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

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DRAFT

**MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
WAREHOUSE EMPLOYEES UNION LOCAL NO. 730
& CONTRIBUTING COMPANIES' PREPAID
LEGAL SERVICES FUND
DECEMBER 10, 2020
VIA TELECONFERENCE**

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
R. Brooks – Chairman	M. Bull – Secretary
J. Venable	J. Paradis
T. Richardson – Alternate	H. Sebhat
	M. Goble – Alternate

Also present were:

K. Barshinger – Associated Administrators, LLC
A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome 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 September 1, 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 September 1, 2020 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 January 1, 2020 through September 30, 2020 was distributed by email with the meeting materials.

B. Investment Performance Services, LLC (“IPS”)

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

Mr. Sichel reviewed his report titled, “Investment Performance Analysis – September 30, 2020” beginning with IPS’ market commentary. Mr. Sichel noted the asset allocation as follows: 60.00% in Investment Grade Income, 35.20% in Short Duration High Yield Fixed Income, and 4.80% in cash and equivalents. The Atlanta Capital Bond Fund held $550,653 in investments, and the Chartwell Short Duration High Yield Fund held $323,251. The PNC Prime Money Market held $43,664.

C. Cyber Liability Amendment

Mr. Sichel said that IPS is proposing that the Fund amend its Investment Policy Statement to require investment managers to have cybersecurity insurance in place. He said cyberattacks are a growing threat in today's environment. He reported that he sent a memo and draft amendment regarding managers' cybersecurity insurance coverage to Fund Counsel for review. Mr. Kimble and Mr. DeLancey recommended that the Trustees adopt and sign the amendment.

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

> **RESOLVED to adopt the amendment to the Investment Policy Statement.**

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

IV. COUNSEL REPORT

Mr. DeLancey said there were no legal matters pending before the Board of Trustees at this time.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Third Quarter 2020

Ms. Cochran presented the Administrative Manager's Report for the third quarter 2020. Such report showed employer contributions of $23,387, miscellaneous income of $0 and interest and dividend income of $6,149, producing a total income of $29,536 for the quarter. Benefit expenses were $6,851 and operating expenses were $19,968, producing a total expense of $26,819, resulting in a net surplus of $2,717 for the quarter. Ms. Cochran noted that contributions were made on behalf of 661 participants.

B. **Administrative Services Contract Renewal – INTERIM ACTION**

Ms. Cochran noted that the committee of two Union Trustees and two Employer Trustees approved an extension of the administrative services contract with Associated Administrators, LLC, for the period January 1, 2021 through December 31, 2023, with 2% annual fee increases. Ms. Cochran thanked the Board of Trustees for the contract renewal and said a contractual amendment would be prepared and sent to Counsel for review.

VI. INVOICES

Ms. Cochran presented a list of invoices dated December 10, 2020 for Trustee 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 December 10, 2020 are approved for payment as presented.**

VII. OTHER FUND BUSINESS

A. **Memorandum of Agreement ("MOA") – Eight O'Clock Coffee**

Ms. Cochran reported the receipt of a newly negotiated Memorandum of Agreement between the Union and Eight O'Clock Coffee for the period July 17, 2021 through July 17, 2027.

After discussion and a review of the MOA by Fund Co-Counsel, the Trustees voted – with Trustee Sebhat abstaining -- approval of the following resolution:

> **RESOLVED to accept the MOA between Eight O'Clock Coffee and the Union for the period July 17, 2021 through July 17, 2027.**

B. Memorandum of Agreement ("MOA") – Quality Custom Distribution (Formerly DPI)

Ms. Cochran reported the receipt of a newly negotiated Memorandum of Agreement between the Union and Quality Custom Distribution for the period August 30, 2020 through July 28, 2025.

After discussion and a review of the MOA by Fund Co-Counsel, the Trustees voted approval of the following resolution:

> **RESOLVED to accept the MOA between Quality Custom Distribution and the Union for the period August 30, 2020 through July 28, 2025.**

D. Steve Sindler, Esq. – Fee Request

Ms. Cochran presented a letter from Mr. Sindler, Esq. requesting an increase in his fee from $110.00 per hour to $140.00 per hour.

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

> **RESOLVED to approve the fee agreement with the Law Offices of Steven Sindler at a fee of $140.00 per hour effective January 1, 2021.**

E. Fidelity Bond Reimbursement

Ms. Cochran reported that Zurich American Insurance Company, the carrier for Fidelity Bond coverage, provided a refund in the amount of $190.00 for the July 11, 2017 – July 11, 2020 policy due to a recalculation of the premium rate.

VIII. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected March 26, 2021 as their next regular meeting via teleconference.

IX. ADJOURNMENT

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

Respectfully submitted,

Michael Bull
Secretary