Industry And Local 338
Welfare Fund

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Minutes of the Meeting of the Board of Trustees

Held on September 13, 2018
via
Conference Call

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEES**
Lori Polesel	Chris Palmer
Barry Russell	

Also present were:

Russell Bley – The Segal Company
Pat Blizzard – SEI Institutional Group
Alicia Cochran – Associated Administrators, LLC
Deborah Dubbs – Associated Administrators, LLC
Elizabeth O'Leary, Esq. – Kauff McGuire & Margolis LLP

I. CALL TO ORDER

The meeting was called to order at 10:46 a.m.

II. INVESTMENT CONSULTANT REPORT

Mr. Patrick Blizzard of SEI led this section of the meeting. The SEI report was distributed electronically prior to the conference call.

Mr. Blizzard discussed the firm's investment outlook and provided an overview of the capital markets.

Mr. Blizzard reported that the Welfare Fund's market value of assets was $7,419,859 as of July 31, 2018, and its fiscal year-to-date rate of return was 0.78%, compared to the 0.74% return for the index. Since inception with SEI (01/31/11), the rate of return was 4.93%, compared to the 3.99% return for the index. The asset allocation is 1.00% Small Cap Fund, 4.20% Large Cap Index Fund, 2.00% High Yield Bond Fund, 3.10% Dynamic Asset Allocation Fund, 29.80% Core Fixed Income Fund, 14.90% Limited Duration Fund, 6.10% World Equity Ex-US Fund, 5.10% US Equity Factor Allocation Fund, 2.00% Emerging Markets Equity Fund, 14.90% Ultra Short Duration, 14.90% Opportunistic Income Fund, 2.00% Emerging Markets Debt Fund, 0% cash and equivalents.

Following discussion, the Trustees thanked Mr. Blizzard for his report.

III. APPROVAL OF MINUTES

The minutes of the meeting held on June 7, 2018, which were previously distributed, were reviewed.

MOTION was made, seconded and unanimously adopted to approve the minutes of the meeting held on June 7, 2018.

IV. ASSOCIATED ADMINISTRATORS, LLC REPORT

A. Cash Operating Statement

Ms. Cochran submitted the Cash Operating Statement from July 1, 2017 through June 30, 2018. The report is attached hereto as Exhibit "A."

B. Disbursement Report

Ms. Cochran referred to the Authorization for Disbursements report for the months of April, May and June 2018. The reports are attached hereto as Exhibit "B."

MOTION was made, seconded and unanimously adopted authorizing the disbursements listed in Exhibit "B."

C. Delinquency Report

Ms. Cochran reviewed the report in detail. The report is attached hereto as Exhibit "C."

D. Employer Contribution Rate Report

Ms. Cochran reviewed the report in detail. The report is attached hereto as Exhibit "D."

E. Active Members Receiving Benefits

Ms. Cochran referred to the report for the period from January 2018 through December 2018. The report is attached hereto as Exhibit "E."

F. Administrative Manager's Report

Ms. Cochran reviewed the report in detail. The report is attached hereto as Exhibit "F."

G. Cyber Liability Renewal

Ms. Cochran referred to a Memorandum provided by Segal Select Insurance ("Segal Select") regarding Cyber Liability Insurance. The Memorandum is attached hereto as Exhibit "G." She noted that Segal Select requested proposals from Travelers and Axis. Ms. Cochran said that Segal Select recommended the policy with Travelers at the $1 million aggregate, based on the option of full prior acts coverage, competitive retention and premium.

MOTION was made, seconded and unanimously adopted approving the recommendation of Segal Select to approve the Travelers proposal at the $1 million aggregate for an annual premium of $1,787.00 for the period October 4, 2018 through October 4, 2019.

H. Paraco Gas Corporation Collective Bargaining Agreement ("CBA")

Ms. Cochran reported on the CBA between Paraco Gas Corporation and Teamsters Local Union 445 ("Union") for the period February 1, 2018 through January 31, 2018. She noted that there are no changes in the contribution rate, which will remain $296.00 per week for the duration of the contract.

