



City of Detroit General Retiree Healthcare Trust

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

Tuesday, November 22, 2022, Regular Meeting

BeneSys, Inc., 700 Tower Drive, Troy, MI 48098

I. Call to order and Roll call

- A. A Regular meeting of the Board of 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; Trustee Chuck Gayney; Trustee Roger Cheek; Trustee Barbara Wise-Johnson: As four (4) Trustees are required to make a quorum and four (4) were present, Chairperson Sheehan declared a quorum and the meeting proceeded.
- C. **Others Present:** Dion Stevens (via phone); Floyd Allen (*via phone*); Kristi Tice, Brian Downs & Jennifer Moll (*Fifth Third Bank*); Kevin Leonard & Alexandra Sollers (*NEPC via phone*); Aaron Castle (*Legal via phone*); Jennifer Crosby and Violet Gjorgjevski (*BeneSys in person*).

II. Approval of Agenda

Motion was made by Trustee Wise Johnson and seconded by Trustee Gayney to approve the agenda. **Motion** passed unanimously.

III. Public Comment - None

IV. Regular Meeting Agenda

Approval of Minutes

A. Proposed October 25, 2022, regular meeting minutes

Motion was made by Trustee Gayney and seconded by Trustee Cheek to approve the minutes of October 25, 2022, as presented. **Motion** passed unanimously.

B. Proposed November 8, 2022, meeting notes

Motion was made by Trustee Wise Johnson and seconded by Trustee Cheek to approve the meeting notes of the November 8, 2022, as amended. **Motion** passed unanimously.

V. Fifth Third Bank

Kristi Tice, Brian Downs and Jennifer Moll address the Board to discuss the Earnings Credit Comparison from April 2022 to October 2022. The comparison shows that the Trust is receiving a better earning credit currently than it was previously this year.

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VI. Financial Reports

A. Fifth Third Statement – October 2022

Motion was made by Trustee Gayney and seconded by Trustee Wise Johnson to approve and accept the Fifth Third Statement for October 2022. **Motion** passed unanimously.

B. Principal Statement – September 2022

Motion was made by Trustee Gayney and seconded by Trustee Cheek to approve and accept the Principal Statement for September 2022. **Motion** passed unanimously.

C. Financial Statements – September 2022

Motion was made by Trustee Wise Johnson and seconded by Trustee Gayney to approve and accept the Financial Statements for September 2022. **Motion** passed unanimously.

E. Bills for Approval

Invoices in the aggregate amount of \$626,925.84 were presented for payment from: American Graphics (\$49,204.41); BCBS Dental (\$80,568.72); BCBS MA (\$248,315.60); BCN (\$35,042.26); BeneSys (\$38,371.03); Delta Dental (\$45,236.02); DENCAP (\$16,141.10); Golden Dental (\$19,857.77); Heritage Vision (\$19,043.52); Humana (\$11,448.10); Priority Health (\$866.63); Segal (\$45,041.00); VanOverbeke, Michaud & Timmony (\$4,149.50); VSP (\$13,640.18).

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

G. Fifth Third Bank Balance

Ms. Gjorgjevski provided the current cash balance from Fifth Third.

VII. Administrative Reports

A. BeneSys Barometers through September 2022

The BeneSys Barometers were provided as follows:

Eligible by Month - A report showing number of eligible members by month through the month of September 2022. 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 September 2022, was 6,019, which is a decrease of 3 eligible participants from August 2022.

Income and Expenses by Month - A report showing the income and expenses, excluding investment income, for the months of September 2020 thru September 2022, was provided. This report shows an expense of \$4,009,771 at the end September 2022.

Investment Income by Month - A report showing the investment gain/loss for the months of September 2020 thru September 2022 was provided.

Fund Assets - A report showing the assets and equity of the Fund for months of September 2020 through September 2022 was provided for review. This report shows both Assets and Fund Equity have decreased slightly.

Benefit and Operating Costs by Month – A report showing the total benefit and operating costs for the months of September 2020 through September 2022 was provided.

Benefit Premiums Paid – A report showing the total premiums paid for medical, dental and vision for the months of September 2020 through September 30, 2022, was reviewed.

Motion was made by Trustee Cheek and seconded by Trustee Wise Johnson to approve the BeneSys Barometers for September 2022 as presented. **Motion** passed unanimously.

B. BeneSys Claims Performance Report 3rd Quarter 2022

Ms. Crosby presented the Claims Accuracy Report to the Board for review. The Performance Guarantee for the 3rd Quarter 2022 was met by BeneSys.

C. Appeal

a. 2844982837

Ms. Gjorgjevski presented the Level 2 Appeal for participant 2844982837 to the Board. Discussion ensued amongst the Board members and BeneSys representatives regarding the Participant's Level 2 Appeal.

Motion was made by Trustee Gayney and seconded by Trustee Wise Johnson to deny the Level 2 Appeal based upon the fact that the Participant was not enrolled in the VEBA's HRA Plan for the 2021 Plan Year. **Motion** passed unanimously.

VII. Financial Consultants

A. Plan Performance Review – Quarter Ending September 30, 2022

Mr. Leonard presented the plan performance review for quarter ending September 30, 2022 to the Board. The Trust has returned -13.8% YTD through October. The equity composite has returned -20.9% YTD, fixed income has returned -8.7%, REITs have returned -25.2% and GAA has returned -10.8%. The long-term Policy Index is 33% to equities, 44% to fixed income, 5% to REITs, 17% to GAA, 1% to cash. The trailing 3-year portfolio return is 2.4% through October. Since inception the Trust has returned 3.1%. Fixed income has performed very well in 2022, on a relative basis. Arena has outperformed its benchmark by 1.7% YTD through July, Garcia Hamilton has outperformed its benchmark by 1.2% and Blackrock SIO has outperformed its benchmark by 13.2%.

Motion was made by Trustee Gayney and seconded by Trustee Wise Johnson to transfer \$1.5 million from the Principal account to Fifth Third for payment of invoices. **Motion** passed unanimously

VIII. Benefit Consultant - None

IX. Legal Report - None

X. New Business - None

XI. Unfinished Business

A. Humana COVID Credit

BeneSys provided Humana's response to their questions regarding the COVID credit they received.

B. Fiduciary Liability Policy 2023

BeneSys provided the Board with the 2023 Renewal of the Fiduciary Liability Policy.

Motion was made by Trustee Wise Johnson and seconded by Trustee Gayney to bind the Fiduciary Liability Renewal as presented by Segal. **Motion** passed unanimously.

C. Humana Response to Letter from the Board

Benesys provided the written response to the Board from Humana.

D. BeneSys Agreement Renewal 2023

BeneSys provided their Agreement Renewal for 2023 to the Board.

E. Pension Report – Eligibility Dates for Early Retirees

This item is pending.

F. Service Provider Review – BeneSys, Inc.

This item is pending.

XII. Correspondence

A. BeneSys DOL Cybersecurity Program Response Q4 2022.

XIII. Trustee Comment/Open Forum

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 2:21 p.m. **Motion** passed unanimously.

Respectfully submitted,

Jennifer Crosby, Plan Associate