



City of Detroit General Retiree Healthcare Trust

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

Tuesday, October 8, 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 Tom Sheehan at 1:04 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 Roger Cheek; Trustee Doris Ewing; Trustee Floyd Allen. 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*), Tim Mulligan, Dean Carlson and Violet Gjorgjevski (*BeneSys*).

II. Approval of Agenda

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

III. Public Comment - None -

IV. Regular Meeting Agenda Approval of Minutes

A. Proposed August 27, 2019 regular meeting minutes

Motion was made by Trustee Lightsey and seconded by Trustee Allen to approve the minutes of the August 27, 2019 regular meeting minutes as presented. **Motion** passed unanimously.

B. Proposed September 10, 2019 regular meeting minutes

Motion was made by Trustee Wise-Johnson and seconded by Trustee Ewing to approve the minutes of the September 10, 2019 regular meeting minutes as presented. **Motion** passed unanimously.

V. Financial Reports

A. Wells Fargo Trust Statement - July & August 2019

July and August 2019 Trust Statements for Wells Fargo were provided and reviewed.

B. Wells Fargo Trust Statement - Garcia Hamilton - August 2019

August 2019 from Wells Fargo for Garcia Hamilton statement was provided and reviewed.

C. Fifth Third Trust Statement - August 2019

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

Motion was made by Trustee Ewing and seconded by Trustee Allen to accept the Wells Fargo and Fifth Third statements as provided. **Motion** passed unanimously.

D. July 2019 Financials

Assets

The July 2019 Financials were provided. The total unaudited fund equity as of July 31, 2019 was \$202,321,664.

Income and Expenses

The Income and Expenses report for July 2019 was provided. There was a net fund decrease as of July 31, 2019 of \$464,365.

VI. Administrative Reports

A. BeneSys Barometers through July 2019

The BeneSys Barometers were provided as follows:

Eligible by Month - A report showing number of eligible members by month through the month of July 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 July 2019, was 7,397, which is a decrease of 250 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 July 2017 thru July 2019, was provided. This report shows an expense of \$5,739,076 in the current Plan Year as of July 30, 2019.

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

Fund Assets - A report showing the assets and equity of the Fund for months of July 2018 through July 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 July 2018 through July 2019 was provided.

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

Motion was made by Trustee Lightsey and seconded by Trustee Wise-Johnson to accept the BeneSys Barometers for July 2019 as provided. **Motion** passed unanimously.

B. BeneSys Cash Flow

BeneSys provided a cash flow for the Board to review.

Motion was made by Trustee Allen and seconded by Trustee Wise-Johnson to accept the BeneSys Cash Flow as provided. **Motion** passed unanimously.

VII. Financial Consultants

A. NEPC August 31, 2019 Performance Report

The NEPC August 31, 2019 Performance Report was provided for review.

Motion was made by Trustee Lightsey and seconded by Trustee Ewing to accept the NEPC August 31, 2019 Performance Report. **Motion** passed unanimously.

VIII. GRS Consulting

A. Actuarial Valuation Report as of December 31, 2018 – Final

Mr. Ken Alberts provided the final Actuarial Valuation Report for December 31, 2018, the report includes the adjustments requested by Board.

Motion was made by Trustee Allen and seconded by Trustee Ewing to accept the December 31, 2018 Actuarial Valuation Report as presented. **Motion** passed unanimously.

IX. Legal

1. Plan Administration & Benefits Related Matters

a. Michigan Insurance Assessment Tax

Attorney Castle provided a draft letter requesting a refund of the repealed insurance assessment tax.

Motion was made by Trustee Ewing and seconded by Trustee Wise-Johnson to approve the draft letter as presented. **Motion** passed unanimously.

X. New Business - None -

XI. Unfinished Business

A. 2020 Open Enrollment

BeneSys provided a draft with the additional edits of the 2020 Open Enrollment materials. The Board provided additional feedback and will communicate additional edits to the materials to BeneSys.

B. 2020 Waive of HIF Confirmation

As requested, BeneSys provided confirmations from the vendors that they will be waiving the Health Insurance Fee for 2020.

C. 2020 Vendor Renewal Contracts – Signatures

BeneSys provided renewals for signature from HAP, Humana and Priority Health.

D. Michigan Insurance Assessment Tax

Discussed during Legal Report.

E. NEPC Rebalancing Chart

NEPC prepared a rebalancing chart that was provided to the Board for review.

F. Fund Transfer Process

NEPC provided a fund transfer process. The Board requested that the process be reviewed and agreed to by Mr. Darris Garoufalidis. In addition, they request that a notification is sent to the Board as confirmation after the transfer execution and should include where the funds are coming from.

G. Duplicate Pension Deductions

Ms. Gjorgjevski provided a report that was prepared for the duplicate pension deductions, there is additional work to be completed, BeneSys will continue to provide updates as they are available. Trustee Wise-Johnson would like to have this completed and refunds issued by mid-December 2019.

H. BeneSys Performance Report

Mr. Tim Mulligan was present to report on the BeneSys performance reports and assured the Board that they will be provided timely moving forward.

XII. Correspondence

A. Arena Capital Month-Account Statement - August 2019

Arena Capital provided a Capital Account Statement as of August 31, 2019.

B. Arena Capital Month End Performance - September 2019

Arena Capital provided a preliminary gross performance as of September 30, 2019.

XIII. Trustee Comment/Open Forum

Trustee Gayney and Chairman Sheehan advised the Board they will not be available for the next meeting scheduled for Tuesday October 22, 2019.

The Board moved to closed session at 2:03 p.m.

| The Board returned from closed session at 2:15 p.m.

XIV. Adjournment

| There being no further business a **Motion** was made by Trustee Allen and seconded by Trustee Ewing to adjourn the meeting at 2:20 p.m. **Motion** passed unanimously.

Respectfully submitted,

Violet Gjorgjevski, Assistant Plan Manager