



City of Detroit General Retiree Healthcare Trust

City of Detroit General Retiree Healthcare (RHC) Trust Meeting Minutes
Tuesday, January 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 Thomas Sheehan at 1:03 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; 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 in regular order.
- C. **Others Present:** Aaron Castle (*General Counsel – VanOverbeke, Michaud, & Timmony, PC*); Samarah Murray and Violet Gjorgjevski (*BeneSys*).

II. Approval of Agenda

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

III. Public Comment - None -

IV. Regular Meeting Agenda

Approval of Minutes

A. Proposed December 11, 2018 regular meeting minutes

Motion was made by Trustee Allen and seconded by Trustee Gayney to approve the minutes of the December 11, 2018 regular meeting minutes as presented. **Motion** passed unanimously.

V. Financial Reports

A. Fifth Third trust Statement - December 2018

December 2018 Trust Statement for Fifth Third was provided and reviewed.

Motion was made by Trustee Allen and seconded by Trustee Gayney to accept the statement as provided. **Motion** passed unanimously.

P.O. Box 4955 ♦ Troy, MI 48099-4955

Phone 248-641-4913 ♦ Facsimile 248-813-9898 ♦ Toll Free 844-563-8911

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B. Wells Fargo Trust Statement – November 2018

November 2018 Trust Statement for Wells Fargo was provided and reviewed.

Motion was made by Trustee Allen and seconded by Trustee Gayney to accept the statement as provided. **Motion** passed unanimously.

C. Wilmington Trust Account Closing Payment

A Check was presented from Wilmington Trust for a balance left in the account after closing.

D. October 2018 Financials

Assets

The October 2018 Financials were provided. The total unaudited fund equity as of October 31, 2018 was \$196,094,592.

Income and Expenses

The Income and Expenses report for October 2018 were provided. There was a net fund increase as of October 31, 2018 of \$1,074,683.

Motion was made by Trustee Gayney and seconded by Trustee Allen to accept the report as provided. **Motion** passed unanimously.

E. Bills for Approval

Invoices in the aggregate amount of \$1,085,472.13 were presented for payment from: BCBS Dental (\$91,245.57); BCBS MA (\$456,466.26); Blue Care Network (\$74,538.10); BeneSys (\$48,541.84); Delta Dental (\$53,253.32); DENCAP (\$18,615.30); Golden Dental (\$24,062.85); GRS (\$187.50); HAP (\$226,803.84); Humana (\$8,210.25); NEPC (\$16,154.88); Segal Select Insurance (\$48,255.00); Swap Financial Group (\$4,500.00); VSP (\$14,637.42).

Motion was made by Trustee Gayney and seconded by Trustee Allen to approve and authorize payment of the invoices, with the following invoice on hold for further review; GRS (\$187.50) and subject to availability of funds. **Motion** passed unanimously.

VI. Administrative Reports

A. BeneSys Barometers through October 2018

The BeneSys Barometers were provided as follows:

Eligible by Month - A report showing number of eligible members by month through the month of October 2018. This report reflects the breakdown of eligible members by HRA, HAP, Blue Care Network, and Blue Cross Blue Shield Medicare Advantage, and a total of all participants. The number of total eligible participants, as of October 2018, was 7,732, which is a decrease of 208 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 October 2017 thru October 2018, was provided. This report shows a loss of \$6,774,490.00 in the current Plan Year as of October 31, 2018.

Investment Income by Month - A report showing the investment gain/loss for the months of October 2017 thru October 2018 was provided.

Fund Assets - A report showing the assets and equity of the Fund for months of January 2016 through October 2018 was provided for review. This report shows both assets and Fund equity remain steady.

Benefit and Operating Costs by Month – A report showing the total benefit and operating costs for the months of January 2016 through October 2018 was provided.

Benefit Premiums Paid – A report showing the total premiums paid for medical, dental and vision for the months of January 2016 through October 30, 2018 was reviewed.

VII. Financial Consultants

A. NEPC

Updated Performance Update – November 2018

Mr. Kenney provided an updated November 2018 Performance Update for review.

B. Updated B Notes Amortization

An updated Amortization table was provided from the City for review.

VIII. Legal

PLAN ADMINISTRATION & BENEFITS RELATED MATTERS

A. BCBS / BCN Contract Renewal

Attorney Castle provided a copy of the renewal with his comments that has been sent to BCBS/BCN and noted that he is waiting for a response.

B. BeneSys Contract Renewal

Attorney Castle reviewed the Amendment to the Administrative Services Agreement with BeneSys, the Amendment has been presented for Board signatures.

INVESTMENT RELATED MATTERS

A. Investment Consultant RFP

Attorney Castle presented a draft RFP for Investment Consulting Services. The Board provided feedback on some edits as well as information on which other Consulting Groups should receive the RFP.

Motion was made by Trustee Gayney and seconded by Trustee Wise-Johnson to proceed with the RFP process. **Motion** passed 5 ayes; 2 nays, Chairman Sheehan and Trustee Ewing voted nay.

B. Investment Consulting Services Agreement

Attorney Castle provided a copy of the First Amended and Restated Investment Consulting Services Agreement for the Board to review and bring back at the following meeting for discussion.

IX. Correspondence

A. Blue Care Network Low Income Subsidy Report

December 2018 Blue Care Network Low Income Subsidy Report was presented.

B. Blue Care Network Low Income Subsidy Report

November 2015 Blue Care Network Low Income Subsidy Report was presented.

C. Blue Cross Blue Shield Laptop Incident

BeneSys provided communication from BCBS regarding a Laptop Incident. They have identified members who were affected by an incident where a laptop was stolen from a Blue Cross subsidiary employee. BCBS also provided the letters that were sent to members that were affected. The Board has requested that BeneSys follow up with BCBS to provide a list of affected members.

X. Unfinished Business

A. BeneSys Performance Standards and Guarantees

Trustee Gayney provided some feedback on the report presented by Mr. Crowley at the December 8th, 2018 meeting. Ms. Murray to follow up with Mr. Crowley and provide a response to Trustee Gayney's feedback.

XI. New Business

A. 2019 Trustee Elections

Discussion ensued regarding the Trust Officers for 2019. Trustee Gayney nominated Barbara Wise-Johnson for Chairperson, Trustee Lightsey nominated Thomas Sheehan to remain as Chairperson. A vote was taken where Thomas Sheehan was elected to remain as Chairperson 4 to 3. The Vice-Chairperson will remain as Barbara Wise-Johnson and the Secretary will remain as Doris Ewing.

Motion was made by Trustee Lightsey and seconded by Trustee Allen to elect Thomas Sheehan as Chairperson. Barbara Wise-Johnson elected as Vice-Chairperson and Doris Ewing elected as Secretary. **Motion** passed unanimously.

B. Priority Health Request

BeneSys provided a request from Priority Health for final enrollment numbers for each plan. The Board advised BeneSys to provide the information once the final numbers are available.

XII. Trustee Comment/Open Forum

Trustee Wise-Johnson provided additional information regarding those members who receive more than one pension check and show duplicate deductions for Medical, Dental and/or Vision. She provided a list to BeneSys of those that have been identified for review.

XIII. Adjournment

There being no further business a **Motion** was made by Trustee Allen and seconded by Trustee Lightsey to adjourn the meeting at 2:30 p.m. **Motion** passed unanimously.

Respectfully submitted,

Violet Gjorgjevski, Plan Associate