

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 Tuesday, June 11, 2024

Via Zoom

Present Were:

Nicole Hunt, Antoinette Ford and Warren Heyman
– Union Trustees

Marie Killian, Lisa Norton and Marissa Quinn –
Management Trustees

Also Present Were:

Kelly Brogan, Esq. of Willig, Williams & Davidson –
Legal Counsel; Frank Iannucci of Summit Actuarial
Services – Fund Consultant; Kathleen Jackson and
Dan Ohlemiller of Novak Francella – CPA; Alicia
Cochran of Associated Administrators, LLC –
Administrative Manager; Matt Walker¹ of The
Philadelphia Trust Company

The meeting was called to order at 10:03 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 February 6, 2024 were discussed.

MOTION was made and seconded to adopt the
Minutes of the meeting of the Board of
Trustees held on February 6, 2024.

UNANIMOUSLY ADOPTED

¹ Present for the investment report only.

II. **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 Services Fund. Based on the data recorded by the Union, the estimated monthly allocated cost payable by the Health and Welfare Fund was \$4,400. Due to the timing of the report, the Trustees discussed an effective date of June 1, 2024 for the new allocation.

MOTION was made and seconded to approve the cost allocation report, effective June 1, 2024.

UNANIMOUSLY ADOPTED

III. **Fund Consultant's Report.** Mr. Iannucci reviewed a fee increase request from the dental provider, Louis P. Mattucci & Associates. He stated that the last fee increase was in 2017. Mr. Iannucci said that he reviewed the utilization for both in-network and out-of-network claims for the period July 1, 2022 through December 31, 2023. He also reviewed the current dental maximums and expenditures for the fiscal year ending August 31, 2023. He said that the fee increase request was reasonable and, based on the current financial reports, it appeared that the Fund is in a financial position to support the requested increase. He noted that the fee request was for a two-year period.

MOTION was made and seconded to approve the fee increase request for the dental provider, Louis P. Mattucci & Associates effective July 1, 2024.

UNANIMOUSLY ADOPTED

IV. **Administrative Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for fiscal year 2023-2024, as of February 29, 2024, with a comparative report for fiscal year 2022-2023. Receipts and disbursements for the period were reviewed, with the Fund experiencing a surplus of \$547,950.96 compared to a deficit of \$259,927.52 for the prior period.

A report was presented indicating the total Fund balance through February 29, 2024 was \$1,614,744.34.

A report was presented detailing the number of eligible employees as of February 16, 2024: 811

Cafeteria Workers and 1,163 Student Climate Staff for a total of 1,974 employees.

A COBRA report was presented for September 1, 2023 through February 29, 2024 showing a total of 88 COBRA notices sent, with two COBRA payees in the month of February 2024.

A dental claims report for Cafeteria Workers and Student Climate Staff for December 1, 2023 through February 29, 2024 was presented. Payments totaled \$28,615.77 on 539 claims for Cafeteria Workers and \$17,557.00 on 351 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2023 through February 29, 2024 was presented. Orthotic claims paid to date for Cafeteria Workers totaled \$580.00 and \$1,250.00 for Student Climate Staff.

A report of wig claims paid for the period September 1, 2023 through February 29, 2024 was presented. Wig claims paid to date for Cafeteria Workers totaled \$0.00. Claims paid to date for Student Climate Staff totaled \$0.00.

V. **Other Business.** Ms. Cochran presented a utilization report prepared by Guardian Nurses for the period January 1, 2024 through March 31, 2024. The report reflected utilization of 10.50 hours on behalf of two members for the quarter.

Ms. Cochran reported that the Summary of Material Modifications notice related to the new Collective Bargaining Agreement's change in initial eligibility rules, was mailed to participants on April 18, 2024.

Ms. Cochran stated the PCORI fee, imposed by the Affordable Care Act for self-insured group plans, must be filed by July 31, 2024. The fee is \$3.00 multiplied by the average number of lives covered under the Plan for the 2023 Plan year. The Trustees directed the Administrator to engage Novak Francella to file Form 720, which is the tax form to be filed along with the fee payment. Ms. Cochran noted that the 2022 fee was calculated using the snapshot method.

MOTION was made and seconded to approve the calculation of the PCORI fee using the snapshot method and the engagement of Novak Francella to file the Form 720.

UNANIMOUSLY ADOPTED

Ms. Cochran reported the Change Healthcare Cyber Incident notice was mailed to participants June 7, 2024. She stated that Change Healthcare has not determined whether the Fund participants were impacted, but offered credit monitoring services and identity protection services. Ms. Cochran said the Trustees approved sending the voluntary notice.

Ms. Cochran said that Associated terminated services with Change Healthcare on February 21, 2024 and effective immediately, the new vendor Zelis Payments, Inc. will issue the payments and Explanation of Benefits for all out of network dental claims, orthotic claims, and member reimbursements for wigs. She noted that prior to the meeting, the Trustees via interim action, approved the amendment to Associated's Administrative Services Agreement regarding this change.

VI. **Fund Counsel's Report.** Ms. Brogan stated that she had no formal report.

VII. **Investment Manager's Report.** Mr. Walker presented the Investment Manager's report and stated the following: As of April 30, 2024 the total assets held in the account were \$1,015,594.91 with a loss of 1.01% for the quarter and a gain of 1.06% for the year to date. Assets in the account were allocated 61.90% to fixed income, 23.70% to equities, 14.40% to cash and equivalents.

Mr. Walker provided a market update and stated that his firm continues to monitor inflation, international tension, and changes in the debt ceiling.

The Trustees thanked Mr. Walker and he was excused from the meeting.

VIII. The date of the next regular Board meeting was scheduled for October 16, 2024. The meeting will convene at 10:00 a.m. via Zoom.

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

Union Trustee

School District Trustee