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DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE LITHOGRAPHERS AND PHOTOENGRAVERS LOCAL 285 WELFARE FUND HELD ON JANUARY 17, 2024 VIA WEBEX

The following persons were in attendance:

UNION TRUSTEES	EMPLOYER TRUSTEES
Barry English	David Ashton – Chairman
Pete Gragnani	Tom Labadie
	Dave King

Also present were:
Alicia Cochran – Associated Administrators, LLC
Ed Chicoski[3] – Lakeshore Benefit Group Insurance Brokerage, LLC
Rachel Grant – Associated Administrators, LLC
Andrew Lin – Mooney, Green, Saindon, Murphy & Welch, P.C.
Leonard Phillips[2] – Kaiser Permanente
Matt Walker[1] – The Philadelphia Trust Company

I. CALL TO ORDER

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

[1] Present for the investment report only
[2] Present for the Kaiser report only
[3] Present for the Kaiser and Broker report only

II. THE PHILADELPHIA TRUST COMPANY

The Trustees welcomed Mr. Matt Walker of The Philadelphia Trust Company to the meeting. Mr. Walker provided a brief overview of the current market, including a portfolio recap as of December 31, 2023. He then reviewed the Fund's current holdings and the portfolio's performance. Mr. Walker reviewed the CD maturities since the last meeting, which included a recommendation to invest a portion of the cash assets in the U.S. Treasury coupon. He noted the CD maturity on December 14, 2023 ($75,000), which was replaced with a U.S. Treasury coupon with a return of 4.3% maturing on August 15, 2026, and the CD maturity on December 28, 2023 ($50,000), which was replaced with a U.S. Treasury coupon with a return of 5.2% maturing on April 23, 2024. Mr. Walker stated that the transfer of $200,000 for investment in 2-year U.S. Treasury Notes, as approved at the prior meeting, was completed on October 20, 2023.

After addressing several questions from the Trustees, Mr. Walker was thanked for his report and excused from the meeting.

III. MINUTES – MEETING OF OCTOBER 18, 2023

Ms. Cochran confirmed that there were no changes to the final draft of the October 18, 2023 minutes circulated prior to the meeting.

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

> **RESOLVED that the minutes of the regular Board meeting held October 18, 2023 are approved as written.**

IV. FINANCIAL REPORT

A. Financials

Ms. Cochran reviewed the unaudited Financial Statements for the third quarter of the Plan year beginning March 1, 2023. Through the third quarter, the Fund had total income of $1,009,188 and total expenses of $1,097,502. The Fund operated through the third quarter with a deficit of $88,314.

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

> **RESOLVED to accept and approve the third quarter Financial Statements for the year beginning March 1, 2023 as presented.**

B. Delinquencies

Ms. Cochran reviewed the most recent report of outstanding delinquencies. She said that the Fund received a check from H&H Bindery on November 2, 2023 for the late fees.

Mr. Lin reviewed the delinquency for Kelly Press. He noted that Kelly Press stated that they do not think they are responsible for any of the late fees or damages. He stated that he has discussed with Kelly Press potential resolutions but any final settlement would require approval by the Trustees. Mr. Lin said he has not received a response from Kelly Press's attorney but he will keep the Trustees updated on any response.

V. PROVIDER REPORT – KAISER

Mr. Chicoski reviewed the rate proposal provided by Kaiser prior to the meeting. The Trustees discussed the reoccurring problem of Kaiser providing renewal proposals late. Mr. Chicoski stated that generally, most carriers provide renewals 60 days prior to the renewal date. Ms. Cochran said that Mr. Phillips was made aware of the October meeting date in July.

The Trustees then welcomed Mr. Leonard Phillips of Kaiser Permanente to the meeting.

Mr. Phillips reviewed the "Rate Proposal" report dated November 7, 2023 detailing Kaiser's renewal proposal effective March 1, 2024 broken out by plan option. The renewal proposal reflects a 9.8% increase in premiums (following a reduction from an initial proposal for a 13.8% increase). He mentioned that the Kaiser premium cap increased from 15% to 25% this year and explained that participant demographics substantially contributed to this increased rate. Mr. Chicoski requested that Mr. Phillips provide the 2025 renewal by October 2024 in order for the Trustees to have sufficient amount of time to review the proposal. Mr. Phillips confirmed he would provide the proposal by October 2024.

