calls regarding this matter.

Mr. Castle informed the Board that the City of Detroit P&F VEBA recently sold 80% of it's B-Notes.

Mr. Sheehan shared concerns regarding the City of Detroit Charter Commission and the negative effect it may have on the B-Notes.

Trustee Gayney suggested cancelling the May 25, 2021 meeting. It was decided to wait and see if a meeting will be needed.

XIV. Adjournment

There being no further business a **Motion** was made by Trustee Wise Johnson and seconded by Trustee Lightsey to adjourn the meeting at 2:15 p.m. **Motion** passed unanimously.

Respectfully submitted,

Jennifer Crosby, Plan Associate