Warehouse Employees Union Local No. 730
Health and Welfare Trust Fund

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DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 HEALTH AND WELFARE TRUST FUND JULY 2, 2026 VIA ZOOM

The following Trustees were present:

UNION TRUSTEES
W. Davis – Secretary
R. Brooks
S. Clark

EMPLOYER TRUSTEES
J. Paradis – Chairman
F. Stegman
B. Petway – Alternate

Also present were:

M. Baney – Delta Dental
R. Buker – Novak Francella LLC
K. Coffelt – Cigna
A. Cochran – Associated Administrators, LLC
A. Kennemer – Cigna
J. Kimble – Morgan, Lewis & Bockius, LLP
M. Pascal – Novak Francella LLC
B. Saindon – Mooney, Green, Saindon, Murphy & Welch, P.C.
R. Sichel – Investment Performance Services, LLC
J. Timm – The Segal Company

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 March 16, 2026.

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

> **RESOLVED that the minutes of the last regular meeting held on March 16, 2026 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, 2026 through March 31, 2026 was 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 firm's report titled, "Master Consulting Services Report – March 31, 2026." He reviewed the financial markets generally. Mr. Sichel reported that the Fund's total market value of assets as of March 31, 2026 was $30,003,636, and its year-to-date return is -0.2%, compared to the -0.2% return for the index, gross of fees.

C. Quarterly Performance Report

Mr. Sichel reported that as of March 31, 2026 the Fund's assets were allocated as follows: 9.7% Domestic Large Cap Equity, 37.3% in Investment Grade Fixed Income, 35.5% in Short Duration High Yield, 6.1% in Real Estate – Core, 4.7% in Real Estate – Value Add, and 6.7% in cash equivalents. Mr. Sichel noted the allocations to short duration high yield and real estate – value add are expected to rebalance closer to Policy once the additional commitment to Boyd Watterson State is finalized. He noted Northern Trust held $2,925,306, Wedge Capital held $11,197,935, Chartwell Investment held $10,642,056, ARA Core Property Fund L.P. held $1,832,737, Boyd Watterson held $1,396,951, and there was $2,008,651 in the cash account.

D. <u>Expanded Master Consulting Service ("EMCS")– Rebalancing Recommendation</u>

Mr. Sichel said that as part of the EMCS, Chairman and Secretary approved the IPS recommendation in between meetings to rebalance the allocations closer to Policy. The recommendation was to transfer $750,000 from Chartwell Investment Partners Short Duration High Yield to Boyd Watterson State, Real Estate – Value Add.

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

IV. <u>AUDITOR REPORT</u>

The Trustees welcomed Ms. Rebecca Buker and Ms. Marcella Pascal of Novak Francella LLC to the meeting.

Ms. Buker reviewed the Financial Statements for the year ended December 31, 2024. She said that Novak Francella issued an unmodified opinion on the Plan's financial statements. She noted that total additions for the year ended December 31, 2025 were $7,278,843 and total deductions were $3,792,402, resulting in a net increase of Net Assets Available for Benefits of $3,486,441. As of December 31, 2025, net assets available for benefits were $30,243,146. Ms. Buker reviewed the notes to the financial statements, the schedule of administrative expenses, the schedule of employer contributions, and the schedule of assets held for investment purposes. She discussed the Statement on Auditing Standards ("SAS") 114 letter, the auditor's required communication to the trustees which states the auditor follows standard AICPA auditing requirements for Taft-Hartley multi-employer welfare benefit plans.

Ms. Pascal stated that the Form 990 and Form 5500 are expected to be filed prior to the July 31, 2026 deadline. The Trustees thanked Ms. Buker and Ms. Pascal for their report, and they were excused from the meeting.

V. COUNSEL REPORT

A. Subrogation Report

Ms. Saindon reviewed the status of the subrogation matters as of July 2, 2026. She reviewed the current cases and stated that there are no cases that require Trustee action at this time.

B. In-Network Laboratory Services

Ms. Saindon referred to a memo distributed to the Trustees prior to the meeting. She said the memo provided two options to address the ongoing issues involving out-of-network laboratory claims. Ms. Saindon reiterated the Fund rule that laboratory services are only covered when performed by LabCorp or Quest Diagnostics or their subsidiaries. Laboratory services performed by any other laboratory or facility are not covered.

