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

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (800) 730-2241
www.associated-admin.com

8400 Corporate Drive, Suite 430
Landover, Maryland 20785-6102
Telephone: (800) 730-2241
www.associated-admin.com

DRAFT

MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
WAREHOUSE EMPLOYEES UNION LOCAL NO. 730
HEALTH AND WELFARE TRUST FUND
SEPTEMBER 13, 2024
VIA ZOOM

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
R. Brooks	J. Paradis – Chairman
F. Myers	F. Stegman
	M. Kamara
	M. Goble – Alternate

Also present were:

A. Cochran – Associated Administrators, LLC
R. Grant – Associated Administrators, LLC
J. Hardy – The Segal Company
A. Kelly – Morgan, Lewis & Bockius, LLP
M. Pascal – Novak Francella LLC
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 June 27, 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 June 27, 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 June 28, 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 – June 30, 2024." He reviewed the financial markets generally. Mr. Sichel reported that the Fund's total market value of assets as of June 30, 2024 was $24,427,928, and its year-to-date return is 1.2%, compared to the 1.2% return for the index, gross of fees.

C. Quarterly Performance Report

Mr. Sichel reported that as of June 30, 2024 the Fund held 37.9% in Investment Grade Fixed Income, 43.3% in Short Duration High Yield, 5.2% in Real Estate – Core, 5.9% in Real Estate – Value Add, and 7.7% in cash equivalents. He noted Wedge Capital held $9,251,545, Chartwell Investment held $10,578,750, ARA Core Property Fund L.P. held $1,272,259, Boyd Watterson held $1,440,179, and there was $1,885,194 in the cash account.

D. Rebalancing Recommendations

Mr. Sichel said that the allocations are within the targeted policy range of the Investment Policy Statement. However, since the Investment Grade Fixed Income and Short Duration High Yield Fixed Income allocations are on the high end of the range and because there are no immediate needs for extra cash, he recommended the Trustees reallocate money as follows: 1) $250,000 from the cash account to Wedge Capital Management (Investment Grade Fixed Income) and $250,000 to Chartwell Investment Partners (Short Duration High Yield Fixed Income) and 2) $500,000 from the cash account to ARA Core Property Fund, LP (Real Estate – Core).

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

> **RESOLVED to delegate authority to Chairman and Secretary to approve IPS' recommendation to rebalance the assets by allocating funds from the cash account as follows: 1) $250,000 to Wedge Capital Management 2) $250,000 to Chartwell Investment Partners, and 3) $500,000 to ARA Core Property Fund.**

E. Investment Consulting Services

Mr. Sichel reviewed the three levels of consulting services offered to clients. He reviewed the Master Consulting Services ("MCS"), Expanded Master Consulting Services ("Ex-MCS") and Discretionary Consulting ("DCS"). Mr. Sichel discussed the difference in services and fees for each level noting the current MCS arrangement.

The Trustees discussed delegating authority to Chairman and Secretary to approve the arrangement, pending receipt of a written proposal from IPS.

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

RESOLVED to delegate authority to Chairman and Secretary to approve and execute the IPS consulting services agreement.

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

IV. AUDITOR REPORT

The Trustees welcomed Ms. Marcella Pascal of Novak Francella LLC to the meeting.

Ms. Pascal reviewed the Financial Statements for the year ended December 31, 2023. She said this audit reflects an unmodified opinion, in all material respects, of the financial status of the Fund. She noted that total additions for the year ended December 31, 2023 were $6,864,233 and total deductions were $2,808,491, resulting in a net increase of Net Assets Available for Benefits of $4,055,742. As of December 31, 2023 net assets available for benefits were $23,896,040. Ms. Pascal reviewed the notes to the financial statements, the schedule of administrative expenses, the schedule of employer contributions, and the schedule of assets held for investment purposes.

Ms. Pascal stated that the Form 990 and Form 5500 were filed on August 30, 2024. The Trustees thanked Ms. Pascal for her report, and she was excused from the meeting.

