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 3, 2023
VIA ZOOM

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEES**
W. Davis – Secretary	J. Paradis – Chairman
R. Brooks	F. Stegman
F. Myers	M. Kamara

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

Prior to the start of the meeting, Mr. Mohamed Kamara introduced himself to the Trustees, noting he is replacing Ms. Hanna Sebhat as an Employer Trustee. Mr. William Davis introduced himself a Union Trustee to the rest of Trustees. The other Trustees and Plan professionals introduced themselves to the new Trustees.

I. CALL TO ORDER

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

II. TRUSTEE RESIGNATION AND APPOINTMENT

Ms. Cochran reported receipt of a letter from Ms. Hanna Sebhat regarding her resignation as an Employer Trustee effective February 3, 2023. She reported receipt of a nomination letter from Eight O'Clock Coffee for Mr. Mohamed Kamara to replace Ms. Sebhat. Ms. Cochran reported that a letter was sent to participating employers on February 7, 2023 regarding the replacement of Ms. Hanna Sebhat as an Employer Trustee. Ms. Cochran said no responses were received regarding the nomination. The Trustees welcomed Mr. Kamara to the meeting.

Ms. Cochran reported receipt of a letter dated February 7, 2023 from the International Brotherhood of Teamsters replacing Mr. Tyrone Richardson and Jason Lacy as Union Trustees. The letter appointed Mr. William Davis as a Union Trustee. The Trustees welcomed Mr. Davis to the meeting.

Ms. Cochran informed the Trustees that she instructed the broker to add Mr. Kamara and Mr. Davis to the Fiduciary and Cyber Liability policies along with the Fidelity Bond.

The Employer Trustees nominated Mr. Jason Paradis to serve as Chairman effective immediately.

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

> **RESOLVED to approve the nomination of Trustee Paradis to serve as the Chairman effective immediately.**

The Union Trustees nominated Mr. William Davis to serve as Secretary effective immediately.

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

> **RESOLVED to approve the nomination of Trustee Davis to serve as the Secretary effective immediately.**

III. MINUTES

The Trustees reviewed the minutes of the last regular meeting held December 2, 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 December 2, 2022 are approved as presented.**

IV. FINANCIAL REPORT

A. Custodian Bank – PNC Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period October 1, 2022 through December 31, 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 – December 31, 2022." Mr. Sichel reported that the total market value of assets as of December 31, 2022 was $19,186,085.

C. Quarterly Performance Report

Mr. Sichel reported that as of December 31, 2022, the Fund held 34.7% in Investment Grade Fixed Income, 39.9% in Short Duration High Yield, 8.3% in Real Estate – Core, 3.1% in Real Estate – Value Add, and 14.0% in cash equivalents. He noted Wedge Capital held 6,651,296, Chartwell Investment held $7,648,054, ARA Core Property Fund L.P. held $1,595,249, Boyd Watterson held $603,337, and there was $2,688,149 in the cash account.

D. Investment Manager Cash Distributions

Mr. Sichel reviewed the recommendation for the Fund to submit an election to receive cash distributions for American Realty Advisors Core Property Fund, LP and Boyd Watterson State Government Fund, LP.

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

> **RESOLVED to follow IPS' recommendation to receive cash distributions for American Realty Advisors Core Property Fund, LP and Boyd Watterson State Government Fund, LP effective immediately.**

E. 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) $300,000 from the cash account to Chartwell Investment (Short Duration High Yield) and 2) $300,000 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) $300,000 from the cash account to Chartwell Investment, 2) $300,000 from the cash account to Wedge Capital Management.**

F. <u>Investment Consulting Agreement Memorandum</u>

Mr. Sichel reviewed his memorandum in which IPS proposed a new contract for a three-year period with an increase in the first year from $25,000 to $30,000. The fee of $30,000 would not increase in the last two years of the contract. The increase would be effective October 1, 2023.

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

The Trustees tabled the decision regarding the Investment Consulting renewal.

V. COUNSEL REPORT

A. <u>Subrogation Report</u>

Mr. DeLancey reviewed the status of subrogation matters as of March 3, 2023. He reported one case currently open that does not require Trustee direction at this time.

B. <u>Extension of Certain Deadlines</u>

Mr. Kimble reported that the national emergency due to COVID-19 would expire on May 11, 2023. He reported that during the national emergency certain deadlines relating to COBRA, claims and appeals, and HIPAA special enrollment rights had been tolled until the earlier of one year from when the participant was initially eligible for relief or 60 days after the end of the national emergency. He noted that those participants whose deadlines are currently tolled would end on July 10, 2023. He recommended that the Trustees revert to the standard deadlines effective May 12, 2023 as stated in the Summary Plan Description (“SPD”). The Trustees agreed to do so.

Mr. Kimble also reported that during the National Emergency the Fund has been required to cover diagnostic tests and vaccines without cost sharing at both in and out of network providers. He stated that after May 11 the Fund would no longer be required to cover these items in that fashion. He did note that as a non-grandfathered plan, the Fund would have to cover COVID-19 vaccines at in-network providers without cost sharing. The Trustees tabled a decision and requested Ms. Cochran obtain cost information related to the in-network and out-of-network COVID-19 vaccines and tests.

