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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE LITHOGRAPHERS AND PHOTOENGRAVERS LOCAL 285 WELFARE FUND HELD ON APRIL 20, 2022 VIA WEBEX

The following persons were in attendance:

UNION TRUSTEES
Mark Poole – Secretary
Barry English
Pete Gragnani

EMPLOYER TRUSTEES
David Ashton – Chairman
Dave King
Tom Labadie

Also present were:
Alicia Cochran – Associated Administrators, LLC
Rachel Grant – Associated Administrators, LLC
Andrew Lin – Mooney, Green, Saindon, Murphy & Welch, P.C.
Lori Waichman – Mooney, Green, Saindon Murphy & Welch, P.C.
Matthew Walker – The Philadelphia Trust Company

I. CALL TO ORDER

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

II. MINUTES – MEETING OF JANUARY 28, 2022

Ms. Cochran confirmed that there were no changes to the final draft of the minutes circulated prior to the meeting. The Trustees reviewed the draft and, On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED that the minutes of the regular Board meeting held January 28, 2022 are approved as written.

III. FINANCIAL REPORT

Ms. Cochran reviewed the unaudited Financial Statements for the fourth quarter of the Plan year March 1, 2021 through February 28, 2022. For the Plan year through the fourth quarter, the Fund had total income of $1,411,828 and total expenses of $1,508,590. The Fund operated through the fourth quarter with a deficit of $96,763.

On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to accept and approve the Financial Statements for December 1, 2021 through February 28, 2022 as presented.

IV. THE PHILADELPHIA TRUST COMPANY

The Trustees welcomed Mr. Matt Walker of The Philadelphia Trust Company to the meeting. He reviewed the Investment Policy Statement and provided a detailed overview of the current market, including a portfolio recap of the 2021 calendar year. He discussed the many countervailing factors in the current environment, such as the strong employment figures, the negative bond rate over the first quarter, and the global uncertainty created by the Russian invasion of Ukraine. He also noted that it is anticipated that the federal reserve will raise rates multiple times throughout 2022.

Mr. Walker reviewed a proposed revised allocation and sample portfolio. The allocation would place 65% to 75% of plan assets in fixed income vehicles, including CDs and Treasury bonds and 10% to 20% in a diversified portfolio of mid to large cap primarily dividend paying equities. The remaining 0% to 10% would be held in cash or cash equivalents such as money markets. The sample portfolio reflected common dividend stocks that PTC recommended for the Fund's equity allocation. The Trustees discussed the diversification of the current portfolio. Ms. Cochran reminded the Trustees that sufficient funds were placed in the money market account for use if the Trustees decided to invest in an allocation other than Certificates of Deposit ("CDs").

After a lengthy discussion, on Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

> **RESOLVED to adopt and implement The Philadelphia Trust Company's proposed allocation effective as soon as administratively possible.**

The Trustees asked Ms. Cochran to review the balance in the money market account and determine an appropriate balance to maintain to cover expenses. Mr. Lin would work with Mr. Walker to amend the Fund's investment policy statement accordingly.

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

V. <u>COUNSEL</u>

Mr. Lin reminded the Trustees of regulatory updates that were coming into effect for most group health plans. The No Surprises Act requires that group health plans and insurers cover emergency services (and non-emergency services in some circumstances) administered by out-of-network providers at the same rates as in-network providers. The Act also provided a dispute resolution system for instances where group health plans or insurers cannot reach an agreement with such out-of-network provider regarding the covered cost of the service. Mr. Lin said he would continue to work with Kaiser to monitor compliance with the requirements of the law.

VI. OTHER FUND BUSINESS

A. Associated Administrators, LLC Acquisition

Ms. Cochran reported effective November 30, 2021, Associated Administrators was acquired by Harbour Benefit Holdings, Inc. She stated that though the ownership has changed, there will be no impact to clients. Associated will now be a wholly-owned, independently-operating subsidiary of Harbour, which includes Zenith American Solutions. Ms. Cochran stated there would be no change to the management team and that staff will remain the same.

B. Calibre Payroll Audit Engagement Letter

Ms. Cochran reviewed Calibre's 2022 engagement letter for payroll audit services, as contained in the meeting booklet. She reported Calibre is requesting a 26% increase, $1,400 per audit, for the 2022 Plan year and an additional 21% increase for the 2023 Plan year. She noted that Calibre has not increased the payroll audit fee since 2019.

The Trustees tabled the discussion and asked Ms. Cochran to prepare a Request for Proposal of other auditing firms.

C. **<u>Open Enrollment Recap</u>**

Ms. Cochran reviewed the open enrollment process completed for Plan year beginning March 1, 2022. She reported the Plan changes for participants that were previously enrolled in the Select High Plan.

D. **<u>American Rescue Plan Act of 2021 (“ARPA”)COBRA Subsidy</u>**

Ms. Cochran reported that the Fund received an ARPA COBRA Subsidy refund in the amount of $2,753.72 for the third quarter of the 2021 Plan year.

E. **<u>1099NEC</u>**

Ms. Cochran reported the Forms 1099-NEC were mailed to Plan participants on January 21, 2022.

F. **<u>1099MISC</u>**

Ms. Cochran reported the Forms 1099-MISC were mailed on January 21, 2022.

VII. <u>NEXT MEETING DATE AND LOCATION</u>

The Trustees scheduled the next regular Board meeting to be held July 20, 2022 commencing at 10:00 a.m. in the conference room of Associated Administrators in Landover, Maryland. The Board meeting will also be accessible via WebEx.

VIII. <u>ADJOURNMENT</u>

There being no further business, the meeting was adjourned.

Respectfully submitted,

Mark Poole, Secretary