V. COUNSEL REPORT

A. Subrogation Report

Ms. Saindon reviewed the status of the subrogation matters as of September 13, 2024. She reviewed the current cases and stated that there was one case requiring Trustee action at this time. She reported on the Mansaray case, stating that the attorney requested a reduction in the lien amount.

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

RESOLVED to deny the lien reduction request from Mr. Mansaray's attorney.

B. **Health Insurance Portability and Accountability Act of 1996 ("HIPAA") Final Rule – Reproductive Health Care Privacy**

Ms. Kelly stated that the Department of Health and Human Services issued a Final Rule to modify the HIPAA Privacy Rule to support reproductive health care privacy. She said that Co-Counsel would provide more information at the next meeting.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the second quarter 2024. The report showed contributions of $1,413,687, interest and dividend income of $252,180, COBRA payments of $3,414, self-payments of $3,409, and miscellaneous income of $5,390, producing a total income of $1,678,080 for the quarter. Expenses included $700,757 of benefit expenses and $98,909 of operating expenses, producing a total expense of $799,666. This produced a surplus of $878,414 for the quarter ended June 30, 2024. Ms. Cochran noted that contributions were made on behalf of 313 Plan participants.

VII. INVOICES

Ms. Cochran presented a list of invoices dated September 13, 2024 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 13, 2024 are approved for payment as presented.

VIII. OTHER FUND BUSINESS

A. Cigna PPO Savings Report

The Trustees reviewed a copy of the CIGNA PPO Savings Report for the period January 1, 2024 through June 30, 2024.

B. Summary of Material Modifications (“SMM”)

Ms. Cochran reported that Associated mailed an SMM to participants on July 12, 2024 regarding the reduced deductible and out-of-pocket maximums, expanded vision benefits, and expanded hearing aid benefit.

C. Delta Dental Proposal

The Trustees welcomed Mr. John Hardy of The Segal Company to the meeting.

Mr. Hardy reviewed the report titled “Delta Dental Plan Options” which was provided prior to the meeting. He reviewed the dental premiums and coverage tiers in the proposal.

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

RESOLVED to accept the Delta Dental proposal with the composite rate of $34.88 per member per month which includes the 50% implant coverage and 50% orthodontia coverage with a $1,500 lifetime maximum for adult and child up to age 18.

Ms. Cochran stated a Summary of Material Modifications would be mailed to the participants informing them of the new vendor and improved benefits.

D. <u>No Surprises Act and Transparency Rule</u>

Ms. Cochran reported that Greenlight proposed an increase for services related to the Price Comparison Tool. She said the current fee is $500 per month and Greenlight is requesting $1,000 per month, effective once the new contract is executed. Greenlight noted the fee increase is related to an additional 15,000 services which were implemented in January 2024. Ms. Cochran stated that Segal confirmed Greenlight is proposing this for all clients and that the increase is reasonable and competitive in the market.

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

> **RESOLVED to accept the Greenlight proposal of a fee increase to $1,000 per month effective once the new agreement is executed.**

Co-Counsel and Ms. Cochran said they would work with Greenlight to add a termination provision in the new agreement.

E. <u>Patient Centered Outcomes Research Institute ("PCORI")</u>

Ms. Cochran stated the PCORI fee, imposed by the Affordable Care Act for self-insured group plans, was mailed on July 30, 2024. The amount paid was $2,022.16.

F. <u>Fiduciary Liability Policy</u>

Ms. Cochran reviewed the INTERIM action the Trustees took to renew the Fiduciary Liability policy for the period July 26, 2024 through July 26, 2026 with the incumbent carrier, Markel American Insurance Company/Ullico ("Ullico").

Ms. Cochran said there were outstanding balances for the Trustee Waiver of Recourse premiums. The Trustees requested Ms. Cochran contact the Trustees individually and confirm whether their premium has been paid.

G. Vendor Termination Notices

Ms. Cochran reported that a termination notice was mailed to Dental Health Centers for the termination of dental benefits and a termination notice mailed to Cigna for the termination of prescription benefits.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected December 6, 2024 as their next regular meeting date immediately following the companion Pension Fund meeting via Zoom.

X. ADJOURNMENT

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

Respectfully submitted,

Jason Paradis
Chairman