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 Tuesday, January 18, 2022
Via Zoom

Present Were: Nicole Hunt 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; Wingate Grim[1] 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 October 21, 2021 were discussed.

MOTION was made and seconded to adopt the minutes of the meeting of the Board of Trustees held on October 21, 2021.

UNANIMOUSLY ADOPTED

[1] Present for the investment report only.

II. **Investment Manager's Report.** Mr. Grim presented the Investment Manager's report and stated the following: As of December 31, 2021 the total assets held in the discretionary account were $1,398,749.76 with earnings for the quarter of 2.64% and year to date of 6.01%. Assets in the discretionary account were allocated 39.20% to fixed income, 27.10% to equities, 33.70% to cash and equivalents and 0.00% to other assets. Total assets held in the non-discretionary account were $9,436.17.

Mr. Grim 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 reported that the fieldwork for the 2021 Plan year audit was completed in early January and that she will have draft financial statements for the next meeting. Ms. Jackson stated that the 2019 and 2020 payroll audits were in process.

IV. **Fund Consultants' Report.** Mr. Iannucci distributed the COBRA rates, to be effective February 1, 2022 and reported a 12% increase based on the increase in prescription costs.

MOTION was made and seconded to approve the COBRA rates for February 1, 2022 as presented.

UNANIMOUSLY ADOPTED

Mr. Iannucci reported, as discussed during the last meeting, that he contacted other Pharmacy Benefit Managers and notified BeneCard of the Fund's service concerns. He had a call with BeneCard regarding the service issues. Mr. Iannucci said based on upcoming projects and the reasonable discounts provided by BeneCard, he recommended tabling the Request For Proposals at this time.

Mr. Iannucci discussed the request for Mr. Walker to notify the Fund if the investment assets reach $1,200,000. He suggested to modify the notification amount from $1,200,000 to $1,300,000. Ms. Cochran said she would notify Mr. Walker of the change.

Mr. Iannucci and Ms. Brogan discussed the guidance for coverage of over-the-counter COVID-19 test kits effective January 15, 2022. Ms. Brogan stated the School District agreed the test kits are a medical expense; however, they would like the Fund to cover the test kits under the pharmacy benefit, with the School District to reimburse the Fund. Ms. Brogan recommended the safe harbor provision, which would limit the reimbursement to $12.00 per test kit. Test kits purchased January 15, 2022 through January 18, 2022 will be reimbursed at cost. Ms. Cochran said she would prepare a letter to notify participants of how to obtain the test kits. She said a BeneCard prescription reimbursement form would be included with the mailing.

MOTION was made and seconded to provide

coverage for over-the-counter COVID-19 test kits in accordance with Federal regulations with reimbursement from the School District.

UNANIMOUSLY ADOPTED

V. **Administrative Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for FY 2021-2022, as of November 30, 2021 with a comparative report for FY 2020-2021. Receipts and disbursements for the period were reviewed, with the Fund experiencing a deficit of $17,843.01 compared to a surplus of $17,194.13 for the prior period.

A report was presented indicating the total Fund balance through November 30, 2021 was $1,621,592.58.

A report was presented detailing the number of eligible employees as of November 30, 2021 - 709 Cafeteria Workers and 831 Student Climate Staff for a total of 1,540 employees.

A COBRA report was presented for September 1, 2021 through November 30, 2021 showing a total of 71 COBRA notices sent, with 5 COBRA payees in the month of November.

A dental claims report for Cafeteria Workers and Student Climate Staff for September 1, 2021 through November 30, 2021 was presented. Payments totaled $48,363.32 on 820 claims for Cafeteria Workers and $13,866.16 on 325 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2021 through November 30, 2021 was presented. Orthotic claims paid to date for Cafeteria Workers totaled $0.00 and $0.00 for Student Climate Staff.

A report of wig claims paid for the period September 1, 2021 through November 30, 2021 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.** Ms. Brogan stated that she received comments from the Fund Office on the revised draft Summary Plan Description (SPD). After she reviews the comments, Ms. Brogan will circulate the revised SPD to the Trustees for review prior to the next meeting.

VII. **Other Business.** Ms. Cochran reported the following: Effective November 30, 2021, Associated Administrators was acquired by Harbour Benefit Holdings, Inc. She stated that though the ownership has changed, there will be no impact to clients. Associated will now be a wholly-owned, independently-operating subsidiary of Harbour which includes Zenith American Solutions. Ms. Cochran stated there would be no change to the management team and staff will remain the same.

Ms. Cochran distributed and reviewed her letter dated January 18, 2022 which noted that the administrative services contract between the Fund and Associated Administrators, LLC expired on December 31, 2021. Ms. Cochran was excused from the meeting for an executive session. After the executive session, Ms. Cochran was invited back into the meeting. Ms. Willig noted that given the recent acquisition, the Trustees would like language in the contract that the agreement could be voided if there are service issues as a result of the acquisition. Ms. Brogan said she would draft an Amendment.

MOTION was made and seconded to approve an extension of the administrative services contract with Associated Administrators, LLC for the period January 1, 2022 through December 31, 2024, with 3% annual fee increases and an opt-out provision after 18 months due to service issues.

UNANIMOUSLY ADOPTED

The electronic filing of the Creditable Coverage Disclosure to Centers for Medicare and Medicaid Services for 2021 was filed and accepted in a timely manner.

The 2022 Summary of Benefits & Coverage Notice and the availability of the Notice of HIPAA Privacy Practices were mailed to Plan participants on November 19, 2021.

The Fund received the 2021 – 2022 Fidelity Bond renewal. The policy was renewed for the period December 11, 2021 through December 11, 2022. The policy premium was $305.00.

Trustee Grasela announced that he will be retiring April 1, 2022. The Trustees expressed their gratitude for Mr. Grasela's service on the Fund and wished him well in his retirement.

VIII. The date of the next regular Board meeting was scheduled for April 14, 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.

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Union Trustee

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School District Trustee