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 Monday, August 14, 2023
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: Deborah R. Willig, Esq. and 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 Walker[1] of The Philadelphia Trust Company

The meeting was called to order at 1:06 p.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 25, 2023 were discussed.

MOTION was made and seconded to adopt the Minutes of the meeting of the Board of Trustees held on April 25, 2023.

UNANIMOUSLY ADOPTED

II. The Minutes of the special meeting of the Board of Trustees held on May 30, 2023 were discussed.

[1] Present for the investment report only.

MOTION was made and seconded to adopt the Minutes of the special meeting of the Board of Trustees held on May 30, 2023.

UNANIMOUSLY ADOPTED

III. **Investment Manager's Report.** Mr. Walker presented the Investment Manager's report and stated the following: As of July 31, 2023 the total assets held in the discretionary account were $1,254,903.97 with a gain of 1.09% for the quarter and a gain of 2.61% for the year to date. Assets in the discretionary account were allocated 66.50% to fixed income, 19.30% to equities, 14.20% to cash and equivalents Total assets held in the non-discretionary account were $9,817.26.

Mr. Walker recommended transferring the balance from the non-discretionary account to the discretionary account.

MOTION was made and seconded to approve the recommendation to transfer the total account balance in the discretionary account to the non-discretionary account.

UNANIMOUSLY ADOPTED

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

IV. **Fund Auditor's Report.** Ms. Jackson presented an engagement letter from Novak Francella, LLC for auditing services for the Plan Year ended August 31, 2023 with a proposed fee not to exceed $20,750, an increase of $800.00 from the prior audit.

MOTION was made and seconded to engage Novak Francella, LLC for auditing services for the Plan Year ended August 31, 2023 with an annual fee not to exceed $20,750.

UNANIMOUSLY ADOPTED

V. **Fund Consultants' Report.** Mr. Iannucci reviewed the Fund's reserves. He stated that the Fund's balance needs to be approximately $1,400,000 in order to maintain a 6 month reserve. He said according to his review of the Fund's financials, he estimates that without receiving contributions from the School District in August, the reserve is estimated to reach $1,000,000 which will drop the reserve below 6 months. Ms. Willig suggested the Trustees make a formal demand to the School District for additional funding.

Ms. Willig requested that Ms. Cochran provide a monthly report with the reserve balance as of July 31,

2023. Once the July financials have been reviewed, Ms. Willig requested that Mr. Iannucci provide the Trustees with a funding recommendation including backup documentation.

VI. **Administrative Manager's Report.** Ms. Cochran presented an unaudited statement of cash receipts and cash disbursements for fiscal year 2022-2023, as of May 31, 2023, with a comparative report for fiscal year 2021-2022. Receipts and disbursements for the period were reviewed, with the Fund experiencing a surplus of $273,903.82 compared to a deficit of $17,845.27 for the prior period.

A report was presented indicating the total Fund balance through May 31, 2023 was $1,542,166.46.

A report was presented detailing the number of eligible employees as of May 26, 2023: 763 Cafeteria Workers and 1,043 Student Climate Staff for a total of 1,806 employees.

A COBRA report was presented for September 1, 2022 through August 31, 2023 showing a total of 104 COBRA notices sent, with one COBRA payee in the month of May 2023.

A dental claims report for Cafeteria Workers and Student Climate Staff for March 1, 2023 through May 31, 2023 was presented. Payments totaled $35,965.32 on 694 claims for Cafeteria Workers and $19,313.47 on 375 claims for Student Climate Staff.

A report of orthotic claims paid for the period September 1, 2022 through May 31, 2023 was presented. Orthotic claims paid to date for Cafeteria Workers totaled $2,635.00 and $555.00 for Student Climate Staff.

A report of wig claims paid for the period September 1, 2022 through May 31, 2023 was presented. Wig claims paid to date for Cafeteria Workers totaled $0.00. Claims paid to date for Student Climate Staff totaled $0.00.

VII. **Other Business.** Ms. Cochran reported the following: the Trustees approved transferring $533,000 from the cash account to investments.

In order to cover benefit expenses, the Fund requested $240,000 from investments held at The Philadelphia Trust Company. The transfer was requested on June 9, 2023.

Ms. Cochran reported the Trustees approved the snapshot method for the July 31, 2022 Patient-Centered Outcomes Research Institute ("PCORI") filing to determine the average number of covered lives under the Plan. She said the PCORI fee is $2.79 multiplied by the average number of covered lives under the Plan. Ms. Cochran said the auditor prepared the Form 720 and payment in the amount of $5,010.84 was mailed on June 18, 2023.

Ms. Cochran reported that it was recommended by Counsel not to file a claim related to the Insys Bankruptcy class action lawsuit. The lawsuit was reviewed by Schwarz & Schwarz and determined that filing a claim for the period of time January 1, 2013 through December 31, 2016 would not be a valuable endeavor for the Fund.

VIII. **Fund Counsel's Report.** Ms. Willig stated that Guardian Nurses has increased their minimum block of hours to 50 hours. Given the Fund's usage, she recommends that the Trustees continue the current as needed basis with an hourly rate of $300.00. Ms. Willig stated that she would review the current contract.

IX. The date of the next regular Board meeting was scheduled for October 25, 2023. The meeting will convene at 10:00 a.m. via Zoom.

X. 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