School Cafeteria Employees UNITEHERE Local No. 634
Health & Welfare Fund
911 Ridgebrook Road
Sparks, Maryland 21152-9451
(833) 228-9212
www.associated-admin.com

Minutes of the Meeting of the Board of Trustees
Held on Tuesday, October 12, 2021
Via Zoom

Present Were:	Nicole Hunt, Antoinette Ford, and Warren Heyman – 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; Alicia Cochran of Associated Administrators, LLC – Administrative Manager; Matthew Walker[1], CFA of The Philadelphia Trust Company

The meeting was called to order at 10:05 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 13, 2021 were discussed.

MOTION was made and seconded to adopt the minutes of the meeting of the Board of Trustees held on July 13, 2021.

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, 2021 the total assets held in the discretionary account were $1,362,798.89 with earnings for the quarter of 0.03% and year to date of 3.28%. Assets in the discretionary account were allocated 25.70% to fixed income, 28.40% to equities, 45.20% to cash and equivalents and 0.60% to other assets. Total assets held in the non-discretionary account were $9,438.71.

Mr. Walker reviewed new holdings within the portfolio and said his firm continues to monitor inflation, international tension, and the recovery of the economy related to the pandemic.

III. **Fund Auditor's Report.** Ms. Jackson presented two engagement letters from Novak Francella, LLC for auditing services. The annual audit engagement letter is for the September 1, 2020 to August 31, 2021 fiscal year. The cost of the annual audit increased $800.00 from the last fiscal year, not to exceed $19,150.00. The payroll engagement letter is for the period January 1, 2019 through December 31, 2020. The payroll audit services will be billed at the composite hourly rate of $129.00 plus any out of pocket expenses.

MOTION was made and seconded to engage Novak Francella, LLC for auditing services for the 2020 – 2021 fiscal year and a payroll audit for the 2019 and 2020 calendar years.

UNANIMOUSLY ADOPTED

IV. **Fund Consultants' Report.** Mr. Iannucci noted the prescription Aggregate Stop Loss coverage proposal prepared by Pennjerdel Insurance which was previously provided to the Trustees. He stated the Trustees agreed in August 2021 not to renew the policy effective September 1, 2021.

Mr. Iannucci discussed the Fund's reserves and said they represent approximately 7.5 months of benefit cost. He said the current CBA states the bargaining parties are to be notified if the reserve drops below 6 months. Mr. Iannucci recommended that Mr. Walker notify the Fund if the investment assets reach $1,200,000. Ms. Cochran said she would notify Mr. Walker of this request.

Mr. Iannucci recommended the Trustees consider a Pharmacy Benefit Manager ("PBM") Request For Proposal ("RFP") based on the recent service issues with BeneCard. The Trustees requested that BeneCard be included in the RFP.

MOTION was made and seconded to approve the recommendation of the Fund's consultant to perform a PBM RFP.

UNANIMOUSLY ADOPTED

Mr. Iannucci noted that Ms. Willig previously asked Guardian Nurses for other options regarding the annual rate. Ms. Willig said that Guardian Nurses confirmed the fee agreement can be modified to an hourly rate of $300 per hour. The Fund currently pays an annual rate, regardless of utilization. Based on the Fund's low utilization, Mr. Iannucci recommended the change to an hourly rate.

MOTION was made and seconded to approve modifying the fee agreement with Guardian Nurses from an annual fee to an hourly rate of $300 based on utilization.

UNANIMOUSLY ADOPTED

Ms. Willig noted that she had contacted the City regarding the Health Clinic usage and will provide an update at the next meeting.

V. **Administrative Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for FY 2020-2021, as of August 31, 2021, with a comparative report for FY 2019-2020. Receipts and disbursements for the period were reviewed, with the Fund experiencing a deficit of $194,097.93 compared to a deficit of $166,264.54 for the prior period.

A report was presented indicating the total Fund balance through August 31, 2021 was $1,618,923.56.

A report was presented detailing the number of eligible employees as of August 31, 2021 - 771 Cafeteria Workers and 955 Student Climate Staff for a total of 1,726 employees.

A COBRA report was presented for September 1, 2020 through August 31, 2021 showing a total of 267 COBRA notices sent, with 6 COBRA payees in the month of August.

A dental claims report for Cafeteria Workers and Student Climate Staff for June 1, 2021 through August 31, 2021 was presented. Payments totaled $57,531.89 on 1,043 claims for Cafeteria Workers and $20,874.42 on 350 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2020 through August 31, 2021 was presented. Orthotic claims paid to date for Cafeteria Workers totaled $6,655.00 and $4,720.00 for Student Climate Staff.

A report of wig claims paid for the period September 1, 2020 through August 31, 2021 was presented. Wig claims paid to date for Cafeteria Workers totaled $82.76. Claims paid to date for Student Climate Staff totaled $0.00.

Ms. Cochran presented a utilization report prepared by Guardian Nurses for the period July 1, 2021 through September 30, 2021. The report reflected utilization of 20 minutes for the quarter.

VI. **Fund Counsel's Report.** Ms. Brogan stated the revised draft of the Summary Plan Description was provided to Associated for review.

Ms. Brogan provided the Diabetic Reimbursement Agreement prior to the meeting. She brought to the Trustees' attention a new provision added by Ms. Hancock requiring the Fund to instruct the PBM to provide a file of diabetic medication utilization to IBC, the medical provider for the School District. Ms. Brogan advised that while the new provision may be helpful, it is not appropriate based on what was approved by the Trustees at the prior meeting. Ms. Hancock stated that she would agree to remove the provision from the Agreement and would present additional information regarding information sharing with IBC at the next meeting. Ms. Brogan stated that she would revise the Agreement and circulate for signature.

Ms. Brogan reviewed the previous discussion between Ms. Willig, Ms. Cochran, and Ms. Hancock regarding the Notice of Creditable Coverage. Ms. Brogan explained it was previously determined that the Affordable Care Act ("ACA") required the Fund to include the out-of-pocket maximum in the notice since there are separate limits for the medical and prescription benefits. She recommended the notice with the out-of-pocket maximums should be mailed to meet the October 15, 2021 deadline.

VII. **Other Business.** Ms. Cochran reported the following: The Fund received the 2022 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee is $1,100.

MOTION was made and seconded to approve payment of $1,100 for the International Foundation of Employee Benefit Plans invoice.

UNANIMOUSLY ADOPTED

Ms. Cochran reported the Fiduciary Liability policy was renewed September 6, 2021. There was no increase in the premium of $4,157 from the previous year. Payments for the waiver of recourse were emailed to the Trustees on August 31, 2021.

In accordance with the Fund's past practice, the Fund requested $300,000.00 from investments held at The Philadelphia Trust Company to cover expenses. The transfer was requested on July 21, 2021.

Ms. Cochran informed the Trustees that one member elected and qualified for the COBRA premium subsidy provided by the American Rescue Plan Act. She noted that the subsidy ended on September 30, 2021.

VIII. The date of the next regular Board meeting was scheduled for January 18, 2022. The meeting will convene at 10:00 a.m. and the location will be determined at a later date.

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

____
Union Trustee

____
School District Trustee