She discussed the proposed options: Option 1, all laboratory services performed at an in-network provider's office would be covered; or Option 2, only specific laboratory services performed at an in-network setting would be covered. Option 2 provided a list of commonly utilized outpatient laboratory services that could be covered at either an in-network facility or in-network provider office.

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

RESOLVED to approve Option 2 and cover only specific lab services identified in the memo that are performed at an in-network provider, effective as soon as administratively possible.

Ms. Saindon noted that Ameripath, a subsidiary of Quest was currently excluded as an in-network laboratory provider as its discounts are not the same as Quest and the other Quest subsidiaries. Since the Trustees' last discussion regarding Ameripath, Cigna clarified that there are certain laboratory services that only Ameripath can perform. Ms. Saindon said Cigna also confirmed that to date there has been no utilization with Ameripath.

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

RESOLVED to approve Ameripath as an in-network laboratory services provider.

Fund Co-Counsel said a Summary of Material Modifications would be prepared regarding the changes.

C. Payroll Audit

The Trustees had a discussion regarding payroll audits and requested that an annual payroll audit report be included with the meeting materials. Ms. Cochran said a revised Payroll Audit Policy was recently adopted on June 2, 2025. The Trustees requested clarification of the 3-year period in which the audits are performed. They also requested an updated payroll audit report.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the first quarter 2026.

The report showed contributions of $1,363,516 interest and dividend income of $242,873, COBRA payments of $0, self-payments of $0, and miscellaneous income of $0, producing a total income of $1,606,389 for the quarter. Expenses included $781,106 of benefit expenses and $97,183 of operating expenses, producing a total expense of $878,289. This produced a surplus of $728,100 for the quarter ended March 31, 2026. Ms. Cochran noted that contributions were made on behalf of 306 Plan participants.

VII. INVOICES

Ms. Cochran presented a list of invoices dated July 2, 2026 for the Trustees' 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 July 2, 2026 are approved for payment as presented.**

VIII. PARTICIPANT APPEALS

A. M26/101-0379

Ms. Cochran presented an appeal from a participant who is appealing the denial of a claim for outpatient laboratory services because the services were not provided at a Quest Diagnostics ("Quest") and/or Laboratory Corporation of America Holdings ("LabCorp") facility. It was noted that effective January 1, 2022 the Plan was amended to specifically exclude lab services performed anywhere other than Quest or LabCorp. The spouse had an office visit with an in-network provider but because the lab work was performed in the office rather than at a Quest or LabCorp facility as the Plan requires, the claim was denied.

The Trustees noted that the spouse went to an in-network provider and the lab service was performed in the provider's office.

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

> **RESOLVED to approve appeal #M26/101-0379 and pay the claim in accordance with the limits of the Plan.**

B. <u>M26/104-0888</u>

Ms. Cochran presented an appeal from a participant's spouse who is appealing the denial of claims for genetic testing. The claims were denied because genetic testing is not listed as a covered benefit in the Plan Document. It was noted that effective December 1, 2025 the Plan was amended to specifically exclude gene therapy and genetic testing and a Summary of Material Modifications ("SMM") was mailed to participants on January 6, 2026. The Trustees noted that one date of service related to the appeal was prior to the effective date of the Plan amendment and the other was prior to the mailing of the SMM. Ms. Cochran noted a similar appeal was presented and approved at the March 16, 2026 meeting.

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

> **RESOLVED to approve appeal #M26/100-0888 and pay the claims in accordance with the limits of the Plan and to inform the participant that services related to genetic testing will not be covered in the future.**

IX. <u>PROVIDER REPORTS</u>

A. <u>SEGAL</u>

The Trustees welcomed Mr. Josh Timm of The Segal Company to the meeting. A memorandum titled, "Stop Loss Review" was distributed prior to the meeting.

Mr. Timm discussed the Trustees' request to review the stop loss deductible, including potential increases above the current $500,000 level. He said the current policy is effective through December 31, 2026. He discussed the value of stop loss coverage along with the historical experience of the Fund noting $840,000 paid in premium with no claims filed over the last eight Plan years. Mr. Timm said that given the Fund's strong financial position, minimal historical utilization of stop loss coverage and the long-term cost of premiums relative to reimbursements, Segal believes there is an opportunity to assume additional risk. He said at the next renewal, the Fund should consider increasing the current deductible to $750,000 or $1,000,000, eliminating the aggregating specific deductible and perform market testing. As an alternative, the Trustees may also consider fully exiting the stop loss market, particularly given the Fund's current reserve levels and demonstrated ability to absorb claim volatility.

