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 SEPTEMBER 23, 2022 VIA TELECONFERENCE

The following Trustees were present:

UNION TRUSTEES
R. Brooks – Chairman
J. Lacy
T. Richardson – Alternate

EMPLOYER TRUSTEES
J. Paradis – Secretary
H. Sebhat
F. Stegman

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

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 June 6, 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 June 6, 2022 are approved as presented.**

III. FINANCIAL REPORT

A. Custodian Bank – PNC Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period April 1, 2022 through June 30, 2022 was not provided prior to the meeting. She said the report will be distributed once received from PNC.

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 – June 30, 2022." Mr. Sichel reported that the total market value of assets as of June 30, 2022 was $17,370,568.

C. Quarterly Performance Report

Mr. Sichel reported that as of June 30, 2022, the Fund held 34.9% in Investment Grade Fixed Income, 39.4% in Short Duration High Yield, 4.1% in Real Estate – Core, 2.1% in Real Estate – Value Add, and 19.5% in cash equivalents. He noted Wedge Capital held $6,058,121, Chartwell Investment held $6,838,668, ARA Core Property Fund L.P. held $718,270, Boyd Watterson held $364,353, and there was $3,391,156 in the cash account.

D. **Asset Allocation**

Mr. Sichel noted that the cash allocation is within the targeted policy range. However, based on the current cash needs, he recommended the Trustees consider reallocating funds as follows: 1) $100,000 from the cash account to Chartwell Investment (Short Duration High Yield) and 2) $100,000 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 by allocating funds as follows: 1) $100,000 from the cash account to Chartwell Investment, 2) $100,000 from the cash account to Wedge Capital Management.**

IV. COUNSEL REPORT

A. **Subrogation Report**

Mr. DeLancey reviewed the status of subrogation matters as of September 23, 2022. He stated that there are no cases requiring Trustee action at this time.

B. **Cybersecurity Policy Request for Proposal ("RFP")**

Mr. Kimble reviewed the status of the cybersecurity guidance for benefit plans issued by the Department of Labor ("DOL") and said the Fund will need to seek a cybersecurity consultant to review the service providers' responses to a questionnaire in order to confirm the service provider is in compliance with the DOL's guidance. Mr. Kimble stated that the Request for Proposal ("RFP") letters will be mailed to the selected vendors.

C. **Cigna Contracts**

Mr. Kimble reported that the negotiations between Cigna and the Fund for the

Service Agreement (medical) and Administrative Services Only Agreement (pharmacy), were complete and the contracts were executed.

D. <u>Green Light Cost Management LLC ("Green Light") Contract – Machine Readable Files</u>

Mr. Kimble reported that the Letter of Agreement and contract between Green Light and the Fund for services related to Machine Readable Files was completed and executed.

V. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the second quarter 2022. The report showed contributions of $1,604,653, interest and dividend income of $141,450, self-payments of $3,071, and miscellaneous income of $388, producing a total income of $1,754,434 for the quarter. Expenses included $533,815 of benefit expenses and $120,833 of operating expenses, producing a total expense of $654,648. This produced a total surplus of $1,099,786 for the quarter ended June 30, 2022. Ms. Cochran noted that contributions were made on behalf of 336 Plan participants.

VI. INVOICES

Ms. Cochran presented a list of invoices dated September 23, 2022 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 September 23, 2022 are approved for payment as presented.**

VII. PROVIDER REPORT – Segal

Ms. Cochran stated that Ms. Kathy Bakich from Segal was unable to attend the meeting. She noted that Segal is working with Greenlight to obtain pricing for the Price Comparison Tool. Ms. Cochran discussed another upcoming compliance item, the Prescription Drug and Health Care Spending Report. She said Associated is working with Cigna to determine how the required information will be reported to the necessary entities by the December 27, 2022 deadline. Ms. Cochran noted that in order to produce the medical data associated with the reporting, special programming by Basys is needed. She noted a prorated fee may be assessed to the Fund.

Ms. Cochran noted that the Mental Health Parity Report is still being developed by Segal. She said the draft report will be sent to Fund Counsel for review.

VIII. OTHER FUND BUSINESS

A. Group Vision Services ("GVS")Report

Ms. Cochran referred to the report provided by GVS regarding utilization for the period January 1, 2021 through June 30, 2021 and January 1, 2022 through June 30, 2022 and the contract renewal for vision and hearing services. She noted the current fee agreement expires December 31, 2022. The proposed renewal is for a three-year period from January 1, 2023 through December 31, 2025 with no fee increase to the rate for vision or hearing benefits.

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

RESOLVED to approve the GVS renewal for the period January 1, 2023 through December 31, 2025 with no fee increase.

B. Cigna PPO Savings Report

The Trustees reviewed a copy of the CIGNA PPO Savings Report for the period January 1, 2022 through June 30, 2022.

C. Employer Contribution Rate Letter

Ms. Cochran reported a contribution rate increase letter was mailed to Adams Burch and Giant Recycling on June 2, 2022 for a rate change effective July 1, 2022.

D. 2020 Annual Audit

Ms. Cochran reported that the Fund's auditor, Novak Francella, filed the Form 990 and Form 5500 on August 1, 2022.

E. 2021 Summary Annual Report

Ms. Cochran reported the 2021 Summary Annual Report was mailed to Plan participants on August 22, 2022.

F. International Foundation of Employee Benefit Plans – Annual Membership

Ms. Cochran reported receipt of the Fund's 2023 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee contains a $50 increase from prior year.

> **RESOLVED to approve the Fund's 2023 renewal with the International Foundation of Employee Benefit Plans at the $1,360 annual fee.**

G. Fiduciary Liability Policy

Ms. Cochran reviewed the interim action the Trustees took to renew the Fiduciary Liability policy for the period July 26, 2022 through July 26, 2023 with the incumbent carrier, Markel American Insurance Company/Ullico ("Ullico"), through the broker NFP Property & Casualty Service, Inc. ("NFP"). She said that there was a decrease of $54 in the annual premium. She reported that the Trustees approved the renewal via an electronic poll conducted in July 2022.

Ms. Cochran advised the Trustees that letters regarding their required payment of the Waiver of Recourse premiums of $25 were emailed on July 26, 2022.

H. Summary Plan Description ("SPD")

Ms. Cochran reported the final revised SPD was emailed to the Trustees for review on September 2, 2022. She confirmed the SPD will be printed and mailed by Doyle Printing.

I. Class Action Settlement

Ms. Cochran said the Fund received a class action settlement check in the amount of $104.51 from Cigna related to Lovenox.

J. Patient Centered Outcomes Research Institute ("PCORI")

Ms. Cochran stated the PCORI fee, imposed by the Affordable Care Act for self-insured group plans, was mailed July 12, 2022. The amount paid was $2,011.59.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected December 2, 2022 as their next regular meeting date immediately following the companion Pension Fund meeting via teleconference.

X. ADJOURNMENT

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

Respectfully submitted,

Jason Paradis

Secretary