



City of Detroit General Retiree Healthcare Trust

City of Detroit General Retiree Healthcare (RHC) Trust Meeting Minutes
Tuesday, March 10, 2020 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 Tom Sheehan at 1:00 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 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*), Dean Carlson (*BeneSys*), Violet Gjorgjevski (*BeneSys*), Jennifer Crosby (*Benesys*), Nat Singer via phone (*Swap Financial*), and Paul Kenney via phone (*NEPC*)

II. Approval of Agenda

- A. **Motion** was made by Trustee Wise-Johnson 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 February 11, 2020 regular meeting minutes

Motion was made by Trustee Wise-Johnson and seconded by Trustee Lightsey to approve the minutes of the February 11, 2020 with the deletion of XI. B. second sentence. **Motion** passed unanimously.

V. Financial Reports

A. Fifth Third Trust Statement – February 2020

January 2020 Trust Statement for Fifth Third was provided and reviewed.

B. Wells Fargo Trust Statement – January 2020

December 2019 Trust Statement for Wells Fargo was provided and reviewed.

Motion was made by Trustee Wise-Johnson and seconded by Trustee Lightsey to accept the Fifth Third and Wells Fargo statements as provided. **Motion** passed unanimously.

C. Garcia Hamilton & Associates – Performance Ending December 31, 2019

Performance Ending December 31, 2019 from Garcia Hamilton & Associates was provided and reviewed.

D. Arena Month-End Performance – February 2020

February 2020 Month-End Performance provided and reviewed.

Motion was made by Trustee Lightsey and seconded by Trustee Gayney to accept the Garcia Hamilton & Associates and Arena statements as provided. **Motion** passed unanimously.

E. December 2019 Financials

Assets

The December 2019 Financials were provided. The total unaudited fund equity as of November 30, 2019 was \$203,402,715.

Income and Expenses

The Income and Expenses report for December 2019 was provided. There was a net fund increase as of December 31, 2019 of \$1,362,343.

Motion was made by Trustee Gayney and seconded by Trustee Ewing to accept the December 2019 Financial Statements as provided. **Motion** passed unanimously.

C. Bills for Approval

Invoices in the aggregate amount of \$971,723.89 were presented for payment from: ALG Parking (\$355.00); BCBS Dental (\$94,873.23); BCBS MA (\$445,785.00); BeneSys (\$42,326.50); Blue Care Network (\$63,233.07); Delta Dental (\$54,310.87); DENCAP (\$36,643.70); Fifth Third Bank (\$6,000.00); Golden Dental (\$23,144.85); HAP (\$162,448.93); Heritage Vision (\$22,601.25); HUMANA (\$12,323.45); Priority Health (\$914.76); Segall Bryant & Hamill (\$6,763.28).

Motion was made by Trustee Wise-Johnson and seconded by Trustee Ewing 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.

VI. Administrative Reports

A. BeneSys Barometers through December 2019

The BeneSys Barometers were provided as follows:

Eligible by Month - A report showing number of eligible members by month through the month of December 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 December 2019, was 7356, which is a decrease of 362 eligible participants at the end of the Plan Year.

Income and Expenses by Month - A report showing the income and expenses, excluding investment income, for the months of December 2017 thru December 2019, was provided. This report shows an expense of \$9,639,161 at the end of the Plan Year as of December 31, 2019.

Investment Income by Month - A report showing the investment gain/loss for the months of December 2017 thru December 2019 was provided.

Fund Assets - A report showing the assets and equity of the Fund for months of December 2017 through December 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 December 2017 through December 2019 was provided.

Benefit Premiums Paid – A report showing the total premiums paid for medical, dental and vision for the months of December 2017 through December 31, 2019 was reviewed.

VII. Financial Consultants

A. Nat Singer – Swap Financial (Via Phone)

Mr. Singer provided information to the board regarding the effect of the Corona Virus. He will continue to provide updates and recommendations in the coming weeks.

B. NEPC – Money Transfer Request

Transfer of fund request presented to the Board. Chairman Sheehan to sign so that they can be submitted for processing.

C. NEPC – Meeting Notes February 11, 2020

Mr. Kenney presented his meeting notes from February 11, 2020 which included request for follow up on various items. The Board would like to see several REIT managers presented in April. Mr. Kenney is available to discuss at April 28, 2020 meeting. In April NPEC will present some asset allocation alternatives. The Board requested a secondary benchmark for Arena to be changed to match 6.5% return objective. The Board would like Mr. Kenney's thoughts on letter received from Wells Fargo on the transition to Principal. Mr. Kenney needs copy of letter which Violet will provide. Additional request by the Board for a one-page fee schedule with fees as of 12/31/2019. Request was also made that the Board be

informed periodically on the asset allocations of other investment groups. Lastly NEPC confirmed that no securities lending is taking place in the Wells Fargo money market account.

D. NEPC – Market Update March 2, 2020

Mr. Kenney presented and update on the market as of March 2, 2020. February Tear Sheets were provided as well as a Market Update Flyer. Everything equity is down a lot. Record U.S. decline at month end. Within the U.S. growth and large size.

E. NEPC – Allocations March 3, 2020

Mr. Kenney presented a Sample Asset Allocations for the Board to review. The information proved informative and the Board will consider the Asset Allocation going forward. NEPC will continue to provide updates.

VIII. GRS Consulting - None

IX. Legal

Attorney Castle provided a Legal Report to the Board to review.

A. Arena Capital

- i. Mr. Castle presented to the Board as requested during February 11, 2020 meeting the email chain and marked supplemental side letter regarding Preferred Fee Authorization. An updated letter signed by Chairman Thomas Sheehan was provided to the Board for review.

B. Wells Fargo Custody Transition

- i. Mr. Castle stated that he has not received the Service Continuity Package yet.

X. New Business

A. 2019 Audit Data

Ms. Gjorgjevski provided an update on the 2019 Audit. She reported that all required task has been completed in a timely fashion. Audit is on track for completion.

B. 2019 Actuary Data

Ms. Gjorgjevski provided an update on the 2019 Actuary. She reported that all required task has been completed in a timely fashion. Actuary is on track for completion.

XI. Unfinished Business

A. Plante Moran Extra Fee for 2018 Audit

Benesys provided additional itemized reports from the 2018 Audit process. The Board stated they wanted a narrative from Benesys as to whether Benesys was slow in responding to data requests which caused additional fees to be charged to the Trust. The Board feels they are owed a refund of a portion of this cost. Benesys to follow up with more detail at next meeting field work.

B. Insurance Provider Assessment Tax follow-up

The Board requested that HAP numbers be provided at the next meeting.

C. 2020 Open Enrollment Totals

Ms. Gjorgjevski provided the Open Enrollment Totals to the Board. One totaling error and one typo were found and will be corrected.

XII. Correspondence

A. BCN Low-Income Subsidy

Ms. Gjorgjevski presented the BCN Low-Income Subsidy for January 2020 The Board.

XIII. Trustee Comment/Open Forum

The Board discussed cancelling the next Board meeting on Tuesday, March 24, 2020 unless action items arise and at that time the meeting will be held. The next scheduled meeting is now Tuesday April 14, 2020.

XIV. Adjournment

There being no further business a **Motion** was made by Trustee Gayney and seconded by Trustee Wise-Johnson to adjourn the meeting at 2:04 p.m. **Motion** passed unanimously.

Respectfully submitted,

Jennifer Crosby, Plan Associate