United Food and Commercial Workers Unions
and Participating Employers
Health and Welfare Fund

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MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
UFCW UNIONS AND PARTICIPATING EMPLOYERS
HEALTH AND WELFARE FUND
DECEMBER 4, 2018
LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
M. Federici – Chairman
Y. Anwar
T. Hipkins

EMPLOYER TRUSTEES
D. Gwin – Secretary
J. Born
B. Seehafer

Also present were:

M. Buckberg – Withum
D. Clutts – Associated Administrators, LLC
J. Chorpenning – Local 27
A. Hanson – Local 400
C. Heppner – The Segal Company
C. Hoffmann – Local 400 (via tele-conference)
J. Ianniello -- Associated Administrators, LLC
W. Jensen – Associated Administrators, LLC.
J. Kimble – Morgan, Lewis, & Bockius, LLC
A. Leech – Withum
S. Sanchez – Slevin & Hart, P.C.
B. Slevin – Slevin & Hart, P.C.
J. Timm – The Segal Company
L. Walsh – Associated Administrators, LLC
M. Wilson – Local 400

I. CALL TO ORDER

A quorum being present, Chairman Federici called the meeting to order.

II. TRUSTEE APPOINTMENT

Mr. Ianniello reported that Mr. Bill Seehafer had been appointed as an Employer Trustee effective September 4, 2018.

III. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on August 30, 2018, and the appeals committee meeting held on September 24, 2018, which were previously circulated.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the minutes of the regular meeting held on August 30, 2018, and the appeals committee minutes of September 24, 2018, are approved as presented.**

IV. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for the period January 1, 2018 to October 31, 2018. Such report indicated a beginning market value of $6,432,670, receipts of $25,837,431, disbursements of $21,463,778, and earnings of $78,962, producing an ending market value of $10,885,285 as of October 31, 2018.

B. Auditor's Report

The Trustees welcomed Mr. Mark Buckberg and Mr. Albert Leech of Withum Smith & Brown ("Withum") to the meeting.

Mr. Buckberg presented a copy of the audited Financial Statements for the year ended 2017. Net Assets Available for Benefits on December 31, 2016 were $8,173,703. Total additions for the year ended December 31, 2017 were $48,215,284. Total deductions were $47,314,566. The increase of Net Assets Available for Benefits was $900,728, producing Net Assets Available for Benefits of $9,074,431 on December 31, 2017. Mr. Buckberg reviewed the Notes to Financial Statements and the Schedule of Employer Contributions. Mr. Buckberg noted that this was an unmodified opinion, which is the highest level of opinion available.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to accept the Auditor's 2017 Audit report, as presented.**

Mr. Leech said that Withum audited Kroger financial records as requested by the Board. He stated that final reconciliation indicates a Kroger overpayment of $130,306.59, but that bank fees from October 1, 2018 forward still need to be determined. After discussion,

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to close all Kroger related bank accounts, pay accrued bank fees from the Kroger refund, and authorize Chairman and Secretary to approve a final reimbursement to Kroger based on the final audit completed by Withum.**

The Trustees thanked Mr. Buckberg and Mr. Leech for their report and they were excused from the meeting.

V. CONSULTANT'S REPORT

The Segal Company

The Trustees welcomed Mr. Josh Timm and Mr. Christopher Heppner, of The Segal Company ("Segal") to the meeting.

A. Reserves

Mr. Heppner distributed and reviewed the Reserve Determination Report through October 31, 2018. He noted that the reserves were above the four-month ceiling as outlined in the Shoppers Collective Bargaining Agreement. Mr. Heppner noted that the amount of reserves above the four-month ceiling resulted in amortized credit adjustments of $112,549 for contributions to be made in January and February 2019, and $375,586 per month for payments to be made in January through May 2019. After discussion,

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve a contribution credit for Shoppers of $488,135 per month for contributions due in January, February, and March 2019, and a contribution credit for Shoppers of $375,586 for contributions due in April 2019.**

B. Plan Y20 & Y30 Part Time Dependent Rates

Mr. Timm presented proposed Plan Y20 and Y30 part time costs per enrolled dependent child.