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

B. <u>DELTA DENTAL</u>

The Trustees welcomed Ms. Mary Baney of Delta Dental to the meeting. The report titled "Strategic Planning and Review Consultation" was distributed prior to the meeting. She reviewed the Plan's performance for the period January 1, 2025 through December 31, 2025. Ms. Baney said the Plan paid $134,799 in premiums with the actual cost of benefits and administration for the 2025 Plan year totaling $110,399. She also discussed the Plan's provider discounts and network utilization.

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

C. CIGNA

The Trustees welcomed Ms. Amy Kennemer and Ms. Kari Coffelt of Cigna to the meeting. A copy of their report titled, "January 2025 – December 2025 Savings Results and Member Engagement" was included in the meeting booklet.

Ms. Kennemer reviewed the CIGNA PPO savings report for the period January 1, 2025 through December 31, 2025 and January 1, 2026 through March 31, 2026. The PPO network savings, meaning the billed amount less the network allowed amount, equaled $1,498,940 for the period January 1, 2026 through March 31, 2026. This represents an overall PPO savings of 46.7%. Ms. Kennemer reviewed the out-of-network savings results for the period January 1, 2026 through March 31, 2026 noting a savings of 88.1%.

The Trustees thanked Mr. Kennemer and Ms. Coffelt for their report, and they were excused from the meeting.

X. OTHER FUND BUSINESS

A. Fidelity Bond Policy

Ms. Cochran reviewed the renewal memo prepared by Segal Select for the Fidelity Bond policy for a 3-year period July 10, 2026 through July 10, 2029. As noted in the memo, Chubb and Encore/Hudson did not provide proposals. She said that the incumbent carrier, Zurich, provided two quotes 1) same terms as the current policy with a 3-year premium totaling $2,715.00 and 2) same terms as the current policy with the addition of Telephone Toll Fraud coverage, along with an increase in the Social Engineering Fraud sublimit to $250,000 with a total 3-year premium of $2,969.00. Ms. Cochran said Segal recommends renewing with Zurich based on the broad scope of coverage and continuity of coverage and can also support binding option 2 with the additional coverages.

After a discussion, on MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the Fidelity Bond policy renewal with the incumbent carrier, Zurich, option 2 for a three-year period July 10, 2026 through July 10, 2029 with an annual premium of $2,969.00.**

B. <u>Cyber Liability Policy – INTERIM ACTION</u>

Ms. Cochran reported that between meetings the Trustees voted to renew the Cyber Liability policy for the period May 20, 2026 through May 20, 2027 with Beazley, through the broker Segal Select. She advised that the annual premium was $1,404 with a $2,000,000 limit of liability, noting the policy also covers the Legal and Health and Welfare Funds.

C. <u>Trustee Compensation</u>

Ms. Cochran reported that the Fund's Trustees who are not full-time employees of Local 639 or who were not being paid by a contributing employer receive a stipend of $350.00 per meeting at which the Trustee is in attendance. The Trustees discussed increasing the amount of the stipend. Trustee Brooks and Stegman recused themselves from the discussion. Trustee Davis proposed an increase to $1,000.00. The Trustees discussed the work that occurs between meetings, including reviewing Fund documents and Fund matters that require interim action.

After a discussion, on MOTION made and seconded, the Trustees voted, with Trustee Brooks and Stegman abstaining, approval of the following resolution:

> **RESOLVED to increase the Professional Trustee compensation to $1,000.00 per meeting, regardless if the Trustee is in attendance, effective with the July 2, 2026 meeting.**

D. Class Action Settlements

Ms. Cochran reported that the Fund received a check in the amount of $10.37 related to the Mylan EpiPen class action settlement.

E. No Surprise Act and Transparency Rule

Ms. Cochran stated that Associated submitted the medical portion of the Prescription Drug and Health Care Spending Report to CMS.

XI. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected September 16, 2026 and December 1, 2026 as their next regular meeting dates. The Welfare meeting will immediately follow the companion Pension Fund meeting via Zoom.

XII. ADJOURNMENT

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

Respectfully submitted,

William Davis
Secretary