Industry And Local 338
Welfare Fund

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Minutes of the Meeting of the Board of Trustees

Held on April 19, 2024
Via
WebEx

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEE**
Lori Polesel	Chris Palmer

Also present were:

Pat Blizzard – SEI Institutional Group
Alicia Cochran – Associated Administrators, LLC
Kayla Davis – The Segal Company
Rachel Grant – Associated Administrators, LLC
Elizabeth O'Leary, Esq. – Kauff McGuire & Margolis LLP
John Urbank – The Segal Company
Jon Waite– SEI Institutional Group

I. CALL TO ORDER

The meeting was called to order at 11:20 a.m. It was noted that Trustee Maldonado was absent due to illness.

II. INVESTMENT CONSULTANT REPORT

Mr. Patrick Blizzard and Mr. Jon Waite reviewed the SEI report for the period ending March 31, 2024. Mr. Blizzard led a conversation regarding SEI's Outsourced Chief

Investment Officer ("OCIO") model and SEI's services. He provided commentary on market conditions and economic trends, including inflation and Federal fund rates. He also discussed the market performance across different asset classes.

Mr. Blizzard reported that the Fund's market value of assets was $6,417,687 as of March 31, 2024, and its fiscal year-to-date rate of return is 6.82%, compared to the 6.20% index return. Mr. Blizzard reviewed the Fund's asset allocation: 9.00% World Equity Ex-US Fund, 6.10% US Equity Factor Allocation Fund, 6.10% Large Cap Index Fund, 15.90% Core Fixed Income Fund, 40.80% Limited Duration Fund, 3.00% High Yield Bond Fund, 8.00% Real Return Fund, 3.00% Emerging Markets Debt Fund, and 8.10% Multi Asset Real Return Fund. He then reported on the performance of each asset class.

Mr. Waite reviewed the asset allocation chart which listed three scenarios for the Trustees' consideration. He reviewed the scenarios and recommended Portfolio A which consists of the following changes: (a) decreasing the World Equity ex-US from 9.00% to 8.00%, (b) increasing the US All Cap Factor Equity from 6.00% to 7.00%, (c) increasing Short Term Corporate Fixed Income from 0.00% to 11.00%, (d) decreasing Limited Duration Fixed Income from 41.00% to 20.00%, and (e) increasing Core Fixed Income from 16.00% to 26.00%.

After discussion,

MOTION was made, seconded and unanimously adopted to approve SEI's recommendation of Portfolio A as outlined in SEI's report.

Mr. Blizzard stated that the change will likely be implemented mid-May. The Trustees thanked Messrs. Blizzard and Waite for their report.

III. APPROVAL OF MINUTES

The minutes of the meeting held on January 26, 2024 were reviewed.

MOTION was made, seconded and unanimously adopted to approve the minutes of the meeting held on January 26, 2024.

IV. ASSOCIATED ADMINISTRATORS, LLC REPORT

A. Cash Operating Statement

Ms. Cochran reviewed the Cash Operating Statement from July 1, 2023 through June 30, 2024. The report is attached hereto as Exhibit "A."

B. Claims Paid Detail Report

Ms. Cochran reviewed a report detailing medical claims paid by type of benefit from July 1, 2023 through December 31, 2023. The report showed paid claims by the following categories: anesthesia, COVID-19 testing, hospital, laboratory and x-ray, medical, surgery, and COVID-19 vaccine. The report also indicated claims paid in network and out-of-network ("OON"). The report is attached hereto as Exhibit "B."

C. Disbursement Report

Ms. Cochran referred to the Authorization for Disbursements reports for October, November, and December 2023. The reports are attached hereto as Exhibit "C."

MOTION was made, seconded and unanimously adopted authorizing the disbursements listed in Exhibit "C."

D. Delinquency Report

Ms. Cochran reviewed the report in detail. The report is attached hereto as Exhibit "D."

E. Withdrawal Liability

Ms. Cochran reviewed the report showing the status of withdrawal liability payments owed to the Pension Fund by the Welfare Fund in connection with the 2013 closing of the former Fund Office. The report is included at the bottom of Exhibit "D."

F. Employer Contribution Rate Report

Ms. Cochran reviewed the report in detail. The report is attached hereto as Exhibit "E."

G. Active Members and COBRA Participants Receiving Benefits

Ms. Cochran referred to the report for the period from January 2023 through December 2023. The report is attached hereto as Exhibit "F."

H. Subrogation Report

Ms. Cochran stated that Anthem has reported that there are no open cases.

I. Form 1099NEC

Ms. Cochran reported that the Form 1099NEC was mailed to participants on January 26, 2024.

J. Form 1099MISC

Ms. Cochran reported that the Form 1099MISC was mailed to participants on January 29, 2024.

