



September 1, 2020

The Board of Trustees:

Warehouse Employees Union Local No. 730 & Contributing Companies' Prepaid Legal Services Fund

Warehouse Employees Union Local No. 730 Pension Trust Fund

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

Re: Administrative Services Contract Renewal

Trustees and Fund Counsel:

The administrative services contracts between Associated Administrators, LLC ("Associated") and the Warehouse Employees Union Local No. 730 & Contributing Companies' Prepaid Legal Services Fund, Pension Trust Fund, and Health and Welfare Trust Fund ("Funds") expires December 31, 2020. We hope that the Trustees will consider favorably our request for a three-year agreement at the rates attached in Exhibit A, which represents a 3% increase each year, designed to cover increased costs of doing business.

Services Recap

Brief recap of some of the services provided by Associated over the last three years:

- Implemented new Cyber Liability Policy for all Funds, which is updated annually
- Implemented and processed Legal Fund benefit changes
- Transitioned Welfare Fund Class C members from a fully-insured to self-insured arrangement
- Worked diligently to provide data to various vendors for special projects
 - CignaRx pharmacy pricing proposal
 - MPRA analysis
 - Kaiser proposal
- Implemented the COVID-19 changes to the Welfare Fund

Associated works hard to control its operating costs, but some are increasing.

Employee Benefits

Associated's bargaining unit employees participate in a multiemployer Health & Welfare Fund. Medical costs generally increase every year. Our unit employees are covered under a multiemployer Pension Plan. Those rates are scheduled to increase every year for nine years in accord with the Fund's Rehabilitation Plan.

Compliance Monitoring

Associated continues to provide a compliance monitoring program to help each of our client funds track regulatory reporting requirements, vendor contracts, and required documentation. Failure to comply can result in fines and fees for the Trustees.

Information Technology

Associated's highest cost increases and deliberate reinvestment have been in Information Technology. We paid over \$700,000 in 2019 for system enhancements and support that allow us to better serve our clients and participants and maintain security (including software upgrades and new servers).

Postage

Associated pays all regular postage on behalf of the Fund, excluding mass mailings. The United States Postal Service implemented a 2.1% rate hike in 2018 and a 10% rate hike in 2019 for first class mail.

Associated has assigned to the Funds an Account Executive and an Account Manager with over 28 years of benefits fund administrative experience. Supporting the account management team are sixteen employees, which includes staff from our accounting, accident and sickness, eligibility, pension, medical claims, communications, mailroom, appeals, and IT departments. We are all dedicated to providing superior services.

Associated appreciates the opportunity to serve the Plan participants and the Trustees, and welcomes all questions concerning our proposal.

Sincerely,



Alicia Cochran
Account Executive
Associated Administrators, LLC

EXHIBIT A

Fund	Current Fee Per Month	01/01/21 Through 12/31/21	01/01/22 Through 12/31/22	01/01/23 Through 12/31/23
Legal Fund <i>Additional annual fee</i>	\$2.00	\$2.06 <i>\$484.56</i>	\$2.12 <i>\$499.10</i>	\$2.18 <i>\$514.07</i>
Pension Fund <i>Additional annual fee</i>	\$7.50	\$7.73 <i>\$3,653.10</i>	\$7.96 <i>\$3,762.69</i>	\$8.20 <i>\$3,875.57</i>
Welfare Fund Admin HIPAA <i>Additional admin annual fee</i>	\$24.47 \$0.21	\$25.20 \$0.21 <i>\$3,012.75</i>	\$25.96 \$0.21 <i>\$3,103.13</i>	\$26.74 \$0.21 <i>\$3,196.22</i>

01/01/2021 through 12/31/2023 Hourly Rates for

New Regulatory Changes and Implementation of New Vendors:

\$100/Hour – IT/Management

\$60/Hour – Supervisor

\$30/Hour – Regular Employee