C. <u>Cybersecurity Policy Request for Proposal (“RFP”)</u>

Mr. DeLancey reviewed the summary “Warehouse Employees Union Local 730 Funds – Cybersecurity RFP” provided prior to the meeting. He said Co-Counsel recommends engaging PFK O’Connor Davies (“PFK”) as the Cybersecurity consultant to review the Fund’s vendors’ responses to the cyber security questionnaires based on PFK’s competitive fees and sample reporting.

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

RESOLVED to engage PFK to be the Cybersecurity consultant.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the fourth quarter 2022. The report showed contributions of $1,701,171, interest and dividend income of $176,074, COBRA payments of $8,601, self-payments of $1,120, and miscellaneous income of $0, producing a total income of $1,886,966 for the quarter. Expenses included $591,639 of benefit expenses and $103,633 of operating expenses, producing a total expense of $695,272. This produced a total surplus of $1,191,694 for the quarter ended December 31, 2022. Ms. Cochran noted that contributions were made on behalf of 339 Plan participants.

VII. INVOICES

Ms. Cochran presented a list of invoices dated March 3, 2023 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 3, 2023 are approved for payment as presented.**

VIII. PARTICIPANT APPEAL – #M22/127-4802

The participant's spouse appealed for payment of claims for outpatient laboratory services that were denied, as Quest Diagnostics and/or Laboratory Corporation of America Holdings did not perform the services. It was noted that effective January 1, 2022 the Plan was amended to specifically exclude lab services performed anywhere other than Quest or LabCorp. Ms. Cochran further notified that the Fund mailed a notice to participants advising of this amendment.

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

RESOLVED to deny appeal #M22/127-4802.

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 December 31, 2022.

The Trustees discussed performing a Request for Proposal ("RFP") for medical and prescription benefits to review Cigna's rates and pharmacy pricing against the market. The Trustees directed Ms. Cochran to reach out to Segal for a recommendation on a full RFP or for a negotiation of the current rates and pharmacy pricing.

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

RESOLVED to have Ms. Cochran request information from Segal regarding a full RFP versus a negotiation with incumbent carrier, Cigna.

B. 2023 Auditor Engagement Letters

Ms. Cochran reported receipt of the auditor engagement letter for the 2022 Plan year, which reflects an annual fee of $16,400, an increase of 8% from the previous year. She also reviewed the payroll audit engagement letter, which reflects a 5% increase in hourly fees. Ms. Cochran noted that there has been no increase in the payroll audit hourly fees since 2015.

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

> **RESOLVED to approve the auditor engagement letter for the 2022 Plan Year with an annual fee of $16,400 and the payroll audit engagement letter at the proposed hourly fees.**

C. <u>2023 Summary of Benefits & Coverage (“SBC”)</u>

Ms. Cochran reported the 2023 SBC Notice for the period January 1, 2023 through December 31, 2023 was mailed to active participants on January 5, 2023.

D. <u>Annual Creditable Coverage Disclosure to the Centers for Medicare & Medicaid Services (“CMS”)</u>

Ms. Cochran reported that the Creditable Coverage Disclosure to CMS for 2023 was electronically filed on time and CMS accepted the filing.

E. <u>Form 1099NEC</u>

Ms. Cochran reported that Associated mailed the Form 1099NEC to participants on January 25, 2023.

F. <u>Form 1099MISC</u>

Ms. Cochran reported that Associated mailed the Form 1099MISC to participants on January 27, 2023.

G. <u>Stop Loss Policy – Ullico</u>

Ms. Cochran reported that the Fund received a dividend in the amount of $5,127.00 for the January 1, 2022 through December 31, 2022 policy year. The rebate is 5% of the plan’s specific gross stop loss premium.

H. No Surprises Act and Transparency Rule

Ms. Cochran reported that the contract regarding the Price Comparison Tool with Greenlight was executed and that Associated is currently updating software in order to support the data files.

Ms. Cochran stated that Associated submitted the medical portion of the Prescription Drug and Health Care Spending Report to CMS on December 21, 2022. She said that Cigna confirmed submitting the prescription portion prior to the deadline.

I. Class Action Settlement

Ms. Cochran said the Fund received a class action settlement check in the amount of $132.75 related to Loestrin.

J. Health Care Cost Containment Corporation ("HCCCC") – Annual Renewal

Ms. Cochran reported receipt of the annual renewal for the participation in the HCCCC for the 2023 calendar year. She noted the 2023 membership fee is $0.75 per member or a minimum of $700.00.

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

> **RESOLVED to approve the 2023 membership renewal fee of the minimum amount of $700.00.**

K. Summary Plan Description ("SPD")

Ms. Cochran reported that the SPD was mailed to participants on January 20, 2023.

X. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected June 9, 2023 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,

William Davis
Secretary