



City of Detroit General Retiree Healthcare Trust

City of Detroit General Retiree Healthcare (RHC) Trust Meeting Minutes
Tuesday, May 28, 2019 Regular Meeting
Offices of *The Allen Law Group*
3011 West Grand Blvd., 25th Floor
Detroit, MI 48203

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 Thomas Sheehan at 1:02 p.m.
- B. **Board Members present at roll call:** *Present* - Chairperson Thomas Sheehan; Trustee Chuck Gayney; Trustee Shirley Lightsey; Vice Chairperson Barbara Wise-Johnson; Trustee Doris Ewing; Trustee Floyd Allen; Trustee Roger Cheek; As five (5) Trustees are required to make a quorum and seven (7) were present, Chairperson Sheehan declared a quorum and the meeting proceeded.
- C. **Others Present:** Aaron Castle (*Legal*), Samarah Murray, Duane Menter and Violet Gjorgjevski (*BeneSys*), Paul Kenney and David Adams, via phone, (NEPC), Spencer Tawa and Michelle Watterworth (Plante Moran).

II. Approval of Agenda

- A. **Motion** was made by Trustee Ewing and seconded by Trustee Gayney to approve the agenda, as submitted. **Motion** passed unanimously.

III. Public Comment

A. Bobbye Adams - Appeal

Ms. Adams was present to discuss an appeal she has been working on with BeneSys. The Trustees thanked Ms. Adams for coming in and expressing her concern. The Board advised her that she will be receiving communication from BeneSys in regard to her appeal and what if any further action she will need to take.

IV. Regular Meeting Agenda

Approval of Minutes

A. Proposed May 14, 2019 regular meeting minutes

Motion was made by Trustee Gayney and seconded by Trustee Cheek to approve the minutes of the May 14, 2019 regular meeting minutes as presented. **Motion** passed unanimously.

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B. Proposed May 14, 2019 Closed Session meeting minutes

Motion was made by Trustee Gayney and seconded by Trustee Cheek to approve the minutes of the April 23, 2019 Closed Session meeting minutes as presented. **Motion** passed unanimously.

V. Financial Reports

A. Wells Fargo Trust Statement – April 2019

April 2019 Trust Statement for Fifth Third was provided and reviewed.

B. March 2019 Financials

Assets

The March 2019 Financials were provided. The total unaudited fund equity as of March 31, 2019 was \$200,104,489.

Income and Expenses

The Income and Expenses report for March 2019 was provided. There was a net fund increase as of March 31, 2019 of \$593,224.

Motion was made by Trustee Ewing and seconded by Trustee Wise-Johnson to accept the reports as provided. **Motion** passed unanimously.

C. Bills for Approval

Invoices in the aggregate amount of \$487,041.14 were presented for payment from: BCBS Dental (\$89,242.42); Blue Care Network (\$71,476.05); Delta Dental (\$50,995.71); DENCAP (\$18,995.20); Fifth Third (\$6,000.00); Golden Dental (\$23,907.01); HAP (\$216,288.30); HUMANA (\$9,495.85); Priority Health (\$640.60).

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

VI. Administrative Reports

A. BeneSys Barometers through March 2019

The BeneSys Barometers were provided as follows:

Eligible by Month - A report showing number of eligible members by month through the month of March 2019. 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 March 2019, was 7,607, which is a decrease of 40 eligible participants since the beginning of the Plan Year.

Income and Expenses by Month - A report showing the income and expenses, excluding investment income, for the months of March 2018 thru March 2019, was provided. This report shows a loss of \$3,575,608.00 in the current Plan Year as of March 31, 2019.

Investment Income by Month - A report showing the investment gain/loss for the months of March 2018 thru March 2019 was provided.

Fund Assets - A report showing the assets and equity of the Fund for months of March 2018 through March 2019 was provided for review. This report shows both assets and Fund equity have a slight increase.

Benefit and Operating Costs by Month – A report showing the total benefit and operating costs for the months of March 2018 through March 2019 was provided.

Benefit Premiums Paid – A report showing the total premiums paid for medical, dental and vision for the months of March 2018 through March 31, 2019 was reviewed.

B. 2019 Cashflow

The 2018 Cashflow was provided for review.

VII. Financial Consultants

Mr. Kenny and Mr. Adams participated via phone to review and discuss the documents provided by NEPC.

A. NEPC Cover Letter

Mr. Kenny reviewed the information on the proposed Core Bond Allocation and suggestions on the implementation of a Core Bond Manager.

Motion was made by Trustee Gayney and seconded by Trustee Wise-Johnson to approve the retention of Garcia Hamilton as the Core Bond Manager. **Motion** passed unanimously.

B. Investment Policy Statement

Motion was made by Trustee Allen and seconded by Trustee Ewing to accept the Investment Policy Statement as revised and presented. **Motion** passed unanimously.

C. Rebalancing Schedule

Motion was made by Trustee Gayney and seconded by Trustee Allen to accept the Rebalancing Schedule as presented. **Motion** passed unanimously.

VIII. GRS Consulting - None -

IX. Legal - None -

X. New Business

A. 2018 Audit - Plante Moran

Mr. Spencer Tawa and Ms. Michelle Watterworth were present to present the Draft 2018 Audit. They reviewed some pending items that they need to complete the audit however, they stressed that the pending items will not change the outcome of the draft audit they are presenting. Mr. Tawa reviewed the Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position and Notes to the Financial Statements of the Fund. He further reviewed the Required Supplemental Information section of the audit.

Ms. Watterworth continued with the review of the report issued by Plante Moran, she indicated that there was a weakness in year-end journal entries which were also done last year, and it was corrected by BeneSys.

The Trustees requested that BeneSys provide a written Statement that the year-end journal entries will be completed timely so that it does not appear as a weakness on the audit going forward.

B. Appeal 2710889213

BeneSys presented an appeal for member identified as 2710889213, the member is requesting HRA reimbursement for past years (2015-2017). After discussion the Board instructed BeneSys to provide a written communication to the member indicating the request is untimely. A draft of the letter is to be sent to legal for review and should include the HRA process and the timeline for submitting claims.^[AC1]

XI. Unfinished Business

A. NEPC Authorized Personnel

As requested by the Board, NEPC provided a list of Authorized Personnel that have authority to act on behalf of Discretionary Clients.

~ Trustee Allen excused @ 2:24PM. ~

B. BeneSys Performance Standards and Guarantees

Ms. Murray advised the Board that this has been resolved and a credit will be issued as discussed.

C. Duplicate Pension Deductions

Trustee Wise-Johnson advised that she has received a response regarding her questions from the Pension office and will review the information and provide details to the Board at the next Board meeting.

XII. Correspondence

A. Blue Care Network Low Income Subsidy Report - April 2019

Ms. Murray presented the April 2019 Blue Care Network Low Income Subsidy Report.

B. Delta Dental Commission - March 2019

Ms. Murray presented the March 2019 Delta Dental Commission.

C. Humana Communication - May 2019

Ms. Murray presented Human Communications for May 2019.

XIII. Trustee Comment/Open Forum

Trustee Cheek brought up for discussion an article that he read about rising Health Care costs. The subject will be further discussed in the upcoming months.

XIV. Adjournment

There being no further business a **Motion** was made by Trustee Gayney and seconded by Trustee Cheek to adjourn the meeting at 2:37 p.m. **Motion** passed unanimously.

Respectfully submitted,

Violet Gjorgjevski, Plan Associate