Warehouse Employees Union Local No. 730
Health and Welfare Trust Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (800) 730-2241
www.associated-admin.com

8400 Corporate Drive, Suite 430
Landover, Maryland 20785-6102
Telephone: (800) 730-2241
www.associated-admin.com

DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 HEALTH AND WELFARE TRUST FUND DECEMBER 2, 2022 VIA TELECONFERENCE

The following Trustees were present:

UNION TRUSTEES
T. Richardson – Chairman
J. Lacy – Alternate

EMPLOYER TRUSTEES
J. Paradis – Secretary
H. Sebhat
F. Stegman

Also present were:

A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
R. Grant – Associated Administrators, LLC
J. Kimble – Morgan, Lewis & Bockius, LLP
R. Sichel – Investment Performance Services, LLC
J. Timm – The Segal Company
M. Vallario – NFP

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held September 23, 2022.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the minutes of the last regular meeting held on September 23, 2022 are approved as presented.**

III. FINANCIAL REPORT

A. Custodian Bank – PNC Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period July 1, 2022 through September 30, 2022 was included in the meeting booklet.

B. Investment Performance Services, LLC ("IPS")

The Trustees welcomed Mr. Rich Sichel of IPS to the meeting.

Mr. Sichel distributed his report titled, "Master Consulting Services Report – September 30, 2022." Mr. Sichel reported that the total market value of assets as of September 30, 2022 was $18,090,725.

C. Quarterly Performance Report

Mr. Sichel reported that as of September 30, 2022, the Fund held 33.0% in Investment Grade Fixed Income, 38.5% in Short Duration High Yield, 9.3% in Real Estate – Core, 2.7% in Real Estate – Value Add, and 16.5% in cash equivalents. He noted Wedge Capital held 5,968,127, Chartwell Investment held $6,959,036, ARA Core Property Fund L.P. held $1,691,329, Boyd Watterson held $496,187, and there was $2,976,046 in the cash account.

D. Asset Allocation

Mr. Sichel noted that the cash allocation is within the targeted policy range. However, since the allocation is on the high end of the range and because there are no immediate needs for extra cash, he recommended the Trustees reallocate money from the cash account as follows: 1) $500,000 from the cash account to Chartwell Investment (Short Duration High Yield) and 2) $600,000 from the cash account to Wedge Capital Management (Investment Grade Fixed Income).

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to follow IPS' recommendation to rebalance the assets by allocating funds as follows: 1) $500,000 from the cash account to Chartwell Investment, 2) $600,000 from the cash account to Wedge Capital Management.**

The Trustees thanked Mr. Sichel for his report and he was excused from the meeting.

IV. COUNSEL REPORT

A. Subrogation Report

Mr. DeLancey reviewed the status of subrogation matters as of December 2, 2022. He stated that there are no cases requiring Trustee action at this time.

B. Green Light Cost Management LLC ("Green Light") Contract – Machine Readable Files

Mr. Kimble reported that the Letter of Agreement and contract between Green Light and the Fund for services related to Machine Readable Files was complete and the contract executed.

C. Cybersecurity Policy Request for Proposal ("RFP")

Mr. DeLancey reviewed the status of the Request for Proposal regarding the cybersecurity guidance for benefit plans issued by the Department of Labor ("DOL"). He noted that there are a broad range of services and proposed quotes from $8,000 to $100,000. Mr. DeLancey said Co-Counsel is reviewing the proposals and will wait for additional vendor responses before presenting a summary to the Trustees.

D. Mental Health Parity and Addiction Equity Act ("MHPAEA")

Mr. Kimble reported that Segal provided a draft MHPAEA report and it is currently under review.

V. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the third quarter 2022. The report showed contributions of $1,717,626, interest and dividend income of $144,319, self-payments of $1,823, and miscellaneous income of $105, producing a total income of $1,869,678 for the quarter. Expenses included $635,539 of benefit expenses and $128,712 of operating expenses, producing a total expense of $764,251. This produced a total surplus of $1,105,427 for the quarter ended September 30, 2022. Ms. Cochran noted that contributions were made on behalf of 344 Plan participants.

VI. INVOICES

Ms. Cochran presented a list of invoices dated December 2, 2022 for the Trustees' review. It was noted that there were no additions, deletions, or changes to the list.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED that the invoices on the list dated December 2, 2022 are approved for payment as presented.

VII. PROVIDER REPORT – Segal

The Trustees welcomed Mr. Josh Timm from Segal Consulting to the meeting.

