



City of Detroit General Retiree Healthcare Trust

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

Tuesday, August 27, 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 1:01 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 (excused). 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:** Aaron Castle (*Legal*), Dean Carlson and Violet Gjorgjevski (*BeneSys*).

II. Approval of Agenda

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

III. Public Comment - None -

IV. Regular Meeting Agenda

Approval of Minutes

A. Proposed August 13, 2019 regular meeting minutes

Motion was made by Trustee Cheek and seconded by Trustee Wise-Johnson to approve the minutes of the August 13, 2019 regular meeting minutes as presented. **Motion** passed unanimously.

B. Proposed August 13, 2019 Closed Session meeting minutes

Motion was made by Trustee Cheek and seconded by Trustee Wise-Johnson to approve the minutes of the August 13, 2019 Closed Session meeting minutes as presented. **Motion** passed unanimously.

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V. Financial Reports

A. Wells Fargo Trust Statement - June 2019

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

B. Fifth Third Trust Statement - July 2019

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

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

C. May & June 2019 Financials

Assets

The May and June 2019 Financials were provided. The total unaudited fund equity as of June 30, 2019 was \$202,786,028.

Income and Expenses

The Income and Expenses report for May and June 2019 was provided. There was a net fund increase as of June 30, 2019 of \$2,278,469.

D. Bills for Approval

Invoices in the aggregate amount of \$870,655.87 were presented for payment from: BCBS Dental (\$89,768.57); BCBSMA (\$450,758.70); Blue Care Network (\$69,609.30); DENCAP (\$18,680.80); Fifth Third Bank (\$6,000.00); Golden Dental (\$23,017.58); HAP (\$212,180.32); Priority Health (\$640.60).

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

E. Fifth Third Bank Balances

Ms. Gjorgjevski provided documents from Fifth Third showing the balances in the accounts to ensure funds are available to submit invoices for payment and benefit payments to retirees.

VI. Administrative Reports

A. BeneSys Barometers through June 2019

The BeneSys Barometers were provided as follows:

Eligible by Month - A report showing number of eligible members by month through the month of June 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 June 2019, was 7,438, which is a decrease of 209 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 June 2017 thru June 2019, was provided. This report shows a loss of \$4,506,807 in the current Plan Year as of June 30, 2019.

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

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

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

VII. Financial Consultants - None -

VIII. GRS Consulting - None -

IX. Legal - None -

X. New Business

A. 2020 Open Enrollment

BeneSys provided a draft copy of the 2020 Open Enrollment materials for the Board to review and provide comments and changes as well as determine the Open Enrollment period for 2020. The Open Enrollment period was set for Monday October 21, 2019 through Friday November 15, 2019. Ms. Gjorgjevski to make edits and bring back for Board review.

XI. Unfinished Business

A. Appeal 2710889213 – Level 2

BeneSys provided additional information for the Level 2 appeal for # 2710889213 that was requested. The Board reviewed the information provided.

Motion was made by Trustee Gayney and seconded by Trustee Ewing to approve payment of the 2016 and 2017 HRA claims and to deny payment of the 2015 HRA claims as untimely. **Motion** passed unanimously.

B. 2020 Renewals

BeneSys provided renewal rates for the 2020 Plan Year for all current Medical, Dental and Vision Vendors.

The Board requested that BeneSys or GRS reach out to the Medical Vendors to prepare in writing that the Health Insurance Fee will be waived for 2020.

C. Duplicate Pension Deductions

BeneSys was asked to provide a list of members who were refunded for double deductions, how much they were refunded and when they were refunded. BeneSys continues to further research and will provide a list as it is completed.

D. Performance Guarantee

Mr. Garoufalos along with BeneSys Legal Counsel and Mr. Castle are working to finalize the Performance Guarantee.

XII. Correspondence

A. Blue Care Network Low Income Subsidy Report - July 2019

BeneSys presented the July 2019 Blue Care Network Low Income Subsidy Report.

B. Humana Communication - August 2019

BeneSys presented a Humana Communication for August 2019.

XIII. Trustee Comment/Open Forum

A. Michigan Insurance Assessment Tax

Attorney Castle is currently reviewing the VEBA's insurance agreements to ensure the VEBA receives any refunds it may be entitled to due to the repeal of the Michigan Insurance Assessment Tax.

B. NEPC Rebalancing Chart

Trustee Gayney asked that BeneSys work with NEPC to provide a rebalancing chart that shows how much the Trust started with, what has been moved or transferred and the current balance.

C. Fund Transfer Process

The Board requested that BeneSys provide a process on how it communicates with NEPC when funds are needed for benefit payments and how the transfer is executed.

XIV. Adjournment

There being no further business a **Motion** was made by Trustee Gayney and seconded by Trustee Ewing to adjourn the meeting at 2:18 p.m. **Motion** passed unanimously.

Respectfully submitted,

Violet Gjorgjevski, Plan Associate