



City of Detroit General Retiree Healthcare Trust

City of Detroit General Retiree Healthcare (RHC) Trust Meeting Minutes
Tuesday, June 8, 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 1:06 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 Bloomingdale, IL; Trustee Shirley Lightsey remotely from Southfield, MI; Trustee Roger Cheek remotely from Detroit, MI. 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*), Violet Gjorgjevski and Jennifer Crosby (*BeneSys*)

II. Approval of Agenda

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

III. Public Comment - None

IV. Regular Meeting Agenda

Approval of Minutes

A. Proposed May 11, 2021 regular meeting minutes

Motion was made by Trustee Lightsey and seconded by Trustee Gayney to approve the minutes of the May 11, 2021, with corrections as requested. **Motion** passed unanimously.

B. Proposed May 13, 2021 special meeting minutes

Motion was made by Trustee Gayney and seconded by Trustee Lightsey to approve the minutes of the May 13, 2021, as presented. **Motion** passed unanimously.

V. Financial Reports

A. Fifth Third Statement – May 2021

Motion was made by Trustee Gayney and seconded by Trustee Lightsey to approve and accept the Fifth Third Statement for May 2021. **Motion** passed unanimously.
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B. Wells Fargo Statement – April 2021

Motion was made by Trustee Gayney and seconded by Trustee Lightsey to approve and accept the Wells Fargo Statement for April 2021. **Motion** passed unanimously.

C. Financial Statements – March 2021

Motion was made by Trustee Gayney and seconded by Trustee Cheek to approve and accept the Financial Statements for March 2021. **Motion** passed unanimously.

D. Bills for Approval

Invoices in the aggregate amount of \$413,755.28 were presented for payment from: BCBS Dental (\$90,202.85); BCN (\$9,724.42); BeneSys (\$37,987.74); Delta Dental (\$47,948.65); DENCAP (\$34,088.50); Golden Dental (\$21,570.80); HAP (\$123,047.71); Heritage Vision (\$20,615.05); HUMANA (\$10,172.12); Plante Moran (\$1,000.00); Priority Health (\$720.00); Legal (\$2,021.00); VSP (\$14,656.44).

Motion was made by Trustee Lightsey and seconded by Trustee Ewing 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. BeneSys Barometers through March 2021

The BeneSys Barometers were provided as follows:

Eligible by Month - A report showing number of eligible members by month through the month of March 2021. 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 2021, was 6,988, which is a decrease of 11 eligible participants from February 2021.

Income and Expenses by Month - A report showing the income and expenses, excluding investment income, for the months of March 2019 thru March 2021, was provided. This report shows an expense of \$2,202,234.00 at the end March 2021.

Investment Income by Month - A report showing the investment gain/loss for the months of March 2019 thru March 2021 was provided.

Fund Assets - A report showing the assets and equity of the Fund for months of March 2019 through March 2021 was provided for review. This report shows both Assets and Fund Equity have increased after a slight decline.

Benefit and Operating Costs by Month – A report showing the total benefit and operating costs for the months of March 2019 through March 2021 was provided.

Benefit Premiums Paid – A report showing the total premiums paid for medical, dental and vision for the months of March 2019 through March 31, 2021 was reviewed.

Motion was made by Trustee Cheek and seconded by Trustee Wise Johnson to accept the Barometers for March 2021. **Motion** passed unanimously.

B. Direct Deposit for HRA Checks Cost/Benefit Analysis

Ms. Crosby reviewed the updated cost/benefit analysis for offering Direct Deposit of HRA Checks for members with the total 2020 checks. The report shows the cost of printing checks for 2020 versus what the cost would have been if Direct Deposit had been used. 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 correct a typo error and represent the corrected report at the next Board Meeting.

VII. Financial Consultants

A. Monthly Performance Report – April 2021

Discussion took place regarding the proceeds of the B-Note sale. The funds from the sale need to be transferred from Fifth Third to Wells Fargo so they can be distributed according to the current Asset Allocation Plan. The Board would like NEPC to attend the next meeting to give recommendation if Asset Allocation Plan needs to be updated.

Motion was made by Trustee Ewing and seconded by Trustee Gayney to transfer via wire \$26.6 M from Fifth Third to Wells Fargo. **Motion** passed unanimously.

VIII. GRS Consulting - None

IX. Legal Report

A. Letter to Retirement System

Mr. Castle presented a draft letter to the Detroit Retirement Systems' Executive Director, David Cetlinski for the Board to review. The Board requested an edit be made and then the letter can be approved to be mailed.

B. Open Meetings Act/Meeting Remotely

Mr. Castle informed the Board that the Open Meetings Act for Remote Meetings is scheduled to end June 30, 2021 unless extended. The VEBA is subject to the Open Meetings Act. The exception until December 31, 2021 allows for an individual Trustee with a medical condition to continue attending remotely through the end of the year. BeneSys stated they have a conference room available that is large enough to accommodate the Board and allow for proper social distancing.

X. New Business - None

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

Chairman Sheehan provided a complete synopsis of this member's initial retirement, return to work and subsequent retirement. This member returned to work and earned service time under the Hybrid Plan. When he left the City of Detroit the second time, he chose to not keep the Hybrid Plan benefit and cashed out his contributions to the Hybrid Plan. He is not receiving a Pension from the Hybrid plan. His original pension resumed in March 2021. The Board discussed this matter in detail and has concern that there may be other members with similar circumstance of returning to work for the City of Detroit after their initial retirement. They are going to attempt to get a complete list from the Retirement Systems showing members who have returned to work with the City of Detroit and then retired a second time. This will allow the Board to get a full sense of the depth of this issue so they can update eligibility rules as needed. The Board will vote on this participant's eligibility at their next meeting after having fully reviewed the details.

D. Hearing Aid Benefits for 2022

The Board is requesting that GRS Consulting compare the discount plans offered by VSP and Heritage Vision as well as one more plan so that the Board can determine how they would like to proceed for the 2022 Open Enrollment.

XII. Correspondence

BeneSys provided the following communication to The Board for review.

A. BCN Low Income Subsidy – May 2021

B. Humana Annual Checkup Letter

C. Humana June Neighborhood Centers Virtual Awareness

D. Humana Safe Disposal of Prescription Drugs

XIII. Trustee Comment/Open Forum

Chairman Sheehan mentioned that there has been trading activity for the City of Detroit B-Notes.

Motion was made by Trustee Ewing and seconded by Trustee Gayney to authorize Fifth Third to proceed according to Trustee recommendation. **Motion** passed unanimously.

Mr. Gayney stated there was a problem with getting the Meeting Materials for today's meeting. Ms. Gjorgjevski recommended the Trustee Website offered by BeneSys. The Board would like to have the Trustee Website set up for utilization.

XIV. Adjournment

There being no further business a **Motion** was made by Trustee Wise Johnson and seconded by Trustee Gayney to adjourn the meeting at 2:32 p.m. **Motion** passed unanimously.

Respectfully submitted,

Jennifer Crosby, Plan Associate