Warehouse Employees Union Local No. 730 and Contributing Companies' Prepaid Legal Services 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
& CONTRIBUTING COMPANIES' PREPAID
LEGAL SERVICES FUND
MARCH 3, 2023
VIA ZOOM**

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEES**
Scott Clark	J. Paradis – Chairman
Frank Myers	M. Bull
Wayne Settles	M. Kamara
	M. Goble – Alternate

Also present were:

A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
R. Grant – Associated Administrators, LLC
R. Sichel – Investment Performance Services, LLC
S. Sindler – Law Offices of Steven M. Sindler

Prior to the start of the meeting, Mr. Mohamed Kamara introduced himself to the Trustees, noting he is replacing Ms. Hanna Sebhat as an Employer Trustee. Mr. Frank Myers introduced Mr. Scott Clark and Mr. Wayne Settles as Union Trustees. The other Trustees and Plan professionals introduced themselves to the new Trustees.

I. CALL TO ORDER

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

II. TRUSTEE RESIGNATION AND APPOINTMENT

Ms. Cochran reported receipt of a letter from Ms. Hanna Sebhat regarding her resignation as an Employer Trustee effective February 3, 2023. She reported receipt of a nomination letter from Eight O'Clock Coffee for Mr. Mohamed Kamara to replace Ms. Sebhat. Ms. Cochran reported that a letter was sent to participating employers on February 7, 2023 regarding the replacement of Ms. Hanna Sebhat as an Employer Trustee. Ms. Cochran said no responses were received regarding the nomination. The Trustees welcomed Mr. Kamara to the meeting.

Ms. Cochran reported receipt of a letter dated February 7, 2023 from the International Brotherhood of Teamsters replacing Mr. Tyrone Richardson, Mr. Ritchie Brooks, Mr. Larry Hudson, and Mr. Joseph Venable as Union Trustees. The letter appointed Mr. Frank Myers, Mr. Scott Clark, and Mr. Wayne Settles as Union Trustees. The Trustees welcomed Messrs. Myers, Clark and Settles to the meeting.

Ms. Cochran informed the Trustees that she instructed the broker to add Mr. Kamara, Mr. Myers, Mr. Clark, and Mr. Settles to the Fiduciary and Cyber Liability policies along with the Fidelity Bond.

The Employer Trustees nominated Mr. Jason Paradis to serve as Chairman effective immediately.

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

> **RESOLVED to approve the nomination of Trustee Paradis to serve as the Chairman effective immediately.**

The Union Trustees tabled the discussion regarding the Secretary position.

III. MINUTES

The Trustees reviewed the minutes of the last regular meeting held December 2, 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 December 2, 2022 are approved as presented.**

IV. FINANCIAL REPORT

A. Custodian Bank – PNC Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period October 1, 2022 through December 31, 2022 was included in the meeting booklet.

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

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

1. Investment Performance

Mr. Sichel reviewed his report titled, "Investment Performance Analysis – December 31, 2022" beginning with IPS' market commentary. Mr. Sichel noted the asset allocation as follows: 42.40% in Investment Grade Income, 50.00% in Short Duration High Yield Fixed Income, and 7.60% in cash and equivalents. The Atlanta Capital Management Fund held $395,168 in investments, and the Chartwell Short Duration High Yield Fund held $465,594. The PNC Prime Money Market held $70,945.

Mr. Sichel noted excess cash and recommended that the Trustees rebalance the cash allocation by re-allocating $50,000 to Investment Grade Fixed Income and $90,000 to Short Duration High Yield Fixed Income.

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

> **RESOLVED to follow IPS' recommendation to rebalance the Fund's cash allocation by re-allocating $50,000 to Investment Grade Fixed Income and $90,000 to Short Duration High Yield Fixed Income.**

2. **Investment Consulting Contract Renewal**

Mr. Sichel reviewed his memorandum in which IPS proposed a new contract for a three-year period with an increase in the first year from $2,500 to $3,500. The fee of $3,500 would not increase in the last two years of the contract. The increase would be effective October 1, 2023.

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

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

> **RESOLVED to accept the proposal of IPS to provide Master Consulting services. Annual fees, beginning on October 1, 2023, will be $3,500 under a three-year agreement ending on September 30, 2026.**

V. COUNSEL REPORT

A. Extension of Certain Deadlines

Mr. DeLancey reported that the national emergency due to COVID-19 would expire at the end of the day on May 11, 2023. He said the national emergency requires the extension of certain deadlines including the election of CORBA, filing of appeals, and HIPAA special enrollment election. He recommended the Trustees revert to the standard deadlines effective May 12, 2023 as stated in the Summary Plan Description ("SPD").

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

> **RESOLVED that the deadlines extended during the national emergency will revert to the standard deadlines as stated in the SPD effective May 12, 2023.**

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

Mr. DeLancey reviewed the summary "Warehouse Employees Union Local 730 Funds – Cybersecurity RFP" provided prior to the meeting. He said in order for the Fund to be compliant with the DOL guidelines related to cybersecurity, Co-Counsel recommends engaging PFK O'Connor Davies ("PFK") as the Cybersecurity consultant based on their competitive fees and sample reporting.

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

> **RESOLVED to engage PFK to be the Cybersecurity consultant contingent on the approval of the Pension and Welfare Trustees.**

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the fourth quarter 2022. Such report showed employer contributions of $25,443, miscellaneous income of $0 and interest and dividend income of $6,123, producing a total income of $31,566 for the quarter. Benefit expenses were $13,647 and operating expenses were $10,457, producing a total expense of $24,104, resulting in a net surplus of $7,462 for the quarter. Ms. Cochran noted that contributions were made on behalf of 693 participants.

VII. INVOICES

Ms. Cochran presented a list of invoices dated March 3, 2023 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 March 3, 2023 are approved for payment as presented.**

VIII. PROVIDER REPORT – Law Office of Steven Sindler, Esq.

The Trustees welcomed Mr. Sindler to the meeting. Mr. Sindler reviewed the report "Warehouse Employers Union Local No. 730 and Contributing Companies' Prepaid Legal Services Fund Annual Report" provided prior to the meeting. He reviewed the quarterly and total annual utilization noting there were 49 new cases in the 2022 Plan year, with 226.50 attorney hours, resulting in benefit payments totaling $31,703.00.

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

IX. OTHER FUND BUSINESS

A. 2023 Auditor Engagement Letters

Ms. Cochran reported receipt of the auditor engagement letter for the 2022 Plan year, which reflects an annual fee of $7,000, an increase of 8% from the previous year. She also reviewed the payroll audit engagement letter, which reflects a 5% increase in hourly fees. Ms. Cochran noted that there has been no increase in the payroll audit hourly fees since 2015.

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

> **RESOLVED to approve the annual auditor engagement letter for the 2022 Plan Year with an annual fee of $7,000 and the payroll audit engagement letter at the proposed hourly fees.**

B. <u>Form 1099NEC</u>

Ms. Cochran reported that Associated mailed the 1099NEC Forms to participants on January 25, 2023.

X. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected June 9, 2023 as their next regular meeting via Zoom.

XI. ADJOURNMENT

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

Respectfully submitted,

Michael Bull

Secretary