**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 Monday, October 17, 2022
Via Zoom

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| Present Were: | Nicole Hunt and Warren Heyman – Union Trustees<br><br>Lisa Norton, Susan Hancock, and Marissa Quinn – 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 of Novak Francella – CPA; Alicia Cochran of Associated Administrators, LLC – Administrative Manager; Matt Walker[1] of The Philadelphia Trust Company |

The meeting was called to order at 10:04 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 25, 2022 were discussed.

MOTION was made and seconded to adopt the Minutes of the meeting of the Board of Trustees held on July 25, 2022.

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, 2022 the total assets held in the discretionary account were $1,008,134.54 with a loss of 2.90% for the quarter and a loss of 7.43% for the year to date. Assets in the discretionary account were allocated 72.10% to fixed income, 20.80% to equities, 7.00% to cash and equivalents and 0.00% to other assets. Total assets held in the non-discretionary account were $9,489.01.

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 said the annual audit fieldwork is scheduled for the week of October 31, 2022.

IV. **Fund Consultants' Report.** Mr. Iannucci discussed the Fund's reserves and said they represent approximately 6 months of benefit cost. He expects the reserve to drop below 6 months by June 2023. He noted that Mr. Walker and Ms. Cochran continue to monitor the Fund's total assets on a monthly basis.

V. **Administrative Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for fiscal year 2021-2022, as of August 31, 2022 with a comparative report for fiscal year 2020-2021. Receipts and disbursements for the period were reviewed, with the Fund experiencing a deficit of $348,144.10 compared to a deficit of $194,097.93 for the prior period.

A report was presented indicating the total Fund balance through August 31, 2022 was $1,296,117.95.

A report was presented detailing the number of eligible employees as of June 3, 2022 - 727 Cafeteria Workers and 1,026 Student Climate Staff for a total of 1,753 employees.

A COBRA report was presented for September 1, 2021 through August 31, 2022 showing a total of 213 COBRA notices sent, with 1 COBRA payee in the month of August.

A dental claims report for Cafeteria Workers and Student Climate Staff for June 1, 2022 through August 31, 2022 was presented. Payments totaled $36,257.13 on 674 claims for Cafeteria Workers and $25,324.30 on 429 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2021 through August 31, 2022 was presented. Orthotic claims paid to date for Cafeteria Workers totaled $3,945.00 and $1,750.00 for Student Climate Staff.

A report of wig claims paid for the period September 1, 2021 through August 31, 2022 was presented. Wig claims paid to date for Cafeteria Workers totaled $0.00. Claims paid to date for Student Climate Staff totaled $0.00.

VI. **Fund Counsel's Report.** Following up on the discussion at the last meeting regarding the City Health Clinics, Ms. Brogan reported the City Health Clinics utilization report listed 26 members for the period May 1, 2021 through April 30, 2022. If the Trustees elect to terminate the agreement with the City Health Clinics, the Fund must provide 60 days notice as set forth in the agreement. Ms. Willig stated that terminating the agreement may cause the Fund to lose its grandfathered status. This would require the Fund to provide preventive medications without a co-pay. After a discussion, the Trustees requested Ms. Cochran to contact BeneCard to determine the cost to the Fund if preventive medications were covered with no co-pay. Mr. Iannucci said it was unlikely the cost of preventive medications would exceed the annual cost ($60,000) for City Health Clinics.

MOTION was made and seconded to terminate City Health Clinics effective December 31, 2022.

UNANIMOUSLY ADOPTED

Ms. Brogan reviewed the Prescription Drug Reporting & HealthCare Spending requirements under the Consolidated Appropriations Act 2021. She reported that BeneCard confirmed they would submit the prescription drug information to Health & Human Services. She said BeneCard would provide additional information regarding the reporting and fees once available.

VII. **Other Business.** Ms. Cochran reported the following: The Notice of Creditable Coverage and the 2022 Summary of Benefits Coverage Notice were mailed to participants on September 16, 2022.

Ms. Cochran reported receipt of the Fund's 2023 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee contains a $45 increase from the prior year.

MOTION was made and seconded to approve the Fund's 2023 renewal with the International Foundation of Employee Benefits Plans at the $1,145.00 annual fee.

UNANIMOUSLY ADOPTED

Ms. Cochran reported the Fiduciary Liability policy was renewed September 6, 2022. There was a $63 increase in the premium of $4,220 from the previous year. Payments for the waiver of recourse were emailed to the Trustees on August 28, 2022. Ms. Cochran stated the payments for the waiver of recourse were received in full.

Ms. Cochran said the Summary Plan Description was electronically distributed to the participants on September 13, 2022. She confirmed paper copies were mailed to the School District and Union and that additional copies are available upon request.

Ms. Cochran reported that 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 August 16, 2022.

VIII. The date of the next regular Board meeting was scheduled for January 19, 2023. 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