

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 16, 2020

In the Offices of Willig, Williams & Davidson

Philadelphia, Pennsylvania

Present Were:

Nicole Hunt, Warren Heyman and Antoinette Ford
– Union Trustees

Wayne Grasela, Lisa Norton and Susan Hancock –
Management Trustees

Also Present Were:

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 Walker¹, CFA of
The Philadelphia Trust Company

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. Antoinette Ford to the meeting. Ms. Ford replaced Mr. Michael Royal as a Union Trustee effective January 16, 2020.

- I. The minutes of the meeting of the Board of Trustees held on October 10, 2019 were discussed. Trustee Grasela requested that the minutes be revised to include Trustee Norton as present at the October 10, 2019 meeting.

MOTION was made and seconded to adopt
the minutes of the meeting of the Board of
Trustees held on October 10, 2019 as

¹ Present for the investment report only.

revised.

UNANIMOUSLY ADOPTED

- II. **Investment Manager's Report.** Mr. Walker presented the Investment Manager's report and stated the following: As of December 31, 2019, the composite return for total Fund assets was 8.81% YTD. Total assets held in the discretionary account were \$1,777,247.55. Total assets held in the non-discretionary account were \$9,368.38. Assets in the discretionary account were allocated 48.20% to fixed income, 25.00% to equities and 26.70% 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, 2019. Net assets available for benefits on August 31, 2019 were \$2,038,538 compared to \$2,165,726 on August 31, 2018. Ms. Jackson noted the decrease in prescription expenses of approximately \$200,000.

MOTION was made and seconded to accept the draft of the audited financial statements for Plan year ended August 31, 2019.

UNANIMOUSLY APPROVED

Ms. Jackson presented a draft Form 990 for the Plan year ended August 31, 2019 and said that the Form will be filed with the IRS electronically.

Ms. Jackson presented a cost allocation report to determine allocating common administrative costs between the Union and the Local 634 Benefit Funds. Ms. Jackson reviewed the procedures established in accordance with AICPA standards. Ms. Jackson spoke, in detail, on the allocation of the Union's salary and benefit costs associated with performing administrative functions on behalf of the Health and Welfare Fund and the Local 634 Legal Fund. Based on the data recorded by the Union, the estimated monthly allocated cost payable by the Health and Welfare Fund was \$2,200 effective January 1, 2020.

MOTION was made and seconded to pay \$2,200 per month to the Union as reimbursement for performing administrative functions on behalf of the Health and Welfare Fund, effective January 1, 2020.

UNANIMOUSLY APPROVED

Ms. Jackson reported that the payroll audit of the School District of Philadelphia for the period January 1, 2017 through December 31, 2018 is complete. There were no discrepancies noted.

- IV. **Fund Consultant's Report.** Mr. Iannucci reported that the COBRA rates for January 1, 2020 were provided to Associated Administrators, LLC and said that there is no change in the rates from 2019.

Mr. Iannucci said he, along with Fund Counsel and Associated Administrators, have been working with Pennjerdel and BeneCard to obtain a proposal for Aggregate Stop Loss coverage. He said he expects a proposal to be available by the next Board meeting.

Mr. Iannucci discussed the Fund's agreement with Guardian Nurses, a benefit to provide assistance with medical and prescription problems, claims and diagnoses. The current agreement is an annual minimum of 25 hours for services at the rate of two-hundred dollars per hour. He said the current utilization reports show 25 hours are not being used annually. Mr. Iannucci said Guardian Nurses is proposing using an hourly rate of \$250 per hour used.

The Trustees discussed communicating the Guardian Nurses benefit to the participants. They agreed to keep in place the current arrangement of 25 hours per year. Trustee Hancock said she would include a flyer in an upcoming mailing. Ms. Cochran said she would ask Guardian Nurses if a text blast was available to be distributed by the Local 634 Union.

- V. **Fund Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for FY 2019-2020, as of November 30, 2019, with a comparative report for FY 2018-2019. Receipts and disbursements for the period were reviewed, with the Fund experiencing a surplus of \$93,936.24 compared to a deficit of \$31,336.62 for the prior period.

A report was presented showing the total Fund balance through November 30, 2019 was \$2,070,165.42.

A report was presented detailing the number of eligible employees as of November 8, 2019 - 805 Cafeteria Workers and 950 Student Climate Staff for a total of 1,755 employees.

A COBRA report was presented for September 1, 2019 through November 30, 2019 showing a total of 106 COBRA notices sent, with two COBRA payees in the month of November.

A dental claims report for Cafeteria Workers and Student Climate Staff for September 1, 2019 through November 30, 2019 was presented. Total charges paid were \$54,548.00 on 883 claims for Cafeteria Workers and \$26,084.68 on 427 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2019 through November 30, 2019

was presented. Orthotic claims paid to date for Cafeteria Workers totaled \$4,975.00 and \$5,040.00 for Student Climate Staff.

A report of wig claims paid for the period September 1, 2019 through November 30, 2019 was presented. Wig claims paid to date for Cafeteria Workers totaled \$317.24. Claims paid to date for Student Climate Staff totaled \$21.58.

Ms. Cochran presented a utilization report prepared by Guardian Nurses for the period October 1, 2019 through December 31, 2019. The report reflected utilization of one (1) hour for the quarter.

- VI. **Bills:** Ms. Cochran presented a list of invoices dated January 16, 2020 for approval.

MOTION was made and seconded to
approve the invoice list dated
January 16, 2020.

UNANIMOUSLY ADOPTED

- 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 electronic filing of the Creditable Coverage Disclosure to Centers for Medicare and Medicaid Services for 2020 was filed and accepted in a timely manner.

The Notice of Creditable Coverage was mailed to Plan participants.

The Fund received the 2019 – 2020 Fidelity Bond renewal. The policy was renewed for the period December 11, 2019 through December 11, 2020. The policy premium was \$305.00.

- IX. The date of the next regular Board meeting was scheduled for Friday, April 17, 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.

Union Trustee

School District Trustee