



City of Detroit General Retiree Healthcare Trust

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

Tuesday, June 25, 2024, Regular 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 Tom Sheehan at 1:08 p.m.
- B. **Board Members present at roll call:** Chairperson Thomas Sheehan; Trustee Barbara Wise-Johnson; Trustee Charles Gayney; Trustee Roger Cheek; Trustee Floyd Allen; As four (4) Trustees are required to make a quorum and five (5) were present, Chairperson Sheehan declared a quorum and the meeting proceeded.
- C. **Others Present:** David Porter (*Kienbaum Hardy Viviano Pelton & Forrest*), Leonard Barnes (*Heritage Vision*), Jamal Adora and Zari Gano (*GRS*), Frank Judd (*Legal Counsel*), Darris Garoufalis and Jennifer Crosby (*BeneSys*)

II. Approval of Agenda

Motion was made by Trustee Gayney and seconded by Trustee Wise-Johnson to approve the agenda. **Motion** passed unanimously.

III. Public Comment – None

IV. Kienbaum Hardy Viviano Pelton & Forrest Presentation – David Porter

Motion was made to enter into closed session at 1:10 p.m. by Trustee Gayney and seconded by Trustee Wise-Johnson.

Roll call vote: Sheehan – yes
Wise Johnson – yes
Gayne – yes
Cheek – yes
Allen – yes

Trustee Stevens arrived at 1:50 p.m.

Motion was made to return to open session at 1:52 p.m. by Trustee Wise-Johnson and seconded by Trustee Gayney. **Motion** passed unanimously.

Motion was made to follow recommendation of Mr. Porter on how to proceed with litigation by Trustee Wise-Johnson and seconded by Trustee Gayney. **Motion** passed unanimously.

V. Heritage Vision – Leonard Barnes

Mr. Barnes addressed the Board and gave a history of Heritage Vision. He went on to give an update as to where Heritage Vision is going. The company is updating their technology platform, enhancing their website, expanding to 15 other states, creating “value added” partnerships as well as expanding their mission through Heritage Vision of Hope.

VI. GRS – Jamal Adora and Zari Gano

Mr. Adora presented the Actuarial Valuation for December 31, 2023, to the Board. As of December 31, 2023, the value of assets is \$207.0 Million, and the funded percentage is listed at 142%. A rate of investment return of 4.0% per year, compounded annually, gross of investment expenses. The Board reviewed different scenarios with the Board for potential benefit enhancements and how it could affect the funded percentage.

Motion was made accept and approve the Actuarial Valuation for December 31, 2023, as presented by Trustee Wise-Johnson and seconded by Trustee Gayney. **Motion** passed unanimously.

VII. Financial Consultant

A. Updated Investment Policy Statement

Motion was made accept and approve the updated Investment Policy Statement, as presented by Trustee Gayney and seconded by Trustee Stevens. **Motion** passed unanimously.

Motion was made that when Newton is liquidated per recommendation that the full amount of the liquidation be transferred to cash until a new private credit manager is chosen consistent with the Investment Consultant's recommendation made in February 2024 by Trustee Gayney and seconded by Trustee Stevens. **Motion** passed unanimously.

B. Dodge & Cox Investment

Mr. Judd updated that Board that the Dodge and Cox investment will be put into place once the updated Investment Policy Statement is received by NEPC.

C. Monthly Performance Report – May 2024

Motion was made accept Monthly Performance Report for May 2024 as provided by NEPC by Trustee Gayney and seconded by Trustee Stevens. **Motion** passed unanimously.

VIII. Regular Agenda

A. Approval of the May 28, 2024, Meeting Minutes

Motion was made by Trustee Gayney and seconded by Trustee Stevens to approve the meeting minutes for May 28, 2024, as presented. **Motion** passed unanimously.

IX. Financial Reports

A. Fifth Third Statement – May 2024

Motion was made by Trustee Gayney and seconded by Trustee Stevens to approve and accept the Fifth Third Statement for May 2024. **Motion** passed unanimously.

B. Financial Statement – April 2024

Motion was made by Trustee Stevens and seconded by Trustee Wise-Johnson to approve and accept the Financial Statement for April 2024. **Motion** passed unanimously.

E. Bills for Approval

Invoices in the aggregate amount of \$55,212.11 were presented for payment from: BeneSys (\$26,584.61 with corrections); Kienbaum Hardy Viviano Pelton (\$9,127.50); Plante Moran (\$19,500.00).

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

F. 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 Stevens and seconded by Trustee Gayney to approve the Bills for Ratification for June 25, 2024, as presented. **Motion** passed unanimously.

G. Fifth Third Bank Balance

Mr. Garoufalis provided the current cash balance from Fifth Third.

X. Administrative Reports

A. BeneSys Barometers through April 2024

The BeneSys Barometers were provided as follows:

Eligible by Month - A report showing number of eligible members by month through the month of April 2024. 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 April 2024 was 5,630, which is a decrease of 106 eligible participants from March 2024.

Income and Expenses by Month - A report showing the income and expenses, excluding investment income, for the months of April 2022 thru April 2024, was provided. This report shows an expense of \$2,353,164 at the end of April 2024.

Investment Income by Month - A report showing the investment gain/loss for the months of April 2022 thru April 2024 was provided. So far, 2024 is showing to be slightly lower than 2023.

Fund Assets - A report showing the assets and equity of the Fund for the months of April 2022 through April 2024 was provided for review. This report shows both Assets and Fund Equity have reduced after an increase from February to March 2024.

Benefit and Operating Costs by Month – A report showing the total benefit and operating costs for the months of April 2022 through April 2024 was provided.

Benefit Premiums Paid – A report showing the total premiums paid for medical, dental and vision for the months of April 2022 through April 30, 2024, was reviewed.

Motion was made by Trustee Wise-Johnson and seconded by Trustee Stevens to approve the BeneSys Barometers for April 2024 as presented. **Motion** passed unanimously.

B. Performance Guarantee Response 1Q 2024

Mr. Garoufalis presented the Board with the BeneSys response for not meeting the Telephone Response Time Performance Guarantee for first quarter 2024. Discussion took place. The Board is requesting to escalate this issue to higher management.

XI. Legal Report

XII. New Business - None

XIII. Unfinished Business

A. BCBS Follow Up re: OOPM

BCBS provided follow up to the Board regarding the OOPM. Discussion took place.

B. 2024 Open Enrollment Printing/Mailing Cost Reimbursement

This item is in progress.

C. GRS Supplemental Report

This information was provided as a reference for the Board.

D. Open Enrollment Timeline

This information was provided as reference for the Board.

E. Recurring HRA Payments

This item is in process for a January 1, 2025 implementation.

F. 2025 Benefit Review

The Board requested that Manquen Vance be notified to begin reaching out to Medical providers to get rates.

G. Invite Vendors to Present to Board

This item is in progress.

H. Service Provider Review – BeneSys, Inc.

This item is on hold.

XIV. Correspondence

A. BeneSys DOL Cybersecurity Program Response Q2 2024

B. MAPERS Fall 2024 Preliminary Agenda

XV. Trustee Comment/Open Forum

XVI. Adjournment

There being no further business a **Motion** was made by Trustee Gayney and seconded by Trustee Wise-Johnson to adjourn the meeting at 3:02 p.m. **Motion** passed unanimously.

Respectfully submitted,

Jennifer Crosby, Plan Associate