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

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 HEALTH AND WELFARE TRUST FUND MARCH 26, 2021 VIA TELECONFERENCE

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
R. Brooks – Chairman	J. Paradis – Secretary
J. Lacy	H. Sebhat
F. Myers	F. Stegman
T. Richardson – Alternate	M. Goble – Alternate

Also present were:

K. Barshinger – Associated Administrators, LLC
A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
J. Kimble – Morgan, Lewis & Bockius, LLP
R. Sichel – Investment Performance Services, LLC

I. CALL TO ORDER

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

II. MINUTES

The Trustees read the minutes of the last regular meeting held on December 10, 2020.

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 10, 2020 are approved as written.**

III. FINANCIAL REPORT

A. Custodian Bank – PNC Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period January 1, 2020 through December 31, 2020 is contained in the meeting booklet.

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

1. Investment Performance

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

Mr. Sichel distributed his report titled, "Master Consulting Services Report – December 31, 2020." Mr. Sichel reported that the total market value of assets as of December 31, 2020 was $12,820,175.

2. Asset Allocation

Mr. Sichel reported that as of December 31, 2020, the Fund held 46.8% in Investment Grade Fixed Income, 38.1% in Short Duration High Yield, 5.9% in Real Estate, and 9.2% in cash equivalents. He noted Wedge Capital held $6,005,117, Chartwell Investment held

$4,887,462, American Core Realty held $752,417, and there was $1,175,180 in the cash account.

Mr. Sichel noted that the cash allocation is within the permissible Investment Policy range, however he recommended the Trustees consider rebalancing the allocation closer to the target allocation in the Investment Policy. He also recommended the Trustees consider adding an allocation to a value added-real estate product and recommended investing in the Boyd Watterson State Government Fund. Mr. Sichel reviewed various potential asset allocations for the Trustees' consideration. Mr. Sichel recommended Portfolio E, which would decrease the Fixed Income asset allocation from 50.0% to 40.0% and increase the Short Duration High Yield asset allocation from 40.0% to 45.0%. He recommended investing 5.0% of the assets with Boyd Watterson.

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

> **RESOLVED, to accept the recommendation of IPS to 1) adopt Portfolio E, decreasing the Fixed Income asset allocation from 50.0% to 40.0% and increasing the Short Duration High Yield asset allocation from 40.0% to 45.0% and to invest 5.0% with Boyd Watterson; and 2) transfer $650,000 from the cash account to Chartwell.**

3. <u>American Core Realty Fund, LLC</u>

Mr. Sichel said that IPS recommends reinvesting all quarterly distributions from the American Core Realty Fund in the American Core Realty Fund.

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

RESOLVED to adopt IPS' recommendation to reinvest American Core Realty Fund, LLC quarterly distributions in the American Core Realty Fund.

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 March 26, 2021. He stated that there are no cases requiring Trustee action at this time.

B. Legislative Update

Mr. Kimble reviewed three Memorandums from co-counsel regarding provisions of the Consolidated Appropriations Act, the American Rescue Plan Act, and COVID-19 Deadline Extensions and their applicability to the Fund. Mr. Kimble said co-counsel will work with Associated to ensure the Fund's compliance with the new laws.

V. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the fourth quarter 2020. The report showed contributions of $1,468,632, interest and dividend income of $87,278, and miscellaneous income of $0, producing a total income of $1,555,910 for the quarter. Expenses included $746,181 of benefit expenses and $64,699 of operating expenses, producing a total expense of $810,880. This produced a total surplus of $745,030 for the quarter ended

December 31, 2020. Ms. Cochran noted that contributions were made on behalf of 339 Plan participants.

VI. INVOICES

Ms. Cochran presented a list of invoices dated March 26, 2021 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 26, 2021 are approved for payment as presented.**

VII. OTHER FUND BUSINESS

A. Blank Rome LLP Fee Request

Ms. Cochran noted receipt of an email dated February 3, 2021 in which Mr. DeLancey is requesting an increase in his hourly rate from $620.00 to $660.00. She said Mr. DeLancey has not had an increase in his hourly rate since March 19, 2015. The request represents an increase of 6.5%. Ms. Cochran noted that Co-Counsel's rate is also $660.00 per hour.

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

> **RESOLVED to approve the Blank Rome LLP hourly rate of $660.00 effective April 1, 2021.**

B. Cyber Liability Policy

The Trustees reviewed the proposal provided by NFP regarding the renewal of the Cyber Liability policy. Ms. Cochran noted the original policy expired March 12, 2021 but that the expiration date was extended until March 31, 2021 so that action could be taken at this meeting. There was one proposal from the incumbent carrier, Beazley. Ms. Cochran said there was a 16% increase in the premium due to overall industry losses, market trend inflation in claims adjustment cost, and the impact of the pandemic. She said the broker approached three other carriers and all declined to provide proposals.

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

> **RESOLVED to approve renewing the Cyber Liability Policy with Beazley for the period March 5, 2021 through March 5, 2022 with an annual premium of $2,441.10.**

Ms. Cochran advised that the policy covers the Warehouse Local 730 Legal and Pension Trust Funds and that the premium would be pro-rated as directed by the Fund auditor.

C. <u>Dental Health Centers and Associates, LLC (DHC)</u>

The Trustees reviewed the Dental Health Centers and Associates 2020 report. The report indicated the total yearly premium paid for dental coverage was $127,425.30. The dollar value of dentistry performed at the average "usual and customary" fees in 2020 was $158,532.00. Ms. Cochran said the report indicates that for each $1.00 in premiums paid, the members are receiving $1.24 of dental services based on "usual and customary" values.

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

The Trustees reviewed a copy of the CIGNA PPO Savings Report for the period January 1, 2020 through June 30, 2020.

E. Annual Creditable Coverage Disclosure to the Centers for Medicare & Medicaid Services ("CMS") (2021)

Ms. Cochran reported that Associated electronically filed in a timely manner the Creditable Coverage Disclosure to CMS for 2021 and that CMS accepted the filing.

F. Stop Loss Policy – Ullico

Ms. Cochran reported the Fund received a dividend in the amount of $4,625.00 for the January 1, 2020 to December 31, 2020 policy year. The rebate is 5% of the Plan's specific gross stop loss premium.

G. Form 1099MISC

Ms. Cochran reported that Associated mailed the Form 1099MISC to participants on January 28, 2021.

H. Employer Contribution Rate Letter

Ms. Cochran reported that Associated mailed a contribution rate increase letter to Eight O' Clock Coffee for a rate change effective February 1, 2021.

I. Summary of Material Modifications ("SMM")

Ms. Cochran reported that Associated mailed the SMM regarding coverage of the COVID-19 vaccination to participants on February 16, 2021.

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

Ms. Cochran said that Associated mailed the annual WHCRA notice to participants on February 16, 2021.

VIII. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected June 10, 2021 as their next regular meeting date immediately following the companion Pension Fund meeting via teleconference.

IX. ADJOURNMENT

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

Respectfully submitted,

Jason Paradis
Secretary