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 Thursday, October 15, 2020
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 10:01 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 16, 2020 were discussed.

MOTION was made and seconded, with Trustee Heyman abstaining, to adopt the minutes of the meeting of the Board of Trustees held on July 16, 2020.

UNANIMOUSLY ADOPTED

II. **Investment Manager's Report.** Mr. Walker presented the Investment Manager's report and stated the following: As of September 30, 2020, the Fund had a loss of -1.21% YTD. Total assets held in the discretionary account were $1,557,218.45. Total assets held in the non-discretionary

[1] Present for the investment report only.

account were $9,433.79. Assets in the discretionary account were allocated 32.6% to fixed income, 25.3% to equities and 42.1% to cash and equivalents.

Mr. Walker said his firm continues to monitor and adjust to handle the current market given the circumstances related to the pandemic.

III. **Fund Auditor's Report.** Ms. Jackson presented an engagement letter from Novak Francella, LLC for auditing services for the September 1, 2019 to August 31, 2020 fiscal year. The costs of services increased by $550 from the last fiscal year, not to exceed $18,350.00.

MOTION was made and seconded to engage Novak Francella, LLC for auditing services for the 2019-2020 fiscal year under the terms of the engagement letter.

UNANIMOUSLY ADOPTED

IV. **Fund Consultant's Report.** Mr. Iannucci discussed the Fund's reserves and said they represent slightly less than 12 months of benefit cost. He noted that the prescription expense increased during the months of the pandemic.

Mr. Iannucci noted a discussion during the July meeting regarding increasing the dental maximums for the period July 1, 2020 through June 30, 2021 due to COVID-19 and the limited access to dental benefits. He said his office was directed to determine the cost to the Fund if the annual dental maximums were increased for the one-year period. He stated that the current annual dental maximums are $1,000 for single coverage and $1,500 for family coverage.

He reviewed the following scenarios with the Trustees:

1) Dental Maximums of $1,100 Single/$1,600 Family: An annual cost increase of approximately $2,500 to $5,000

2) Dental Maximums of $1,200 Single/$1,700 Family: An annual cost increase of approximately $5,000 to $10,000

3) Dental Maximums of $1,300 Single/$1,800 Family: An annual cost increase of approximately $7,500 to $15,000

4) Dental Maximums of $1,400 Single/$1,900 Family: An annual cost increase of approximately $10,000 to $20,000

5) Dental Maximums of $1,500 Single/$2,000 Family: An annual cost increase of approximately $12,500 to $25,000

He said based on the current financial status of the Fund, none of the one-year increases would have a long term adverse effect on the Fund.

MOTION was made and seconded to approve a one-time increase in the dental maximums of $1,500 Single/$2,000 Family for the benefit year July 1, 2020 to June 30, 2021.

UNANIMOUSLY ADOPTED

V. **Fund Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for FY 2019-2020, as of August 31, 2020, with a comparative report for FY 2018-2019. Receipts and disbursements for the period were reviewed, with the Fund experiencing a deficit of $166,264.54 compared to a deficit of $205,325.74 for the prior period.

A report was presented indicating the total Fund balance through August 31, 2020 was $1,809,964.64.

A report was presented detailing the number of eligible employees as of June 5, 2020 - 889 Cafeteria Workers and 1,134 Student Climate Staff for a total of 2,023 employees.

A COBRA report was presented for September 1, 2019 through August 31, 2020 showing a total of 211 COBRA notices sent, with no COBRA payees in the month of August.

A dental claims report for Cafeteria Workers and Student Climate Staff for June 1, 2020 through August 31, 2020 was presented. Payments totaled $35,966.22 on 617 claims for Cafeteria Workers and $16,847.00 on 357 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2019 through August 31, 2020 was presented. Orthotic claims paid to date for Cafeteria Workers totaled $10,295.00 and $10,485.00 for Student Climate Staff.

A report of wig claims paid for the period September 1, 2019 through August 31, 2020 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 July 1, 2020 through September 30, 2020. The report reflected utilization of 30 minutes for the quarter.

Ms. Cochran presented a report prepared by BeneCard for the period July 1, 2020 through September 30, 2020. The report reflected prescription utilization for which the Plan paid more than $5,000 on any one prescription.

VI. **Bills:** Ms. Cochran said that there are no invoices to be presented at today's meeting.

VII. **Fund Counsel's Report.** There was a discussion regarding the coverage of insulin/diabetic supplies under the Fund's prescription benefit for Cafeteria Workers. Currently the Fund does not cover insulin or diabetic supplies for Cafeteria Workers unless the member is on a grandfathered list. Trustee Hancock said that the School District is proposing a one-year agreement in which diabetic supplies are covered under the Fund, for Cafeteria Workers covered under the medical Keystone plan with the School District of Philadelphia. The School District will then reimburse the Fund for those prescriptions. Ms. Cochran said the School District will need to identify the affected participants on the eligibility file so that BeneCard can administer the benefit as well as submit the reimbursement information to the School District. Ms. Brogan noted that she will draft the Agreement which will be between the School District and the Fund.

VIII. **Other Business.** Ms. Cochran reported the following: The fiduciary liability policy was renewed September 6, 2020. The premium paid was $4,157.00. Payments for the waiver of recourse were emailed to the Trustees on August 24, 2020.

The PCORI fee for the 2019 Plan year, imposed by the Affordable Care Act for self-insured group plans, was mailed on July 28, 2020. The amount paid was $6,178.90.

The Fund received the 2021 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee is $1,265.00.

In accordance with the Fund's past practice, $200,000.00 was requested from investments held at The Philadelphia Trust Company to cover expenses. The transfer was received on August 31, 2019.

The Notice of Creditable Coverage and 2020 Plan year Summary of Benefits and Coverage were mailed to Plan participants on October 8, 2020.

IX. The date of the next regular Board meeting was scheduled for Thursday, January 21, 2021. The meeting will convene at 12:00 p.m. and will be held by a ZOOM conference call.

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

____

Union Trustee

____

School District Trustee