

School Cafeteria Employees UNITEHERE Local No. 634

Health & Welfare Fund

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Minutes of the Special Meeting of the Board of Trustees

Held on Tuesday, January 31, 2023

Via Zoom

Present Were:

Nicole Hunt and Warren Heyman – Union Trustees

Marie Killian, Lisa Norton and Marissa Quinn –
Management Trustees

Also Present Were:

Deborah R. Willig, Esq. Willig, Williams & Davidson
– Legal Counsel; Frank Iannucci of Summit Actuarial
Services – Fund Consultant; Alicia Cochran of
Associated Administrators, LLC – Administrative
Manager

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.

Ms. Killian introduced herself as the new Employer Trustee replacing Ms. Susan Hancock. The Trustees welcomed Ms. Killian to the meeting.

Ms. Willig provided an explanation regarding the reason for the special meeting. She reported that the Collective Bargaining Agreement (“CBA”) between the School District of Philadelphia and the School Cafeteria Employees Local No. 634 states, if the School Cafeteria Employees UNITEHERE Local No. 634 Health and Welfare Fund falls below six-months reserve at any point, the School District shall make a contribution to restore and maintain the Fund’s six-month reserve.

Mr. Iannucci reiterated his comments from the January 19, 2023 meeting concerning the continued decrease in available assets, decrease in reserve level, and the impact it has on the current bargaining contract and the requirement to maintain a six-month reserve. He said in order to determine the amount needed to restore the Fund to a six-month reserve for the remainder of the CBA, September 30, 2023, the following factors were considered: 1) review of the asset value currently required to maintain a six-month reserve, 2) review of the 2-month period when the Fund receives no contributions from the School District and 3) review the monthly deficit spending that will occur from now until September 30, 2023. Based on Mr. Iannucci’s review of the information, he said an estimate of \$880,020 would restore the Fund to

a six-month reserve and maintain it until September 23, 2023. The estimate is based on the lump sum payment being received on February 1, 2023. Mr. Iannucci noted that the lump sum amount is an estimate and that if monthly expenses continue to increase creating larger monthly deficits, the Fund would still have the ability to continue to negotiate with the School District for an additional amount of assets in order to maintain a six-month reserve. Ms. Willig noted the amount of money needed would continue to increase for each month the lump sum payment is not received.

Ms. Willig discussed the role of the Trustees and that it is the fiduciary duty of a Trustee to determine the amount of funding needed, relying on the assistance of the plan professionals. She said it was the bargaining parties' responsibility to determine how the monies would be paid.

Ms. Quinn requested updated utilization data from BeneCard. Ms. Cochran said she would request the information from BeneCard and ask that they attend the next meeting.

MOTION was made to adopt the dollar amount presented by Mr. Iannucci in the amount of \$880,020 to restore the Fund reserve to a 6-month period through September 30, 2023.

Ms. Norton expressed concern regarding the motion having a dollar amount based off financial information through December 31, 2022.

Mr. Heyman withdrew his motion.

Ms. Willig said she would provide additional data for the month of January 2023 to Lauren Fox at the School District.

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