



# City of Detroit General Retiree Healthcare Trust

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

Tuesday, July 28, 2020 Regular Meeting

Offices of *BeneSys, Inc.*

700 Tower Drive, Suite 300

Troy, MI 48098

**1:00 pm at Office of BeneSys, Inc., Troy, MI via Conference Call in Compliance with Executive Order 2020-4**

## 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 1:03 p.m.
- B. **Board Members present at roll call:** *Present via phone* - Chairperson Thomas Sheehan; Trustee Chuck Gayney; Trustee Shirley Lightsey; Vice Chairperson Barbara Wise-Johnson; Trustee Roger Cheek; Trustee Floyd Allen. 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*), Paul Kenney and Brendan Heaney (*NEPC*), Jim Pranschke (*GRS*), Darris Garoufalidis, Tim Mulligan, Violet Gjorgjevski and Jennifer Crosby (*BeneSys*)

## II. Approval of Agenda

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

## III. Public Comment - None -

## IV. Regular Meeting Agenda

### Approval of Minutes

#### A. Proposed July 14, 2020 regular meeting minutes

**Motion** was made by Trustee Wise Johnson and seconded by Trustee Gayney to approve the minutes of the July 14, 2020 regular meeting. **Motion** passed unanimously.

## V. Financial Reports

#### A. Wells Fargo Trust Statement – June 2020

#### B. May 2020 Financials

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**Motion** was made by Trustee Lightsey and seconded by Trustee Allen to accept the Wells Fargo Trust Statement for June 2020 and the May 2020 Financial Statement as provided. **Motion** passed unanimously.

### **C. Bills for Approval**

Invoices in the aggregate amount of \$38,896.78 were presented for payment from: Golden Dental (\$20,324.53), Priority Health (\$1,045.44); RSCD (\$2,688.67); VSP (\$14,838.14).

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

### **D. Fifth Third Bank Balances**

Ms. Gjorgjevski 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 May 2020**

The BeneSys Barometers were provided as follows:

**Eligible by Month** - A report showing number of eligible members by month through the month of May 2020. 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 May 2020, was 7,290, which is a decrease of 8 eligible participants from April 2020.

**Income and Expenses by Month** - A report showing the income and expenses, excluding investment income, for the months of May 2018 thru May 2020, was provided. This report shows an expense of \$1,221,926.00 at the end May 2020.

**Investment Income by Month** - A report showing the investment gain/loss for the months of May 2018 thru May 2020 was provided.

**Fund Assets** - A report showing the assets and equity of the Fund for months of May 2018 through May 2020 was provided for review. This report shows both assets and Fund equity have started to rebound since the COVID-19 pandemic shut down in March 2020.

**Benefit and Operating Costs by Month** – A report showing the total benefit and operating costs for the months of May 2018 through May 2020 was provided.

**Benefit Premiums Paid** – A report showing the total premiums paid for medical, dental and vision for the months of May 2018 through May 31, 2020 was reviewed.

**Motion** was made by Trustee Lightsey and seconded by Trustee Gayney to accept the

Barometers for May 2020. **Motion** passed unanimously.

## **VII. Financial Consultants**

### **A. Quarterly Performance Review – Quarter Ending June 30, 2020**

Mr. Kenney stated that the Trust returned 8.8% during Q2, bringing the YTD result to - 1.4%. Active manager since inception results benchmark well overall. The new Policy Index (approved in May) is 33% to equities, 44% to fixed income, 5% to REITS, 17% to GAA and 1% to cash. The rebalancing plan was presented and is on track. The portfolio return through July 21<sup>st</sup> is 2.2%, bringing results for the year to +0.8%. Blackrock will be attending the August 25<sup>th</sup> meeting via conference call.

### **B. Investment Policy Statement – July 28, 2020**

Information presented to the Board for informational purpose only.

## **VIII. GRS Consulting**

### **A. Final Actuarial Valuation Report as of December 31, 2019**

**Motion** was made by Trustee Wise Johnson and seconded by Trustee Lightsey to accept and approve the Final Actuarial Valuation Report for December 31, 2019 as presented. **Motion** passed unanimously.

### **B. 2021 Renewal Options**

Mr. Pranschke presented the Board with 2021 Benefit Renewal Options. Quotes received from all Health Insurance vendors. Options reviewed and discussed in detail by the Board. The Board asked that Mr. Pranschke request Best and Final Offers from all vendors prior to the next meeting.

## **IX. Legal**

### **A. Outstanding Checks Policy**

This item is pending Outstanding Check Report from BeneSys.

### **B. Restatement of RHC Trust Agreement**

Attorney Castle presented the Restatement of RHC Trust Agreement for the Board to review in detail and further discussion will take place at next meeting.

## **X. New Business**

## **XI. Unfinished Business**

### **A. Service Provider Review – BeneSys, Inc.**

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

### **B. Turn-Around-Time Performance Guarantees – Updated Reporting**

Mr. Mulligan with BeneSys informed the Board that the previously provided TAT Performance Guarantees provided were calculated incorrectly. Updated report presented to

the Board. The new report finds that there was no violation of the performance guarantee. It was noted that there are still some mathematical errors on the report, however. The Board is still requesting that BeneSys provide an explanation sheet to go along with reports in the future. In addition, the Board has asked for consistent reporting formatting for reports that will be presented quarterly going forward.

### **C. Telephone Response Time Report**

Mr. Mulligan presented the Action Plan to the Board for improvement of Telephone Response Time. The Board requested that BeneSys utilize the “Call Back Feature” for the group during Open Enrollment for 2021. They also inquired about reporting that would be available from this feature. The Board would like to see this report have wait times and percentages going forward as well. It was requested that BeneSys review the Open Enrollment Materials for 2021 to simplify them for members.

### **D. Delta Dental Pandemic Relief Credit**

The Pension Department has assured the Board that the error on July 2020 Pensions will be corrected on the August 2020 Pensions.

### **E. Golden Dental Pandemic Relief Credit**

Ms. Gjorgjevski informed the Board that Golden Dental offered enrolled members 10% off their premiums for the months of April and May 2020. Members will receive the credit on their Pension Check once there is confirmation it has been received.

### **F. Website Posted Reports Updated**

Ms. Crosby presented documentation to the Board showing the website reporting had been updated per the Boards request.

## **XI. Correspondence**

BeneSys provided the following communication to The Board for review.

- A. Delta Dental Commission – May 2020**
- B. BCN Low Income Subsidy – July 2020**
- C. Wellness Materials from BCN Health Coach**

## **XII. Trustee Comment/Open Forum**

**Motion** was made by Trustee Gayney and seconded by Trustee Lightsey to have an Executive Committee meeting on August 11, 2020 at 12:30 pm to discuss BeneSys’ violation of the performance guarantee for Telephone Response time during 3<sup>rd</sup> Quarter of 2019 and 1<sup>st</sup> Quarter of 2020 with Attorney Client privilege. **Motion** passed unanimously.

## **XIII. Adjournment**

There being no further business a **Motion** was made by Trustee Lightsey and seconded by Trustee Gayney to adjourn the meeting at 3:14 p.m. **Motion** passed unanimously.

Respectfully submitted,

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Jennifer Crosby, Plan Associate