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

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 & CONTRIBUTING COMPANIES' PREPAID LEGAL SERVICES FUND SEPTEMBER 1, 2020 VIA TELECONFERENCE

The following Trustees were present:

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

Also present were:

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 June 18, 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 June 18, 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 June 30, 2020 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 reviewed his report titled, "Investment Performance Analysis – June 30, 2020" beginning with IPS' market commentary. Mr. Sichel noted the asset allocation as follows: 62.30% in Investment Grade Income, 32.50% in Short Duration High Yield Fixed Income, and 5.20% in cash and equivalents. The Atlanta Capital Bond Fund held $569,701 in investments, and the Chartwell Short Duration High Yield Fund held $296,906. The PNC Prime Money Market held $47,640.

Mr. Sichel noted that the Investment Grade Fixed Income allocation is not within the targeted policy range of the Investment Policy Statement. Mr. Sichel recommended that the Trustees rebalance the Fund's Investment Grade Fixed Income allocation by re-allocating $20,000 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 Investment Grade Fixed Income allocation by re-allocating $20,000 to the Short Duration High Yield Fixed Income.

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. Mr. DeLancey noted the termination of Safeway employees in mid-July and the Trustees' decision at the previous meeting to allow these employees with active legal cases to continue receiving benefits, in the applicable category, up to the allowable maximum hours for the year. He said that the Fund's legal provider advised there are 10 open cases for Safeway employees.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Second Quarter 2020

Ms. Cochran presented the Administrative Manager's Report for the second quarter 2020. Such report showed employer contributions of $28,646, miscellaneous income of $0 and interest and dividend income of $6,850, producing a total income of $35,496 for the quarter. Benefit expenses were $14,495 and operating expenses were $12,227, producing a total expense of $26,722, resulting in a net surplus of $8,774 for the quarter. Ms. Cochran noted that contributions were made on behalf of 823 participants.

B. **Administrative Services Contract Renewal**

Ms. Cochran distributed and reviewed her letter dated September 1, 2020 which noted that the administrative services contract between the Fund and Associated Administrators, LLC will expire on December 31, 2020 and provides detailed information in support of the request for a three-year renewal. The Trustees tabled the request for action after a discussion to be held after the meeting.

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

RESOLVED to approve a committee of two Union Trustees, two Employer Trustees, and Fund Counsel to discuss the administrative services contract presented by Associated Administrators during a separate conference call to be held after this meeting.

VI. INVOICES

Ms. Cochran presented a list of invoices dated September 1, 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 September 1, 2020 are approved for payment as presented.

VII. OTHER FUND BUSINESS

A. **Fiduciary Liability Insurance Renewal and Waiver of Recourse Premiums – INTERIM ACTION**

Ms. Cochran noted interim action the Trustees took to renew the Fiduciary Liability policy for the period July 26, 2020 through July 26, 2021 with the incumbent carrier, Markel American Insurance Company/Ullico ("Ullico"), through the broker NFP Property & Casualty Service, Inc. She said that there was no increase in the annual premium. She reported that the Trustees approved the renewal via an electronic poll conducted in June 2020.

Ms. Cochran advised the Trustees that letters regarding their required payment of the Waiver of Recourse premium of $25 were emailed on July 13, 2020.

B. <u>Fidelity Bond Renewal – INTERIM ACTION</u>

Ms. Cochran noted interim action the Trustees' took to renew the Fidelity Bond policy for the period July 11, 2020 through July 11, 2023 with the incumbent carrier, Fidelity and Deposit Company of Maryland, through the broker NFP Property & Casualty Service, Inc. She said that there was no increase in the annual premium. She reported that the Trustees approved the renewal via an electronic poll conducted in July 2020.

C. <u>Form 5500 and Form 990</u>

Ms. Cochran reported that the Fund's auditor, Novak Francella, filed the Form 5500 and the Form 990 on July 7, 2020.

D. <u>2019 Summary Annual Report</u>

Ms. Cochran reported the 2019 Summary Annual Report was mailed to Plan participants on August 5, 2020.

E. <u>International Foundation of Employee Benefit Plans – Annual Membership</u>

Ms. Cochran reported receipt of the Fund's 2021 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee is $1,265.00.

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

> **RESOLVED to approve the Fund's 2021 renewal with the International Foundation of Employee Benefit Plans at a fee of $1,265.00.**

F. Payroll Audit Status – Giant Local 922

Ms. Cochran reported that the audit for the period January 1, 2015 through December 31, 2017 is complete and there were no exceptions noted.

G. Safeway Termination Letter

Ms. Cochran reported that a letter was mailed on July 27, 2020 to participants that formerly worked for Safeway regarding the termination of benefits on July 31, 2020. She said the letter advised that the Fund will continue to pay for services for pending cases, in the applicable category, up to the allowable maximum hours for the 2020 Plan year.

VIII. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected December 10, 2020 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