School Cafeteria Employees UNITEHERE Local No. 634
Health & Welfare Fund

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Minutes of the Meeting of the Board of Trustees
Held on Thursday, October 10, 2019
In the Offices of Willig, Williams & Davidson
Philadelphia, Pennsylvania

Present Were:	Nicole Hunt, Warren Heyman and Michael Royal – Union Trustees
	Wayne Grasela, Lisa Norton and Susan Hancock – Management Trustees
Also Present Were:	Deborah R. Willig, Esq. and Kelly Brogan, Esq. of Willig, Williams & Davidson – Legal Counsel; Frank Iannucci of Summit Actuarial Services – Fund Consultant; Kathleen Jackson, CPA and Dan Ohlemiller of Novak Francella, LLC; Alicia Cochran of Associated Administrators, LLC – Administrative Manager; Matthew Walker[1], CFA of The Philadelphia Trust Company

The meeting was called to order at 10:30 a.m. with Ms. Hunt presiding as Chairperson. Notice of this meeting was communicated prior to the date of the meeting. A quorum was present.

I. The minutes of the meeting of the Board of Trustees held on July 11, 2019 as revised by Fund Counsel were discussed.

MOTION was made and seconded to adopt the minutes of the meeting of the Board of Trustees held on July 11, 2019 as revised.

UNANIMOUSLY ADOPTED

[1] Present for the investment report only.

II. **Investment Manager's Report.** Mr. Walker presented the Investment Manager's report and stated the following: As of September 30, 2019, the composite return for total Fund assets was 6.55% YTD. Total assets held in the discretionary account were $1,740,257.12. Total assets held in the non-discretionary account were $9,320.77. Assets in the discretionary account were allocated 55.0% to fixed income, 24.8% to equities and 20.2% to cash and equivalents.

III. **Fund Consultant's Report.** Mr. Iannucci discussed that according to the Affordable Care Act (ACA), the out-of-pocket maximums are increasing to $8,150 per individual and $16,300 per family for the year 2020. He said the Fund currently has the following prescription out-of-pocket maximums: $1,600 per individual and $3,200 per family. He said there is no requirement to increase the current limits. Mr. Iannucci said based on the current plan design it was unlikely an individual would hit the current limits and therefore recommended no change in the limits.

MOTION was made and seconded to approve the recommendation of Mr. Iannucci and not increase the out-of-pocket maximum effective January 1, 2020.

UNANIMOUSLY ADOPTED

Mr. Iannucci discussed the Aggregate Stop Loss coverage and provided a document with the data needed by Pennjerdel Insurance in order to obtain proposals. He noted his office is exploring other options to reduce prescription costs including a coupon based alternative and specialty drug program.

MOTION was made and seconded to approve the recommendation of Mr. Iannucci to provide the requested data to Pennjerdel to obtain proposals.

UNANIMOUSLY ADOPTED

It was noted that a Business Associates Agreement would be required between the Fund and Pennjerdel in order to provide the requested data.

Mr. Iannucci reported that his office was in the process of determining the COBRA rates for January 1, 2020, and that rates would likely be unchanged from 2019.

IV. **Fund Auditor's Report.** Ms. Jackson presented an engagement letter from Novak Francella, LLC for auditing services for the September 1, 2018 to August 31, 2019 fiscal year. The costs of services increased by $500 from the last fiscal year, not to exceed $17,800.00.

MOTION was made and seconded to engage Novak Francella, LLC for auditing services for the 2018-

2019 fiscal year under the terms of the engagement letter.

UNANIMOUSLY ADOPTED

V. **Fund Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for FY 2018-2019, as of August 31, 2019, with a comparative report for FY 2017-2018. Receipts and disbursements for the period were reviewed, with the Fund experiencing a deficit of $205,258.42 compared to a deficit of $224,671.60 for the prior period.

A report was presented showing the total Fund balance through August 31, 2019 was $1,976,296.50.

A report was presented detailing the number of eligible employees as of May 24, 2019 - 849 Cafeteria Workers and 1,089 Student Climate Staff for a total of 1,938 employees.

A COBRA report was presented for January 1, 2019 through August 31, 2019 stating that there were a total of 131 COBRA notices sent, with one new COBRA enrollee in the month of July.

A dental claims report for Cafeteria Workers and Student Climate Staff for January 1, 2019 through August 31, 2019 was presented. Total charges paid were $56,879.00 on 1,122 claims for Cafeteria Workers and $32,473.90 on 585 claims for Student Climate Staff.

A report of orthotic claims paid for the period January 1, 2019 through August 31, 2019 was presented. Orthotic claims paid to date for Cafeteria Workers totaled $5,645.00 and $2,770.00 for Student Climate Staff.

A report of wig claims paid for the period January 1, 2019 through August 31, 2019 was presented. Wig claims paid to date for Cafeteria Workers totaled $200.00. Claims paid to date for Student Climate Staff totaled $102.16.

Ms. Cochran presented a utilization report prepared by Guardian Nurses for the period July 1, 2019 through September 30, 2019. The report reflected utilization of 1 hour for the quarter.

VI. **Bills:** Ms. Cochran said that there are no invoices to be presented at today's meeting.

VII. **Fund Counsel's Report.** Ms. Brogan stated that she was continuing to work on the BeneCard agreement.

VIII. **Other Business.** Ms. Cochran reported the following: The fiduciary liability policy was renewed September 6, 2019. The premium paid was $4,157.00. Payments for the waiver of recourse were emailed to the Trustees on September 24, 2019.

The PCORI fee for the 2018 Plan year, imposed by the Affordable Care Act for self-insured group plans, was mailed on July 31, 2019. The amount paid was $6,209.22.

The Fund received the 2020 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee is $1,065.00.

In accordance with the Fund's past practice, $80,000.00 was requested from investments held at The Philadelphia Trust Company to cover expenses. The transfer was received on September 4, 2019.

IX. The date of the next regular Board meeting was scheduled for Thursday, January 16, 2020. The meeting will convene at 10:00 a.m. and will be held in the offices of Willig, Williams & Davidson, 1845 Walnut Street, 24th floor, in Philadelphia, PA.

X. There being no further business before the Board of Trustees, the meeting was adjourned.

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Union Trustee

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School District Trustee