

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, July 11, 2019

**In the Offices of Willig, Williams & Davidson
Philadelphia, Pennsylvania**

Present Were:

Nicole Hunt, Warren Heyman and Michael Royal –
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, LLC – Administrative
Manager; Matthew Walker¹, CFA of The
Philadelphia Trust Company

The meeting was called to order at 9:36 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 April 18, 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 April 18, 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 June 30, 2019, the composite return for total Fund assets was 5.14% YTD. Total assets held in the discretionary account were \$1,917,386.17. Total assets held in the non-discretionary account were \$9,253.46. Assets in the discretionary account were allocated 55.1% to fixed income, 23.5% to equities and 21.4% to cash and equivalents. Mr. Walker stated that the plan for the remainder of 2019 was to stay the course, as the Fund is well positioned.
- III. **Fund Consultant's Report.** Mr. Iannucci discussed the Fund's reserves and said the Fund's annual spending for claims and expenses is approximately \$2,500,000. He noted that approximately 60% of the expense is for prescription benefits. Mr. Iannucci discussed a stop loss policy for the prescription benefit. The Trustees authorized Mr. Iannucci to work with the Fund's Fiduciary Liability broker, Shawn Seilback of Pennjerdel Insurance Consultants, Inc., to obtain stop loss proposals.
- IV. **Fund Auditor's Report.** Nothing to report.
- V. **Fund Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for FY 2018-2019, as of May 31, 2019, with a comparative report for FY 2017-2018. Receipts and disbursements for the period were reviewed, with the Fund experiencing a positive cash flow of \$196,796.85 compared to a positive cash flow of \$61,392.90 for the prior period.

A report was presented detailing the number of eligible employees as of May 10, 2019 - 848 Cafeteria Workers and 1,086 Student Climate Staff for a total of 1,934 employees.

A COBRA report was presented for January 1, 2019 through May 31, 2019 stating that there were a total of 76 COBRA notices sent, with one COBRA enrollee for each month.

A dental claims report for Cafeteria Workers and Student Climate Staff for January 1, 2019 through May 31, 2019 was presented. Total charges paid were \$41,841.49 on 953 claims for Cafeteria Workers and \$26,141.90 on 499 claims for Student Climate Staff.

A report of orthotic claims paid for the period January 1, 2019 through May 31, 2019 was presented. Orthotic claims paid to date for Cafeteria Workers totaled \$2,560.00 and \$1,730.00 for Student Climate Staff.

A report of wig claims paid for the period January 1, 2019 through May 31, 2019 was presented. Wig claims paid to date for Cafeteria Workers totaled \$0.00. Claims paid to date for Student Climate Staff totaled \$71.42.

- 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 presented a provider appeal regarding the denial of dental claims rendered on January 15 and 21, 2019 for a terminated participant. The provider called on January 14, 2019 to verify eligibility. At that time, the Fund Office records indicated that the participant was active through January 31, 2019. Subsequently, the prior administrator provided updated eligibility records which indicated that the participant's employment terminated in October 2018. As a result, the participant's eligibility for coverage was retro actively terminated as of October 31, 2018. The prior administrator also noted that a COBRA notice was mailed to the participant. The Trustees reviewed the facts of the appeal.

MOTION was made and seconded to approve the appeal on a non-precedent setting basis.

UNANIMOUSLY ADOPTED

Ms. Cochran stated the PCORI fee, imposed by the Affordable Care Act for self-insured group plans, must be filed by July 31, 2019. The fee is \$2.45 multiplied by the average number of lives covered under the Plan for the 2018 Plan year. The Trustees directed the Administrative Manager to engage Novak Francella to file Form 720, which is the tax form to be filed along with the fee payment. She noted that the 2018 participant count information was requested from Fabian & Byrn, LLC and that the snapshot method will be used to calculate the fee.

Ms. Hunt discussed the 2019 Health Fair. The Trustees resolved to hold the Fair at the Union Office building parking lot at 1415 N. Broad Street, Philadelphia in October. The specific date is to be determined. The budget for the Fair was discussed, whereupon a

MOTION was made and seconded to authorize a \$25,000 budget for Health Fair expenses.

- IX. The date of the next regular Board meeting was scheduled for Thursday, October 10, 2019. The meeting will convene at 9:30 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

