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 SEPTEMBER 1, 2021 VIA TELECONFERENCE

The following Trustees were present:

UNION TRUSTEES
R. Brooks – Chairman
L. Hudson
J. Venable

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

Also present were:

A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
R. Grant – Associated Administrators, LLC
M. Pascal – Novak Francella LLC
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 10, 2021.

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 10, 2021 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, 2021 through June 30, 2021 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, 2021" beginning with IPS' market commentary. Mr. Sichel noted the asset allocation as follows: 43.80% in Investment Grade Income, 50.70% in Short Duration High Yield Fixed Income, and 5.50% in cash and equivalents. The Atlanta Capital Bond Fund held $413,658 in investments, and the Chartwell Short Duration High Yield Fund held $477,856. The PNC Prime Money Market held $51,857.

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 draft Financial Statements for the year ended December 31, 2020. She said this audit reflects an unmodified opinion, in all material respects, of the financial status of the Fund. The Net Assets Available for Benefits were $941,186 on December 31, 2020. The total assets as of December 31, 2020 were $944,817, accounts payable were $3,631, and benefit obligations totaled $25,273. She noted total additions for the year ended December 31, 2020 were $142,698, and total deductions were $99,194, resulting in an increase of Net Assets Available for Benefits of $43,504. This combined with a Net Increase in Benefit Obligations of $3,944 resulted in an Increase in Excess of Net Assets Available Over Benefit Obligations of $27,625. The resulting Excess of Net Assets Available for Benefits over Benefit Obligations on December 31, 2020 was $915,913. She also reviewed the notes to the financial statements, the schedule of administrative expenses, the schedule of employer contributions, the schedule of assets held for investment purposes, and the schedule of reportable (5%) transactions.

The Trustees thanked Ms. Pascal for her report, and she was excused from the meeting.

V. COUNSEL REPORT

Mr. DeLancey said in early April 2021, the Department of Labor issued sub-regulatory guidance regarding best practices for plans with respect to cyber security measures. Included in the meeting booklet is a proposed Cybersecurity Policy and a Questionnaire for the Funds' service providers.

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

> **RESOLVED to accept Fund Counsel's Cybersecurity Policy and Questionnaire.**

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the second quarter 2021. Such report showed employer contributions of $22,528, miscellaneous income of $0 and interest and dividend income of $6,166, producing a total income of $28,694 for the quarter. Benefit expenses were $17,774 and operating expenses were $10,796, producing a total expense of $28,570, resulting in a net surplus of $124 for the quarter. Ms. Cochran noted that contributions were made on behalf of 643 participants.

VII. INVOICES

Ms. Cochran presented a list of invoices dated September 1, 2021 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, 2021 are approved for payment as presented.**

VIII. OTHER FUND BUSINESS

A. Fiduciary Liability Insurance Renewal and Waiver of Recourse Premiums

Ms. Cochran noted interim action the Trustees took to renew the Fiduciary Liability policy for the period July 26, 2021 through July 26, 2022 with the incumbent carrier, Markel American Insurance Company/Ullico ("Ullico"), through the broker NFP Property & Casualty Service, Inc. ("NFP"). She said that there was a decrease in the annual premium of $1,837. She reported that the Trustees approved the renewal via an electronic poll conducted in August 2021.

Ms. Cochran advised the Trustees that letters regarding their required payment of the Waiver of Recourse premium of $25 were emailed on August 26, 2021.

Ms. Cochran noted that the Trustees had requested the Administrative Manager to work with Segal as a broker to obtain proposals in addition to NFP. She said she was advised by Segal that they were not able to obtain proposals as the carriers will only work with one broker per renewal.

Trustee Brooks said he would speak with NFP regarding the time frame the Trustees expect to have the proposals in advance of the policy expiration date. Ms. Cochran said each year she has expressed the Trustees expectations to have the proposals well in advance of the expiration date.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected December 17, 2021 as their next regular meeting via conference call.

X. ADJOURNMENT

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

Respectfully submitted,

Michael Bull
Secretary