



City of Detroit General Retiree Healthcare Trust

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

Tuesday, February 11, 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 1:05 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 (via phone); 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:** Francis Judd (*Legal*), Dean Carlson (*BeneSys*), Violet Gjorgjevski (*BeneSys*), Jennifer Crosby (*Benesys*), Kristi Tice (*Fifth Third Bank*), Brian Downs (*Fifth Third Bank*) and Paul Kenney (*NEPC*)

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

- A. **Fifth Third Bank – Kristi Tice and Brian Downs**
 - i. **Introduction to the Board**
 - ii. **Confirmation that 1099 Misc. were received**

IV. Regular Meeting Agenda

Approval of Minutes

A. Proposed December 10, 2019 regular meeting minutes

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

B. Proposed January 14, 2020 regular meeting minutes

Motion was made by Trustee Lightsey and seconded by Trustee Gayney to approve the minutes of January 14, 2020 regular meeting as presented. **Motion** passed unanimously.

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V. Financial Reports

A. Fifth Third Trust Statement – January 2020

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

B. Wells Fargo Trust Statement – December 2019

December 2019 Trust Statement for Wells Fargo was provided and reviewed. The Board pointed out that they should receive an itemized Summary of Accounts that identifies assets.

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

C. October & November 2019 Financials

Assets

The October 2019 Financials were provided. The total unaudited fund equity as of October 31, 2019 was \$201,159,630.

The November 2019 Financials were provided. The total unaudited fund equity as of November 30, 2019 was \$202,849,867.

Income and Expenses

The Income and Expenses report for October 2019 was provided. There was a net fund increase as of October 31, 2019 of \$1,730,260.

The Income and Expenses report for November 2019 was provided. There was a net fund increase as of November 30, 2019 of \$880,741.

Motion was made by Trustee Allen and seconded by Trustee Lightsey to accept the October & November 2019 Financial Statements as provided. **Motion** passed unanimously.

D. Bills for Approval

Invoices in the aggregate amount of \$1,077,801.12 were presented for payment from: BCBS Dental (\$186,780.59); BCBS MA (\$445,328.80); BeneSys (\$42,612.25); Blue Care Network (\$63,701.56); Delta Dental (\$53,998.18); DENCAP (\$18,223.40); Golden Dental (\$23,181.39); GRS (\$2,055.00); HAP (\$162,920.28); Heritage Vision (\$23,687.70); HUMANA (\$16,539.00); Priority Health (\$1,437.48); VanOverbeke Michaud & Timmony (\$3,569.00); VSP (\$29,837.24); Wells Fargo Bank (\$3,929.25).

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

E. 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 November 2019

The BeneSys Barometers were provided as follows:

Eligible by Month - A report showing number of eligible members by month through the month of November 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 September 2019, was 7,387, which is a decrease of 332 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 November 2017 thru November 2019, was provided. This report shows an expense of \$8,830,436 in the current Plan Year as of October 31, 2019.

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

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

Benefit Premiums Paid – A report showing the total premiums paid for medical, dental and vision for the months of November 2017 through November 30, 2019 was reviewed.

VII. Financial Consultants

A. NEPC Cover Letter

NEPC provided four potential candidates for global public equity managers. Presentation given by Mr. Kenney on active vs. passive manager results in the international space to assess whether the Board would like to add an active allocation to complement the existing passive exposure. Potential Managers: Acadian Non-US All Cap, Ariel International Equity, JOHCM International Select, and First Eagle.

B. NEPC Quarter Ending December 31, 2019 Summary

December Performance – Trustee Gayney pointed out that the back office should not be making changes without Board permission.

NEPC confirmed that Wells Fargo is not participating in securities lending. The Board requested a fee breakdown of what all funds are charging the trust once annually. In addition, Trustee Gayney requested commentary on credit market next presentation in April.

Motion was made by Trustee Gayney and seconded by Trustee Ewing to approve and authorize 50% of allocation into the Acadian Non-US All Cap Fund. **Motion** passed unanimously.

VIII. GRS Consulting - None

IX. Legal

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

A. Plan Administration & Benefits Related Matters

- i. 2020 Data Collection/Data Request from GRS. GRS and BeneSys are scheduled to meet on Thursday, February 13, 2020. Board stressed timeliness in Benesys providing requested information to GRS.

B. Investment Related Matters

- i. Swap Financial/Police & Fire VEBA Board **did** retain the services of Swap Financial (Nat Singer) to assist and advise with respect to potential monetization of the P&F VEBA's B Notes. The COD General Retiree VEBA's best interests are to take precedence over the Police & Fire VEBA's.

C. Other Legal Matters

- i. Professional Service Provider Review

Motion was made by Trustee Gayney and seconded by Trustee Wise-Johnson to select BeneSys as the next Service Provider to be reviewed. **Motion** passed unanimously.

X. New Business - None

XI. Unfinished Business

A. Plante Moran Extra Fee for 2018 Audit

Benesys is continuing to gather details regarding the extra fees as Benesys feels that the extra work was part of the normal follow-up process after Plante Moran completed its onsite field work. A written response will be forthcoming.

B. Insurance Provider Assessment Tax follow-up

Letter from Heritage Vision plans informing the VEBA that they absorbed the cost from the Insurance Provider Assessment Act.

C. NEPC Discussion

Trustee Gayney requested a fee breakdown of what all funds are charging the trust to be presented once annually, commentary on the credit market and additional information on REITs to be presented in April 2020.

D. B-Notes

The Board requested to add to agenda for continued discussion.

XII. Correspondence

A. Wells Fargo IRT Custody Integration to Principle Update

The Board discussed the Custody Integration Updates provided by Wells Fargo. Violet will forward the information to Paul Kenney at NEPC.

B. Certificate of Liability Insurance

Benesys presented the Certificate of Liability Insurance for information purposes.

C. Delta Dental Commission – December 2019

December 2019 Delta Dental Commission was presented.

XIII. Trustee Comment/Open Forum

The Board discussed cancelling the next Board meeting on Tuesday, February 25, 2020 unless action items arise and at that time the meeting will be held. The next scheduled meeting is now Tuesday March 10, 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 3:00 p.m. **Motion** passed unanimously.

Respectfully submitted,

Jennifer Crosby, Plan Associate