

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, July 13, 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 Walker¹, CFA 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 April 20, 2021 were discussed.

MOTION was made and seconded to adopt the
minutes of the meeting of the Board of
Trustees held on April 20, 2021.

UNANIMOUSLY ADOPTED

- II. **Investment Manager's Report.** Mr. Walker presented the Investment Manager's report and stated the following: As of June 30, 2021 the total assets held in the discretionary account were

¹ Present for the investment report only.

\$1,661,216.06 with earnings for the quarter of 1.43% and year to date of 3.25%. Assets in the discretionary account were allocated 21.10% to fixed income, 26.20% to equities, 52.10% to cash and equivalents and 0.6% to other assets. Total assets held in the non-discretionary account were \$9,437.06.

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 a cost allocation report used to determine the allocation of common administrative costs between the Union and the Local 634 Benefit Funds. Ms. Jackson reviewed the procedures which were followed and stated that the procedure were established in accordance with AICPA standards. Ms. Jackson spoke, in detail, on the allocation of the Union's salary and benefit costs associated with performing administrative functions on behalf of the Health and Welfare Fund and the Local 634 Legal Fund. Based on the data recorded by the Union, the estimated monthly allocated cost payable by the Health and Welfare Fund was \$1,300. Due to the timing of the report, the Trustees discussed an effective date of August 1, 2021 for the new allocation. Ms. Jackson said she will revise the report as more employees return to the office.

MOTION was made and seconded to pay \$1,300 per month to the Union as reimbursement for performing administrative functions on behalf of the Health and Welfare Fund, effective August 1, 2021.

UNANIMOUSLY ADOPTED

- IV. **Fund Consultants' Report.** Mr. Iannucci discussed the Fund's reserves and said they represent approximately 9 months of benefit cost. He noted that the prescription expense increased over the last Plan year and is continuing to increase. He suggested the Trustees request an update from BeneCard regarding the Variable Copay Assistance Program. Mr. Iannucci also noted receipt of the stop loss renewal. He said he was reviewing the proposed terms and working with the broker. Mr. Iannucci said he would follow up with the Trustees regarding the renewal by email or a conference call.
- V. **Administrative Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for FY 2020-2021, as of May 31, 2021, with a comparative report for FY 2019-2020. Receipts and disbursements for the period were reviewed, with the Fund experiencing a surplus of \$64,563.40 compared to a surplus of \$212,907.20 for the prior period.

A report was presented indicating the total Fund balance through May 31, 2021 was \$1,874,078.04.

A report was presented detailing the number of eligible employees as of May 21, 2021 - 794 Cafeteria Workers and 956 Student Climate Staff for a total of 1,750 employees.

A COBRA report was presented for September 1, 2020 through May 31, 2021 showing a total of 186 COBRA notices sent, with 3 COBRA payees in the month of May.

A dental claims report for Cafeteria Workers and Student Climate Staff for March 1, 2021 through May 31, 2021 was presented. Payments totaled \$34,270.56 on 617 claims for Cafeteria Workers and \$23,185.48 on 382 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2020 through May 31, 2021 was presented. Orthotic claims paid to date for Cafeteria Workers totaled \$6,655.00 and \$4,230.00 for Student Climate Staff.

A report of wig claims paid for the period September 1, 2020 through May 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 May 1, 2021 through July 31, 2021. The report reflected utilization of 7 hours and 17 minutes for the quarter.

- VI. **Fund Counsel's Report.** Ms. Willig discussed the Purdue Pharm ("Purdue") class action lawsuit. She advised guidance was provided for the Fund to remain in the bankruptcy plan and receive payment of their claim against Purdue from the Third Party Payer trust.

Ms. Brogan said in accordance with the Agreement between the School District and the Fund, an invoice for diabetic supplies was sent to the School District. Ms. Hancock indicated the School District would like to continue the agreement through August 31, 2023, the end of the Collective Bargaining Agreement. Ms. Brogan said she will draft an Amendment to the Agreement for discussion at the next meeting.

- VII. **Other Business.** Ms. Cochran reported the following: The PCORI fee for the 2020 Plan year, imposed by the Affordable Care Act for self-insured group plans, was mailed on July 12, 2021. The amount paid related to the fee was \$5,979.16.

Ms. Cochran informed the Trustees that COBRA notices required by the American Rescue Plan Act were mailed to the affected participants May 7, 2021. She reported a total of 76 letters were mailed. She said currently 1 member elected and qualifies for the COBRA premium assistance.

Ms. Willig stated she would speak to Betty Long with Guardian Nurses in regard to paying the vendor an hourly rate as opposed to an annual rate. She would also ask if Guardian Nurses can assist with high dollar Rx costs. Mr. Iannucci said he would speak with BeneCard and Guardian Nurses on the matter.

After further discussion,

MOTION was made and seconded to authorize Ms. Willig and Mr. Iannucci to discuss with Guardian Nurses and BeneCard how to communicate certain programs with the participants of the Fund.

UNANIMOUSLY ADOPTED

Ms. Willig noted she would request a utilization report from City Clinics for discussion at the next meeting.

- VIII. The date of the next regular Board meeting was scheduled for October 12, 2021. The meeting will convene at 10:00 a.m. and will be held in the offices of Willig, Williams & Davidson, 1845 Walnut Street, 24th floor, in Philadelphia.
- IX. There being no further business before the Board of Trustees, the meeting was adjourned.

Union Trustee

School District Trustee