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 JUNE 18, 2020 VIA TELECONFERENCE

The following Trustees were present:

UNION TRUSTEES
R. Brooks - Chairman
L. Hudson
J. Venable
T. Richardson – Alternate

EMPLOYER TRUSTEES
M. Bull – Secretary
J. Paradis
H. Sebhat
M. Goble – Alternate

Also present were:

K. Barshinger – Associated Administrators, LLC
A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
D. Melloh – Investment Performance Services, LLC

I. CALL TO ORDER

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

II. TRUSTEE RESIGNATION/APPOINTMENT

Ms. Cochran reported receipt of an email dated March 18, 2020 from Mr. Ritchie Brooks, President of Warehouse Employees Union Local No. 730, stating that Mr. Joseph Venable was replacing Mr. Reginald Jackson as a Union Trustee effective April 1, 2020. The Trustees welcomed Mr. Venable to the meeting. Ms. Cochran confirmed that she instructed the broker to add Mr. Venable to the Fiduciary and Cyber Liability policies along with the Fidelity Bond.

III. MINUTES

The Trustees reviewed the minutes of the last regular meeting held March 3, 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 March 3, 2020 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 January 1, 2020 through March 31, 2020 is contained in the meeting booklet.

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

The Trustees welcomed Mr. Dan Melloh of IPS to the meeting.

Mr. Melloh reviewed his report titled, "Investment Performance Analysis – March 31, 2020" beginning with IPS' market commentary. Mr. Melloh noted the asset allocation as follows: 66.90% in Investment Grade Income, 31.80% in Short

Duration High Yield Fixed Income, and 1.30% in cash and equivalents. The Atlanta Capital Bond Fund held $589,554 in investments, and the Chartwell Short Duration High Yield Fund held $279,958. The PNC Prime Money Market held $11,497.

Mr. Melloh noted that the Investment Grade Fixed Income allocation is not within the targeted policy range of the Investment Policy Statement. Mr. Melloh recommended that the Trustees rebalance the Fund's Investment Grade Fixed Income allocation by re-allocating $27,000 to the 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 Investment Grade Fixed Income allocation by re-allocating $27,000 to the Short Duration High Yield Fixed Income allocation.**

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

V. COUNSEL REPORT

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

VI. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2020

Ms. Cochran presented the Administrative Manager's Report for the first quarter 2020. Such report showed employer contributions of $33,005, miscellaneous income of $0 and interest and dividend income of $7,040, producing a total income of $40,045 for the quarter. Benefit expenses were $21,681 and operating expenses were $8,289, producing a total expense of $29,970, resulting in a net surplus of $10,075 for the quarter. Ms. Cochran noted that contributions were made on behalf of 947 participants.

B. QCD

Trustee Brooks noted that QCD acquired the Collective Bargaining Agreement of D.P.I. MID Atlantic. Ms. Cochran said that QCD is remitting contributions to the Fund.

C. Safeway

Trustee Richardson previously advised that Safeway will close its Collington Distribution Center in May 2020. However, due to the pandemic, he said the location will not close until mid-July 2020. The Trustees discussed active legal cases currently in progress for members.

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

> **RESOLVED that members employed by Safeway with an active legal case will continue receiving benefits, in the applicable category, up to the allowable maximum hours for the year.**

VII. INVOICES

Ms. Cochran presented a list of invoices dated June 18, 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 June 18, 2020 are approved for payment as presented.**

VIII. OTHER FUND BUSINESS

A. Fiduciary Liability Insurance Renewal and Waiver of Recourse Premiums

Ms. Cochran referred to the proposal provided by NFP regarding the renewal of the Fiduciary Liability policy. There was one proposal from the incumbent carrier, Markel American Insurance Company/Ullico ("Ullico"). There was no increase in premium.

The Trustees requested that the Administrative Manager request proposals for the next renewal from both NFP and Segal Select to obtain more renewal options.

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

> **RESOLVED to approve the Fiduciary Liability Policy with Ullico for the period July 26, 2020 through July 26, 2021 with an annual premium of $4,520.**

Ms. Cochran advised the Trustees that letters regarding their required payment of the Waiver of Recourse premium of $25 would be mailed to them.

B. Fidelity Bond Renewal

Ms. Cochran reported that the Fidelity Bond policy will expire July 11, 2020. She said that she is working with the broker, NFP, regarding renewal proposals. Ms. Cochran said that she would poll the Trustees via email once she received the proposals.

C. 2019 Annual Audit

Ms. Cochran reported that Novak Francella performed fieldwork for the audit in the Administrative Manager's office the week of June 1, 2020. Due to the timing of the fieldwork, draft financials are not yet available. She said the auditor expected to file the Form 990 and Form 5500 on time, but requested an approval for extensions in case there were any unexpected issues.

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

> **RESOLVED to approve Novak Francella to file an extension for the Form 990 and Form 5500.**

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected September 1, 2020 as their next regular meeting via teleconference.

X. ADJOURNMENT

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

Respectfully submitted,

Michael Bull
Secretary