Mr. Timm reported that Segal obtained pricing for the Price Comparison Tool from Green Light. He stated that Green Light has an implementation fee of $1,000 and a fee of $500 per month. He stated that Segal recommends the Trustees engage Green Light as the vendor for the Price Comparison Tool. Ms. Cochran noted that Green Light provided a sample contract which was provided to Fund Counsel for review.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve engaging Green Light effective January 1, 2023 to provide services related to the Price Comparison Tool with an implementation fee of $1,000 and a $500 fee per month.

Ms. Cochran discussed the Prescription Drug and Health Care Spending Report, which is effective December 27, 2022 for reporting years 2020 and 2021. She said that Cigna confirmed they will prepare and submit pharmacy data and Associated will prepare and submit the medical data on behalf of the Fund.

The Trustees thanked Mr. Timm for his report and he was excused from the meeting.

VIII. PROVIDER REPORT – NFP (Meltzer Group)

The Trustees welcomed Mr. Matt Vallario of NFP to the meeting. He distributed his report titled "Warehouse Employees Union Local 730 – 2023 Stop Loss Renewal."

A. Stop Loss Renewal

Mr. Vallario noted that the current stop loss policy will expire December 31, 2022. He stated that Ullico, the incumbent carrier, proposed a 5% increase, while the current stop loss trend renewal is running at an 18-20% increase in premium. He said the following carriers declined to provide quotes: Berkshire, HM Life, Sun Life, Swiss Re, Symetra, and Voya.

Mr. Vallario reviewed the proposals submitted by Tokio Marine and Ullico. He noted that Ullico provided two proposals, one with a contract basis of 12/15 and another option with 12/18. He noted for approximately $5,000, the Fund would have an opportunity to submit claims for an additional three month period. Mr. Vallario stated the current policy is on a 12/15 contract basis. He recommended the Trustees renew the policy with Ullico, Option 2, with a $500,000 specific level of coverage, a $50,000 aggregating deductible, and an annual premium of $157,871.

After a discussion, on MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the recommendation of NFP and accept the proposed Option 2 stop loss renewal with Ullico for the period January 1, 2023 through December 31, 2023.

The Trustees thanked Mr. Vallario for his report and he was excused from the meeting.

IX. OTHER FUND BUSINESS

A. Cigna PPO Savings Report

The Trustees reviewed a copy of the CIGNA PPO Savings Report for the period January 1, 2022 through September 30, 2022.

B. Notice of Creditable Coverage

Ms. Cochran reported the Notice of Creditable Coverage was mailed to Plan participants on October 3, 2022.

C. Women's Health and Cancer Rights Act ("WHCRA")

Ms. Cochran reported the WHCRA notice was mailed to participants on October 3, 2022.

D. 2023 COBRA Rates

Ms. Cochran reported that Fund Counsel reviewed the 2023 COBRA rates. She said a copy of the updated rates is contained in the meeting booklet for Trustee review.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the 2023 COBRA rates as contained in the meeting booklet.**

E. Autism/Speech Therapy – INTERIM ACTION

Ms. Cochran reported that between meetings the Trustees approved coverage, effective immediately, for speech therapy for dependents diagnosed with autism. She noted the Trustees approved 26 visits per calendar year. She also noted that the language in the SPD was updated to reflect the coverage.

F. Summary Plan Description ("SPD")

Ms. Cochran reported that the revised SPD was submitted to Doyle and is being reviewed for final formatting.

G. CignaRx Banking Arrangement

Ms. Cochran said that while reviewing Cigna's contract for pharmacy services, Associated became aware that Cigna was depositing price adjustments received after the claim was processed, into the JP Morgan bank account that was set up to fund pharmacy claims. She said this has resulted in an account balance of approximately $70,000. Ms. Cochran advised Cigna that Cigna needs to advise the Fund of any refunds. She said that Cigna only requires that the account maintain a balance of $18,000 to pay pharmacy claims. Ms. Cochran said that the balance of approximately $52,000 will be used to pay pharmacy claims.

H. Telehealth Office Visits

Ms. Cochran stated that the Trustees previously approved coverage for telehealth visits during the COVID-19 pandemic with the same co-pays and coinsurance applicable to office visits.

After a discussion, on MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to extend coverage of telehealth office visits through December 31, 2023.

X. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected March 3, 2023 as their next regular meeting date immediately following the companion Pension Fund meeting via teleconference.

XI. ADJOURNMENT

There being no further business to come before the Trustees, the meeting was adjourned.

Respectfully submitted,

Jason Paradis

Secretary