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

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DRAFT

**MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
WAREHOUSE EMPLOYEES UNION LOCAL NO. 730
HEALTH AND WELFARE TRUST FUND
DECEMBER 6, 2024
VIA ZOOM**

The following Trustees were present:

UNION TRUSTEES
W. Davis – Secretary
R. Brooks
S. Clark

EMPLOYER TRUSTEES
J. Paradis – Chairman
F. Stegman
M. Goble – Alternate

Also present were:

A. Cochran – Associated Administrators, LLC
R. Grant – Associated Administrators, LLC
J. Kimble – Morgan, Lewis & Bockius, LLP
B. Saindon – Mooney, Green, Saindon, Murphy & Welch, P.C.
R. Sichel – Investment Performance Services, LLC
A. Tarnoviski – Investment Performance Services, LLC
M. Vallario - NFP

I. CALL TO ORDER

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

II. TRUSTEE RESIGNATION AND APPOINTMENT

Ms. Cochran noted that she received a letter from Local 639 advising that Mr. Frank Myers had retired from Local 639 and that the Local 639 Executive Board had appointed Mr. Scott Clark as Mr. Myers' replacement. The Trustees welcomed Mr. Clark to the meeting.

Ms. Cochran informed the Trustees that she instructed the broker to add Mr. Clark to the Fiduciary and Fidelity Bond policies.

III. MINUTES

The Trustees reviewed the minutes of the last regular meeting held September 13, 2024.

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 13, 2024 are approved as presented.**

IV. FINANCIAL REPORT

A. Custodian Bank – PNK Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period January 1, 2024 through September 30, 2024 is contained in the meeting booklet.

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

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

Mr. Sichel distributed his report titled, "Master Consulting Services Report – September 30, 2024." He reviewed the financial markets generally. Mr. Sichel reported that the Fund's total market value of assets as of September 30, 2024 was $25,772,273, and its year-to-date return is 3.6%, compared to the 4.0% return for the index, gross of fees.

C. Quarterly Performance Report

Mr. Sichel reported that as of September 30, 2024 the Fund held 38.3% in Investment Grade Fixed Income, 43.2% in Short Duration High Yield, 4.9% in Real Estate – Core, 5.4% in Real Estate – Value Add, and 8.2% in cash equivalents. He noted Wedge Capital held $9,883,116, Chartwell Investment held $11,134,331, ARA Core Property Fund L.P. held $1,262,717, Boyd Watterson held $1,381,118, and there was $2,110,992 in the cash account.

The Trustees thanked Mr. Sichel and Ms. Tarnoviski for his their report and they were excused from the meeting.

V. COUNSEL REPORT

A. Delinquency Collection and Payroll Audit Policies

Ms. Saindon reviewed the updates to the Delinquency Collection and Payroll Audit policy. The Trustees requested additional information including the affect it will have on other employer procedures and agreed to table adoption of the Policy.

B. Subrogation Report

Ms. Saindon reviewed the status of the subrogation matters as of December 6, 2024. She reviewed the current cases and stated that there are no cases requiring Trustee action at this time.

C. Health Insurance Portability and Accountability Act of 1996 ("HIPAA") Final Rule – Reproductive Health Care Privacy

Mr. Kimble reported on the Department of Health and Human Services Final Rule which modifies the HIPAA Privacy Rule to support reproductive health care privacy.

D. <u>American Rescue Plan Act of 2021 ("ARPA") COBRA Subsidy</u>

Mr. Kimble reported on a letter the Fund received from the IRS related to the COBRA subsidy reimbursements that the Fund received. The IRS erroneously sought to reclaim the COBRA subsidy amount. Mr. Kimble said that Co-Counsel sent correspondence with supporting documents to IRS explaining why the IRS' position was incorrect. He noted that the IRS has since advised in writing that the issue was resolved.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the third quarter 2024. The report showed contributions of $1,419,899, interest and dividend income of $215,668, COBRA payments of $1,707, self-payments of $0, and miscellaneous income of $0, producing a total income of $1,637,274 for the quarter. Expenses included $1,032,266 of benefit expenses and $185,442 of operating expenses, producing a total expense of $1,217,708. This produced a surplus of $419,566 for the quarter ended September 30, 2024. Ms. Cochran noted that contributions were made on behalf of 312 Plan participants.

VII. INVOICES

Ms. Cochran presented a list of invoices dated December 6, 2024 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 6, 2024 are approved for payment as presented.

VIII. PROVIDER REPORT – NFP

The Trustees welcomed Mr. Matt Vallario of NFP to the meeting. He distributed his report titled "Warehouse Employees Union Local 730 – 2025 Basic Life and Stop Loss Renewal."

