Industry And Local 338
Welfare Fund
911 Ridgebrook Road
Sparks, MD 21152-9451
Telephone No. (855) 412-3797 (toll free)
www.associated-admin.com

Minutes of the Meeting of the Board of Trustees

Held on May 23, 2025
Via
Zoom

The following Trustees were present:

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

Also present were:

Pat Blizzard – SEI Institutional Group
Alicia Cochran – Associated Administrators, LLC
Michele Domash – Cheiron
Rachel Grant – Associated Administrators, LLC
Simone Levy – Administrative Services Only[1]
Peter Murray – Schultheis & Panettieri, LLP
Larry Sachs - Administrative Services Only[1]
Amul Shah, MD – Cheiron
Elizabeth O'Leary, Esq. – Kauff McGuire & Margolis LLP

I. CALL TO ORDER

The meeting was called to order at 10:56 a.m.

[1] Present for the dental report only.

II. INVESTMENT CONSULTANT REPORT

Mr. Pat Blizzard reviewed SEI's report for the period ending April 30, 2025. He provided commentary on market conditions and economic trends, including inflation, market volatility and the impact of tariffs. He also discussed the market performance across different asset classes.

Mr. Blizzard reported that the Fund's market value of assets was $5,968,484 as of April 30, 2025, and its fiscal year-to-date rate of return is 6.34%, compared to the 5.60% index return. He reviewed the Fund's asset allocation consisting of: 8.30% World Equity Ex-US Fund, 6.50% US Equity Factor Allocation Fund, 5.50% Large Cap Index Fund, 26.20% Core Fixed Income Fund, 20.20% Limited Duration Fund, 11.00% Ultra Short Duration Fund, 3.00% High Yield Bond Fund, 8.20% 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.

III. APPROVAL OF MINUTES

The minutes of the meeting held on February 6, 2025 were reviewed.

MOTION was made, seconded and unanimously adopted to approve the minutes of the meeting held on February 6, 2025.

IV. ASSOCIATED ADMINISTRATORS, LLC REPORT

A. Cash Operating Statement

Ms. Cochran reviewed the Cash Operating Statement from July 1, 2024 through June 30, 2025. 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, 2024 through December 31, 2024. The report showed paid claims by the following categories: anesthesia, COVID-19 testing, hospital, laboratory and x-ray, medical, and surgery. The report also indicated claims paid in network and out-of-network. 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 of 2024. 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 2024 through December 2024. The report is attached hereto as Exhibit "F."

H. **Administrative Services Agreement Renewal – INTERIM ACTION**

Ms. Cochran stated that the renewal terms of the administrative services contract between the Fund and Associated Administrators, LLC ("Associated") had expired on March 31, 2025. She noted that Associated had initially proposed a 5% increase each year and that, after negotiation, the parties agreed to a 5% increase in the first year, 4.5% in year 2, and 4% in year 3.

MOTION was made, seconded and unanimously adopted to ratify the interim approval of the renewal of Associated's contract, retroactive to March 31, 2025, with a 5% increase in the first year, 4.5% in year 2, and 4% in year 3.

I. **Paraco Memorandum of Agreement ("MOA")**

Ms. Cochran reported on receipt of the MOA between Teamsters Local 445 and Paraco for the period from February 1, 2025 through January 31, 2029. She noted the MOA provided for annual increases in the contribution rate effective February 1, 2025, February 1, 2026, February 1, 2027, and February 1, 2028, with the following total weekly contributions: $419.22 per week in the first year, $432.47 per week in the second year, $455.71 per week in the third year, and $482.80 per week in the fourth year.

J. **Subrogation Report**

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

K. Stop Loss Claims

Ms. Cochran reported that the Fund filed one stop loss claim for reimbursement of $210.02 and a second stop loss claim for a reimbursement of $137,006.17 for the policy period from April 1, 2024 through March 31, 2025.

L. Form 5500

Ms. Cochran reported that the Form 5500 was filed on March 31, 2025.