I. First Student, Pine Bush Collective Bargaining Agreement ("CBA")

Ms. Cochran reported the CBA between First Student, Pine Bush and Teamsters Local Union 445 ("Union") for the period September 1, 2017 through August 31, 2020. Ms. Cochran stated, due to the reduction in the contribution rate from $314.00 to $280.00 per week, there is an overpayment in the amount of $11,118.00 for the period April 1, 2017 through May 31, 2018. Ms. Cochran reported that the Union notified the Fund Office that the CBA was assumed by Birnie Bus effective July 1, 2018. She noted that the employer is not affiliated with the Union and that in accordance with the Fund's rules, eligibility for those participants was terminated on June 30, 2018. The Trustees directed the Administrative Manager to contact the auditor to schedule an exit audit and note the overpayment for the period April 1, 2017 through May 31, 2018.

J. ACA Update – Express Scripts

Ms. Cochran reported that the Fund Office became aware that the Pharmacy Benefit Manager, Express Scripts', did not have the Fund set up as a non-grandfathered plan.

Ms. Cochran said that Fund lost grandfathered status under the Affordable Care Act ("ACA") on March 1, 2012. She said that Express Scripts performed an internal audit of their records to review the participant and Fund impact of prescriptions that should have been covered by the Fund with no cost sharing to the participant in accordance with the ACA. Ms. Cochran said the internal audit produced a total Fund impact of $14, 571.76. She said that Express Scripts confirmed that refund checks were mailed to the affected participants in accordance with the findings.

K. Patient-Centered Outcomes Research Institute ("PCORI") fee

Ms. Cochran said the Trustees approved the snapshot method for the July 31, 2018 filing to determine the average number of lives covered under the Plan. She said the fee is $2.26 multiplied by the average number of lives covered under the Plan. Ms. Cochran said the auditor prepared the Form 720 and payment in the amount of $919.82 was mailed on July 27, 2018.

L. Request for Census Data by the International Brotherhood of Teamsters

Ms. Cochran reported that the Fund has received the annual request from the International Brotherhood of Teamsters seeking census data from the Fund. The Trustees authorized Associated to provide the requested information.

V. CONSULTANT REPORT

A. Pharmacy Benefits Manager (PBM)

Mr. Bley discussed the current PBM arrangement with the New York Labor Health Care Alliance (NYLHCA) coalition with ESI. He noted that Segal requested ESI provide a comparison of the impact of the new terms effective August 1, 2018. He also noted that the coalition has an agreement with an alternative PBM, Optum Rx and suggested that the coalition provide those as well that Segal can review. Mr. Bley commented that due to the size of the Fund the best terms are likely from a coalition arrangement or one of the smaller PBMs. However, in order to evaluate the market it would be necessary to solicit proposals. Following discussion, the Trustees agreed to first see a comparison of the pricing terms from the NYHCA.

B. NYS Paid Family Leave (PFL)

Mr. Bley reported that, for the NYS Paid Family Leave (PFL), the benefit is anticipated to increase, effective January 1, 2019, and will likely be renewed with the Disability (DBL) policy, effective January 1, 2019. He noted that a renewal proposal would be presented to the Trustees during the December 6, 2018 conference call.

VI. COUNSEL REPORT

To be provided by Counsel.

VII. NEXT MEETING DATE/ADJOURNMENT

The next regular meeting of the Board of Trustees is scheduled for Thursday, December 6, 2018 by conference call. With no further business to come before the Board, the meeting was adjourned at 11:31 a.m.

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Union Trustee	Employer Trustee
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Union Trustee	Employer Trustee

Exhibits

A – Cash Operating Statement

B – Authorization for Disbursements

C – Delinquency and Withdrawal Liability Report

D – Employer Contribution Report

E – Active Members Report

F – Administrative Manager’s Report

G – Cyber Liability Renewal