A. Stop Loss Renewal

Mr. Vallario noted that the current stop loss policy will expire December 31, 2024. He stated that Ullico, the incumbent carrier, proposed a 3% increase. He said the following carriers declined to provide quotes: Berkshire, Crum & Forster, Evolution Risk, Swiss Re, Unum, Symetra, and Voya.

Mr. Vallario reviewed the proposal submitted by Ullico. He noted that Ullico provided a proposal with a contract basis of 12/18. He recommended the Trustees renew the policy with Ullico, with a $500,000 specific deductible, and a $50,000 aggregating deductible, for an annual premium of $159,400.

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 stop loss renewal with Ullico for the period January 1, 2025 through December 31, 2025.

B. Life Insurance Renewal

Mr. Vallario directed the Trustees to the life insurance and AD&D information in his presentation. He noted that the current life insurance and AD&D policy will expire December 31, 2024. He said NFP received notice of decline to quote from Guardian, Hartford, Mutual of Omaha, New York Life, Standard, SunLife, and Unum. Mr. Vallario recommended the Trustees renew with the incumbent carrier, MetLife for the period January 1, 2025 through December 31, 2025 at an annual premium of $42,004.

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

> **RESOLVED to approve the life insurance and AD&D renewal with MetLife effective January 1, 2025 through December 31, 2025 with an annual premium of $42,004.**

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

IX. OTHER FUND BUSINESS

A. Group Vision Services ("GVS") Report

The Trustees reviewed a copy of the report provided by GVS regarding utilization for the period January 1, 2023 through December 31, 2023.

B. Cigna PPO Savings Report

The Trustees reviewed a copy of the CIGNA PPO Savings Report for the period January 1, 2024 through September 30, 2024.

C. Summary of Material Modifications ("SMM")

Ms. Cochran reported that Associated mailed an SMM to participants on October 28, 2024 regarding the improved dental benefit and network.

D. <u>2023 Summary Annual Report</u>

Ms. Cochran reported that Associated mailed the 2023 Summary Annual Report to Plan participants on October 8, 2024.

E. <u>Women's Health and Cancer Rights Act ("WHCRA")</u>

Ms. Cochran reported that Associated mailed the WHCRA notice to participants on October 8, 2024.

F. <u>Notice of Creditable Coverage</u>

Ms. Cochran reported that Associated mailed the Notice of Creditable Coverage to Plan participants on October 8, 2024.

G. <u>2025 COBRA Rates</u>

Ms. Cochran presented the 2025 COBRA rates. The Trustees reviewed the rates.

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

> **RESOLVED to approve the 2025 COBRA rates as contained in the meeting booklet.**

H. <u>Employer Termination – Adams Burch</u>

Ms. Cochran confirmed that the Fund received the final reimbursement from Teamsters Local 639 Health and Welfare Fund for the remaining July 2023 claims received within the 12-month filing deadline for the Adams Burch employees.

I. <u>International Foundation of Employee Benefit Plans – Annual Membership</u>

Ms. Cochran reported receipt of the Fund's 2025 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee contains a $100 increase from the prior year.

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

> **RESOLVED to approve the Fund's 2025 renewal with the International Foundation of Employee Benefit Plans at the $1,525.00 annual fee.**

J. <u>Consolidated Appropriations Act ("CAA")</u>

Ms. Cochran reported that Associated successfully filed the CAA Gag Clause Attestation on behalf of the Fund.

K. <u>Class Action Settlement</u>

Ms. Cochran reported that the Fund received a check in the amount of $3,129.28 related to the Ranbaxy Generics class action settlement.

L. <u>Delta Dental Implementation</u>

Ms. Cochran reported that the Delta Dental implementation was in progress.

M. <u>Pharmacy Benefit Manager - Express Scripts Implementation</u>

Ms. Cochran reported the Express Scripts implementation was in progress and a Summary of Material Modifications would be mailed to the participants prior to the Express Scripts standard new member mailing.

N. <u>Delta Dental Proposal</u>

Ms. Cochran reviewed the updated composite rate of $35.26 provided by Delta Dental to include the 50% implant and orthodontia coverage with a $1,500 lifetime maximum for adults and children up to age 26.

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

RESOLVED to accept the Delta Dental proposal with the composite rate of $35.26 per member per month which includes the 50% implant coverage and 50% orthodontia coverage with a $1,500 lifetime maximum for adults and children up to age 26.

X. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected March 7, 2025 as their next regular meeting date immediately following the companion Pension Fund meeting via Zoom.

XI. ADJOURNMENT

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

Respectfully submitted,

Jason Paradis

Chairman