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

The Trustees discussed the Kaiser proposal. Mr. Chicoski stated because the participant count remains below 100, Kaiser is not required to provide claims data and a manual rating is used in the renewal calculation.

Mr. Chicoski was thanked for his discussion and excused from the meeting.

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

> **RESOLVED to accept the Kaiser renewal with a premium increase of 9.8%, for the policy period March 1, 2024 through February 28, 2025.**

VI. COUNSEL

Mr. Lin provided a brief overview of recent compliance issues. He noted that with assistance from the Administrator and from Kaiser, an attestation confirming that the Fund's arrangement with Kaiser does not include any gag clauses prohibited under the Consolidated Appropriations Act of 2021 was filed by Associated on behalf of the Fund in December of 2023.

VII. OTHER FUND BUSINESS

A. Dental Renewal – Cigna

Ms. Cochran reported that Mr. Chicoski was able to negotiate a rate hold for the policy period March 1, 2024 through February 28, 2025.

B. Mutual of Omaha Renewal

Ms. Cochran reported a rate hold for the agreement for Life Insurance, AD&D and Short-Term Disability for the period March 1, 2024 through February 28, 2025.

C. Vision Renewal – National Vision Association ("NVA")

Ms. Cochran reported a rate hold for the period March 1, 2024 through February 28, 2025.

D. Tiered Rates

The Trustees discussed using the same calculation that was performed in the prior Plan year for the tiered rates. After a discussion, the Trustees agreed to allow Mr. Chicoski to develop the tiered rates under the same approach used for the 2024 – 2025 Plan year.

E. Administrative Load

Ms. Cochran reviewed an estimate for the administrative expenses for the 2024-2025 Plan year. Based on current enrollment and the Plan's estimated expenses, the estimate reflected a monthly administrative cost of approximately $197.26 per employee. Ms.

Cochran noted that 0% of the administrative load had been assessed to members for the 2023-2024 Plan year. The Trustees discussed allocation of the administrative expense load for the upcoming year and using Plan reserves to fund the cost of the administrative load.

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

> **RESOLVED to waive assessment of the administrative expense load on participants for the 2024-2025 Plan year.**

F. <u>Open Enrollment</u>

Ms. Cochran said that the open enrollment materials were sent by certified mail for the 2023-2024 Plan year. After discussion, the Trustees agreed to mail the materials certified for the 2024-2025 open enrollment. Ms. Cochran said the open enrollment materials would also be electronically distributed to employers.

G. <u>Medicare Retirees</u>

Ms. Cochran said that the notification letters of the change in the premiums to retirees buying health coverage through the Fund were mailed November 11, 2023.

H. <u>Cyber Liability Policy</u>

Ms. Cochran said that Chubb, the incumbent carrier for the Cyber Liability Policy issued an automatic renewal for the period January 23, 2024 through January 23, 2025 with no change in premium from the current policy. Ms. Cochran said that additional coverages were added, including Biometric Privacy Sublimit Endorsement, an increase for the self-insured retention for Funds Transfer and Computer Fraud, Ransomware Encounter, and Widespread Event coverage.

I. <u>Positive Pay</u>

Ms. Cochran confirmed that PNC Bank implemented the positive pay program.

J. <u>IRS Form 5500</u>

Ms. Cochran reported that the annual IRS Form 5500 was electronically filed by the Fund auditor on December 15, 2023 for the March 1, 2022 through February 28, 2023 Plan year.

K. <u>2023 Auditor Engagement Letter</u>

Ms. Cochran stated that the auditor accepted the Trustees counter proposal of an annual fee of $11,500 for a three year period effective with the 2023 Plan year.

VIII. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next regular Board meeting to be held May 1, 2024 commencing at 10:00 a.m. via WebEx.

IX. ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,

David Ashton, Chairman