K. Precast Concrete Sales Company Contribution Rate Increase

Ms. Cochran reported on the receipt of a letter from the employer regarding its agreement to increase the contribution rate. A copy of the letter was included in the meeting booklet. The letter states that, effective May 1, 2024, the contribution rate will increase to $419.22. Ms. O'Leary noted that a new Collective Bargaining Agreement is required to memorialize the increased rate.

V. CONSULTANT'S REPORT

A. Anthem Renewal – May 1, 2024

Ms. Davis reported that the Fund's Joint Administrated Arrangement (JAA) Administrative Fee with Empire BlueCross BlueShield renews each year effective May 1, 2024. She explained that the JAA Administrative Fee covers Claims Repricing, Utilization Management services, Case Management services and a Behavioral Health utilization management program.

Ms. Davis stated that Empire had requested a 3.0% increase in the administrative fee from $17.91 per participant per month ("PPPM") to $18.45, which amounts to an increase of $0.54 PPPM, and that, based on the Fund's total individuals covered of approximately 302 (or 126 member contracts), the current annual fee of $64,900 would increase to $66,900, or by $2,000 annually. Ms. Davis stated that, in response to Segal's request, Empire has reduced the requested increase to a 2.5% increase, which results in an administrative fee of $18.36 PPPM and an annual savings of $326. Ms. Davis indicated that the increase is Empire's usual request and is reasonable.

MOTION was made, seconded and unanimously adopted approving the Empire Blue Cross Blue Shield Joint Administrated Arrangement Administrative Fee effective for the year beginning May 1, 2024 based on the contract terms set forth in the renewal offer.

B. Stop Loss Renewal

Ms. Davis reported on the Fund's stop loss policy renewal effective April 1, 2024. She reviewed a memorandum detailing the stop loss renewal and RFP process that was undertaken by Segal. She explained that the incumbent, HCC Life, proposed an initial increase of 15.2% and a specific stop loss laser at $230,000. She advised that, assuming 43 singles and 81 families, the annual premium would increase by approximately $35,600 under this renewal offer.

Ms. Davis stated that Segal proceeded with requesting bids from competing stop loss carriers, Liberty Mutual, CM Risk, IOA Re, Berkshire Hathaway, and ULLICO, and that the most favorable bid was from Liberty Mutual which proposed a 6.0% increase from the current policy with no lasers. She stated that Segal leveraged this proposal with HCC Life and that, after negotiations, HCC Life revised its best and final offer (BAFO) which lowered the 15.2% increase to a 6.0% increase, reducing the increase in annual premiums by $21,500 to $14,100. Ms. Davis stated that, within the revised best and final offer, HCC Life agreed to remove the $230,000 laser which relieves the Fund of $55,000 in potential claims liabilities during the upcoming policy period.

Ms. Davis explained that Liberty Mutual's proposal and HCC Life's revised BAFO are identical, with both offers providing the same contract terms. She stated that Segal can recommend both for the Trustee's consideration.

Following discussion,

MOTION was made, seconded and unanimously adopted approving the HCC Life stop loss insurance policy effective for the year beginning April 1, 2024 based on the contract terms set forth in the proposal.

C. Staffing

Mr. Urbank reported on his upcoming retirement. He stated that Ms. Davis will continue to work on the Fund's account along with another consultant. The Trustees congratulated Mr. Urbank on his retirement and thanked him for his many years of service to the Fund.

VI. COUNSEL

A. Draft Amended and Restated Agreement and Declaration of Trust

Ms. O'Leary referred the Trustees to the updated draft Trust Agreement that was circulated by email on April 18, 2024. After discussion,

MOTION was made, seconded and unanimously adopted to adopt the Trust Agreement, as presented, with an effective date of June 1 2024, subject to any further comments or questions received before June 1, 2024.

B. CSEA Westchester Local 860 Payroll Audit

Ms. O'Leary reported on the efforts to have CSEA Westchester Local 860 pay the outstanding audit findings. It was agreed that if payment is not received, Ms. O'Leary should send the Employer a draft complaint and that, if that still does not result in payment, the Trustees can consider at the next meeting whether to commence litigation.

VII. NEXT MEETING DATE/ADJOURNMENT

It was agreed that the next regular meeting of the Board of Trustees was scheduled for August 1, 2024 immediately following the Pension Fund meeting in Rock Tavern, New

York. With no further business to come before the Board, the meeting was adjourned at 12:03 p.m.

Exhibits

A – Financial Statements

B - Cash Operating Statement

C – Claims Paid Detail Report

D – Authorization for Disbursements

E – Delinquency Report and Withdrawal Liability Report

F – Employer Contribution Report

G – Active Members and COBRA Participants Receiving Benefits