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
MARCH 7, 2025
VIA ZOOM

The following Trustees were present:

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

EMPLOYER TRUSTEES
J. Paradis – Chairman
F. Stegman

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

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 December 6, 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 December 6, 2024 are approved as presented.**

III. 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 December 31, 2024 is contained 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 – December 31, 2024." He reviewed the financial markets generally. Mr. Sichel reported that the Fund's total market value of assets as of December 31, 2024 was $26,283,503, and the return for 2024 was 3.6%, compared to the 3.6% return for the index, gross of fees.

C. Quarterly Performance Report

Mr. Sichel reported that as of December 31, 2024 the Fund's assets were allocated as follows: 37.0% in Investment Grade Fixed Income, 42.5% in Short Duration High Yield, 4.8% in Real Estate – Core, 5.2% in Real Estate – Value Add, and 10.5% in cash equivalents. He noted Wedge Capital held $9,724,017, Chartwell Investment held $11,167,290, ARA Core Property Fund L.P. held $1,262,340, Boyd Watterson held $1,364,592, and there was $2,765,263 in the cash account.

D. Rebalancing Recommendation

Mr. Sichel reported that the current allocations are within the targeted policy range of the Investment Policy Statement. However, because the Real Estate Core allocations are on the high end of the range and because there are no immediate needs for extra cash, he recommended the Trustees reinvest income received from the Real Estate Value Add manager, Boyd Watterson Government Fund, LP.

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

> **RESOLVED to approve IPS recommendation to reinvest income received from the Real Estate Value Add manager, Boyd Watterson Government Fund, LP.**

E. Asset Allocation

Mr. Sichel directed the Trustees to the asset allocation chart, which listed three potential asset allocations for the Trustees' consideration. He reviewed the scenarios and recommended Portfolio D, which would add US Large Cap Equities as a new asset class. He recommended allocating 10% of the portfolio to a Large Cap US Equity Index Fund and reducing the Fund's allocation to Short Duration High Yield Fixed Income from 42.5% to

32.5%. He recommended that the Fund invest $2.6 million into the Index Fund with the investment to be made in two installments.

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

> **RESOLVED to accept the recommendation of IPS to adopt Portfolio D, and invest $2.6 million into a US Large Cap Equity Index Fund, and reduce the allocation of the Short Duration High Yield Fixed Income from 42.5% to 32.5%.**

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

IV. COUNSEL REPORT

A. Delinquency Collection and Payroll Audit Policies

Ms. Saindon reviewed the updates to the Delinquency Collection and Payroll Audit policy which was distributed prior to the meeting. The Trustees requested revisions to section G, noting a 10-day response period for payment of liquated damages and interest along with delegation to Chairman and Secretary to approve any employer requests for modification to the amount due. Ms. Saindon said she would revise the Policy and it would be presented at the next meeting.

B. Subrogation Report

Ms. Saindon reviewed the status of the subrogation matters as of March 7, 2025. She reviewed the current cases and stated that there are no cases requiring Trustee action at this time.

C. Morgan Lewis Hourly Rate Increase

Mr. Kimble requested to increase his firm's maximum hourly rate for services to the Funds from $710.00 per hour to $750.00 per hour effective January 1, 2025. He noted that the last rate increase was effective in 2023.

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

RESOLVED to approve the hourly maximum increase for Morgan Lewis to $750.00 effective January 1, 2025.

V. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the fourth quarter 2024. The report showed contributions of $1,409,050, interest and dividend income of $257,865, COBRA payments of $5,121, self-payments of $0, and miscellaneous income of $3,144, producing a total income of $1,675,180 for the quarter. Expenses included $861,681 of benefit expenses and $101,558 of operating expenses, producing a total expense of $963,239. This produced a surplus of $711,941 for the quarter ended December 31, 2024. Ms. Cochran noted that contributions were made on behalf of 313 Plan participants.

VI. INVOICES

Ms. Cochran presented a list of invoices dated March 7, 2025 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 March 7, 2025 are approved for payment as presented.

VII. OTHER FUND BUSINESS

A. Collective Bargaining Agreement ("CBA") – Washington Food Supply

Ms. Cochran reported the receipt of a newly negotiated Collective Bargaining Agreement between the Union and Washington Food Supply for the period November 1, 2024 through November 2, 2027.

After discussion and review of the CBA by Fund Co-Counsel, the Trustees voted approval of the following resolution:

RESOLVED to accept the CBA between Washington Food Supply and the Union for the period November 1, 2024 through November 2, 2027.

B. <u>Auditor Engagement Letter</u>

Ms. Cochran reported receipt of Novak Francella's engagement letter for the 2024 Plan year audit, which reflects an annual fee of $17,700, an increase of 2.9% from the previous year.

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

RESOLVED to approve Novak Francella's engagement letter for the 2024 Plan Year with an annual fee of $17,700.

C. <u>Summary of Material Modifications ("SMM")</u>

Ms. Cochran reported that Associated mailed an SMM to participants on December 13, 2024 regarding the change to Express Scripts as the Fund's pharmacy benefit manager. She noted the mailing included an Express Scripts welcome letter and temporary identification card.

D. <u>Delta Dental implementation</u>

Ms. Cochran reported that the Delta Dental Implementation was completed. She noted that Associated has not received any complaints from participants and confirmed that Associated submitted to Delta Dental the $3,000 implementation credit to which the Fund is entitled.

E. <u>Cigna PPO Savings Report</u>

The Trustees reviewed a copy of the CIGNA PPO Savings Report for the period January 1, 2024 through December 31, 2024.

F. Form 1099NEC

Ms. Cochran reported that Associated mailed the Form 1099NEC to participants on January 31, 2025.

G. Form 1099MISC

Ms. Cochran reported that Associated mailed the Form 1099MISC to participants on January 31, 2025.

VIII. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected June 2, 2025 as their next regular meeting date immediately following the companion Pension Fund meeting via Zoom.

IX. ADJOURNMENT

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

Respectfully submitted,

Jason Paradis

Chairman