Plan	Per Child Rate	3 or More Children Rate
Y20 Part Time	$147.85	$443.55
Y30 Part Time	$145.21	$435.63

After review, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to adopt the 2019 Plan Y20 and Plan Y30 part time dependent rates, as presented, effective March 1, 2019.

The Trustees thanked the representatives of Segal for their report, and they were excused from the meeting.

VI. ATTORNEY'S REPORT

Associated Administrators Contract Amendment

Mr. Slevin presented Amendment 10 to the contract between Associated Administrators and the Fund for the period June 1, 2018 through December 31, 2021. The Amendment was signed at the meeting.

VII. ADMINISTRATIVE MANAGER'S REPORT

Third Quarter 2018 Report

Mr. Ianniello presented the Administrative Manager's report for the third quarter 2018, which had been pre-circulated. Such report indicated total income of $5,795,782, and total expenses of $3,804,991, producing a surplus of $1,990,791. Mr. Ianniello noted that contributions were made on behalf of 2,425 Plan participants.

VIII. INVOICES

The Trustees reviewed the list of invoices for the Active Plan and Retiree Plan dated December 4, 2018. It was noted that there were no additions, deletions or changes to the lists.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED that the invoices shown on the lists of the Active Plan and Retiree Plan dated December 4, 2018 are approved for payment.

IX. OTHER FUND BUSINESS

A. Medicare Deductible and Co-Insurance Rates – 2019

Mr. Ianniello presented for the Trustees' review the Centers for Medicare and Medicaid Services (CMS) published changes to the Medicare Part A and B premiums, deductibles, and co-insurance. He said that the Fund office provides annual updates to the Trustees as the premiums and co-insurance rates are utilized in processing the Fund's Medicare Supplemental benefits for the retirees. After discussion,

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the Medicare Deductible and Co-insurance rates for 2019, as presented, on a non-president-setting basis, for use by the Retiree Plan for processing Medicare Supplemental benefits.**

B. Plan Y Part Time Open Enrollment

Mr. Ianniello reported that Plan Y Part Time benefit program has a single open enrollment period, from January 1 – 31 for a coverage effective date of March 1 each year. The other benefit programs under the Plan have an open enrollment in December for coverage effective January 1 each year. He asked if the Trustees wanted to align the Plan Y Part Time open enrollment period with the other benefit programs' open enrollment periods, beginning with coverage effective January 2020. After discussion,

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to change the Plan Y part time open enrollment to match other Plans' open enrollment periods beginning with the December 2019 open enrollment period for coverage effective January 2020.**

C. Cheiron – Engagement Letter for 2019

Mr. Ianniello reviewed Cheiron's proposed engagement letter for 2019. The proposal calls for a fee of $10,020/year ($835 monthly) for the ASC-965 reporting requirements. After discussion,

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to accept Cheiron's proposal for 2019 with a fee of $10,020 for a roll-forward ASC-965 report.**

D. Health Care Cost Containment Corporation of the Mid-Atlantic ("HCCCC")

Mr. Ianniello presented the HCCCC's Annual Membership Fee. He noted the 2019 membership fee of $0.75 per member, with a maximum of $3,750, is the same as 2018.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve renewal of the HCCCC membership, as presented, effective January 1, 2019.**

E. Beacon Health Options

Mr. Ianniello presented the 2019 through 2021 Beacon Health Options contract renewal. He noted there is no increase in rate from the prior year.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve renewal of the Beacon Health Options renewal as presented, effective January 1, 2019.**
>
> **RESOLVED to delegate to Chair and Secretary the authority to approve the Plan Y Part Time co-premium rates for 2019.**

X. NEXT MEETING DATES AND LOCATIONS

After discussion, the Trustees selected the following meeting dates and meeting locations for 2019:

April 25, 2019 – 9:00 a.m. – Landover, Maryland
August 29, 2019 – 9:00 a.m. – Landover, Maryland
December 3, 2019 – 9:00 a.m. – Sparks, Maryland

XI. ADJOURNMENT

There being no further business to come before the Trustees, the meeting was adjourned.

Respectfully submitted,
Donna Gwin – Secretary

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