

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, January 17, 2019

In the Offices of Willig, Williams & Davidson

Philadelphia, Pennsylvania

Present Were:

Nicole Hunt, Michael Royal, and Warren Heyman –
Union Trustees

Wayne Grasela, Susan Hancock, and Lisa Norton –
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 – Administrative
Manager

The meeting was called to order at 10:00 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.

The Trustees welcomed Ms. Susan Hancock and Ms. Lisa Norton to the meeting. Ms. Willig discussed Trustee education, including the International Foundation Employees Benefit Conferences and a training session provided by Ms. Brogan.

- I. The minutes of the meeting of the Board of Trustees held on October 5, 2018 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 October 5, 2018 as revised.

UNANIMOUSLY ADOPTED

- II. **Investment Manager's Report.** Ms. Brogan presented the Investment Manager's report and stated the following: As of December 31, 2018, the composite return for total Fund assets was 0.66 % YTD. Total assets held in the discretionary account were \$1,823,043.34. Total assets held in the non-discretionary account were \$9,104.86. Assets in the discretionary account were allocated 71.1% in fixed income, 22.6% to equities and 6.3% to cash and equivalents.
- III. **Fund Auditor's Report.** Ms. Jackson distributed a draft of the audited financial statements for Plan year ended August 31, 2018. Net assets available for benefits on August 31, 2018 were \$2,165,726 compared to \$2,341,402 on August 31, 2017. Ms. Jackson noted that Plan expenses decreased approximately \$250,000 mainly as a result of the transition of the Pharmacy Benefit Manager from EnvisionsRx to BeneCard, which provided the Fund with better drug pricing.

MOTION was made and seconded to accept the draft of the audited financial statements for Plan year ended August 31, 2018.

UNANIMOUSLY APPROVED

Ms. Jackson presented a draft Form 990 for the Plan year ended August 31, 2018 and said that the Form will be filed with the IRS electronically.

Ms. Jackson presented a payroll engagement letter for the audit of the School District's payroll records for 2017 and 2018. The purpose of the audit is to confirm that accuracy of contribution payments to the School District's payroll records.

MOTION was made and seconded to engage Novak Francella to conduct a payroll audit of the Philadelphia School District for 2017 and 2018.

UNANIMOUSLY ADOPTED

- IV. **Fund Actuary's Report:** Mr. Iannucci distributed the COBRA rates for January 1, 2019, and said that there is no change in the rates from 2018.
- V. **Fund Manager's Report.** Ms. Cochran reported the following: Mr. Steve Van Duyne confirmed that the WHRCA and Grandfather Notice were mailed to all participants in December. She said that the mailing included the welcome letter from Associated Administrators which announced the transition, effective January 1, 2019, of the administrative services of the Fund.

The filing requirements associated with the Fund's 2018 data, Form 1099, Form 1095-B and tax withholdings for the fourth quarter 2018 will be handled by Fabian & Byrn, LLC.

The final electronic data was received on January 15, 2019 from Fabian & Byrn along with the paper files transferred to Associated Administrators on January 11, 2019.

An unaudited statement of cash receipts and cash disbursements for FY 2017-2018 was provided by Fabian & Byrn, LLC and presented with a comparative report for FY 2016-2017. Receipts and disbursements for the period were reviewed with the Fund experiencing a negative cash flow of \$9,444.04 compared to a negative cash flow of \$17,981.34 for the prior period.

A report was provided by the School District which detailed the number of eligible employees as of December 24, 2018 - 830 Cafeteria Employees and 1,049 Student Climate Staff for a total of 1,879 employees.

A dental claims report for Cafeteria Employees and Student Climate Staff for September 1, 2018 to August 31, 2019 was provided by Fabian & Byrn, LLC and presented. Total charges paid and claims processed for Cafeteria Workers and Student Climate Staff were \$111,749.64.

A report of orthotic claims paid for the period September 1, 2018 through August 31, 2019 was provided by Fabian & Byrn, LLC and presented. Orthotic claims paid to date totaled \$12,870.00.

A report of claims paid for wigs for the period September 1, 2018 through August 31, 2019 was provided by Fabian & Byrn, LLC and presented. Wig claims paid to date totaled \$125.00.

Ms. Cochran discussed Associated's trustee web portal and that future meeting materials can be posted electronically and stored for historical use. She gave a brief overview of the portal. Ms. Brogan said she would work with Ms. Hunt to prepare a list of the Plan professionals as well as trustees that should have access.

- VI. **Bills:** Ms. Cochran presented a list of invoices dated January 17, 2019 for approval.

MOTION was made and seconded to
approve the invoice list dated
January 17, 2019.

UNANIMOUSLY ADOPTED

- VII. **Fund Counsel's Report.** Ms. Brogan stated that she was continuing to work on the Benecard and Associated Administrators' agreements. She said an updated summary of benefits was distributed to the Trustees. The Trustees requested that the updated summary of benefits along with another transition letter regarding Associated Administrators be mailed to all participants.
- VIII. **Other Business.** Ms. Willig discussed the hiring of Susan Gilbert, a former Trustee, for consultant work for a limited period of time based on her history with the Fund and the various transitions taking place. Ms. Willig said a fee of \$100 per hour is appropriate and that Ms. Gilbert would be required to provide a report of her hours and services of work performed. Ms. Willig said she would notify Ms. Gilbert and work on an engagement letter.

MOTION was made and seconded to engage Ms. Susan Gilbert as a consultant to the Fund on a limited basis at \$100 per hour as services are needed by the Fund.

UNANIMOUSLY ADOPTED

- IX. The date of the next regular Trustees meeting was scheduled for Thursday, April 18, 2019. 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.
- X. There being no further business before the Board of Trustees, the meeting was adjourned at 10:45 a.m.

Union Trustee

School District Trustee