M. Fiduciary Liability Policy

Ms. Cochran reported that the Fiduciary Liability Policy expires on June 10, 2025. She stated that Segal's recommendation was to renew with the incumbent carrier, Ullico/Markel, for the period from June 10, 2025 through June 10, 2026 with a premium of $29,737. Ms. Cochran noted that Segal requested proposals from other carriers but did not receive quotes.

MOTION was made, seconded and unanimously adopted to renew the policy with the incumbent carrier, Ullico/Markel, for the period from June 10, 2025 through June 10, 2026 with a premium of $29,737.

V. CONSULTANT'S REPORT

The Trustees welcomed Ms. Michele Domash and Dr. Amul Shah of Cheiron to the meeting.

A. Stop Loss and JAA Renewals

Ms. Domash reported that, as approved between meetings, the stop loss renewal was negotiated at a 10% increase after removing the commissions that had been embedded in the premiums, saving the Fund ($19,646) in premiums. She noted that no lasers apply in the rate, and that the estimated stop loss premiums are $270,816 for the upcoming 2025-2026 year.

MOTION was made, seconded and unanimously adopted to ratify the interim approval of the stop loss policy on the above-described terms.

Ms. Domash reviewed the interim Anthem JAA approval. She noted revisions to the Anthem renewal with a two-year agreement replacing the current one-year renewal cycle, thereby providing the Fund with more predictable program costs. She noted that the agreement provides for 2% increases, resulting in estimated fees of $65,180 for the upcoming 2025-2026 year. She noted that this reflects a JAA administration fee of $18.75 per plan participant from 5/1/2025 through 4/30/2026 and $19.10 per plan participant from 5/1/2026 through 4/30/2027.

MOTION was made, seconded and unanimously adopted to ratify the interim approval of the Anthem JAA contract on the above-described terms.

B. <u>Dental Benefit</u>

As had been requested by the Trustees, Ms. Domash reviewed the current dental benefits. She explained with an example how the current schedule of benefits applies, noting that the Plan does not offer network coverage. She discussed examples of how the Plan could be improved using two network schedules from ASO, either Premier Plus or MetroDent Max. The Cheiron representatives also reviewed the potential costs of improvements and considerations regarding whether to expand the evaluation of the dental plan beyond the current vendor. Ms. Domash reviewed the estimated fees of $6,000 to $8,000 (a) for Cheiron to work with ASO to evaluate options or (b) for Cheiron to conduct a focused market check for other networks and options.

At this time, Larry Sachs and Simone Levy of ASO joined the video conference. They discussed the current benefit structure and reviewed various options on how to improve the current dental benefit and provided information on two dental networks, one using Premier Plus and one using MetroDent Max. After answering numerous questions about the current plan and the proposed options, the ASO representatives exited the conference.

After discussion, the Trustees requested that a special meeting be scheduled in the near future to continue review of potential dental benefit changes.

C. <u>Quarterly Financial Update</u>

Ms. Domash reviewed the quarterly H-Scan projections, starting with a review of demographics and recent asset activity. She noted that projected assets at June 30, 2025 were estimated to be $6.17 million, continuing the decline in assets from prior periods, with assets at $7.04 million as of June 30, 2023. She provided three scenarios with a focus on the upcoming period and trying to achieve break-even status with revenues covering expenditures. She stated that if contribution rates do not increase, assets the number of months reserve will decline. She stated that higher future employer rates will help revenues to cover expenditures, with assets declining but by much less and staying close to $6 million. She added that if trends are quite low, break-even could be achieved. Ms. Domash stated that Cheiron will continue to monitor the program financial status, trends and reserve outlook each meeting.

Ms. Domash concluded by reinforcing the need for continued increases in employer contributions.

VI. NEXT MEETING DATE/ADJOURNMENT

The next regular meeting of the Board of Trustees was scheduled for September 8, 2025 immediately following the Pension Fund meeting via Zoom. With no further business to come before the Board, the meeting was adjourned at 12:20 p.m.

Exhibits

A - Cash Operating Statement

B – Claims Paid Detail Report

C – Authorization for Disbursements

D – Delinquency Report and Withdrawal Liability Report

E – Employer Contribution Report

F – Active Members and COBRA Participants Receiving Benefits