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

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 HEALTH AND WELFARE TRUST FUND MARCH 3, 2020 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
J. Lacy
T. Richardson – Alternate

EMPLOYER TRUSTEES
J. Paradis – Secretary
H. Sebhat
F. Stegman
M. Goble – Alternate

Also present were:

K. Barshinger – Associated Administrators, LLC
A. Cochran – Associated Administrators, LLC
H. Burton – Morgan, Lewis & Bockius, LLP
M. DeLancey – Blank Rome LLP
B. Hicks – Investment Performance Services, LLC
J. Kimble – Morgan, Lewis & Bockius, LLP

I. CALL TO ORDER

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

II. TRUSTEE APPOINTMENT

Ms. Cochran reported that a letter was mailed to participating employers on November 25, 2019 regarding the nomination of Mr. Michael Goble of Giant Food, Inc. as an Alternate Trustee. Ms. Cochran reported that she received no objections to the nomination. The Trustees welcomed Mr. Goble to the meeting. Ms. Cochran confirmed that she instructed the broker to add Mr. Goble to the Fiduciary and Cyber Liability policies along with the Fidelity Bond.

III. MINUTES

The Trustees read the minutes of the last regular meeting held on December 3, 2019.

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

> **RESOLVED that the minutes of the last regular meeting held on December 3, 2019 are approved as written.**

IV. 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, 2019 through December 31, 2019 is contained in the meeting booklet.

B. Investment Performance Services, LLC ("IPS")

1. Investment Performance

The Trustees welcomed Mr. Brian Hicks of IPS to the meeting.

Mr. Hicks distributed his report titled, "Master Consulting Services Report – December 31, 2019." Mr. Hicks reported that the total market value of assets as of December 31, 2019 was $9,947,782. Mr. Hicks distributed his report titled, "Preliminary Monthly Performance Analysis – January 31, 2020." He reported that the total market value of assets as of January 31, 2020 was $10,035,677.

2. Asset Allocation

Mr. Hicks reported that as of December 31, 2019, the Fund held 47.2% in Investment Grade Fixed income, 37.9% in Short Duration High Yield, 8.4% in Real Estate, and 6.5% in cash equivalents. He noted Wedge Capital held $4,692,610, Chartwell Investment held $3,770,297, American Core Realty held $837,374, and there was $647,500 in the cash account.

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

V. COUNSEL REPORT

Mr. Burton introduced his colleague, Mr. Jim Kimble. Mr. Burton announced that he will be retiring and that this will be his last meeting and that Mr. Kimble will be attending future meetings on behalf of Morgan Lewis. The Trustees expressed their sincere thanks and appreciation to Mr. Burton for serving as Fund Counsel.

A. Subrogation Report

Mr. DeLancey reviewed the status of subrogation matters under collection as of March 3, 2020. He stated that there are no cases requiring Trustee action at this time.

B. Affordable Care Act (ACA) Updates

Mr. Kimble reported that the ACA Cadillac Tax has been fully repealed. He also reported that the PCORI (Patient-Centered Outcomes Research Institute) fee has been extended for an additional ten years.

Mr. Burton, Mr. Kimble and Mr. DeLancey said there were no other legal matters pending before the Board of Trustees at this time.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the fourth quarter 2019. Such report showed contributions of $1,306,142, interest and dividend income of $101,108, and miscellaneous income of $1,733 producing a total income of $1,408,983 for the quarter. Expenses included $1,027,983 of benefit expenses and $52,239 of operating expenses, producing a total expense of $1,080,222. This produced a total surplus of $328,761 for the quarter ended December 31, 2019. Ms. Cochran noted that contributions were made on behalf of 359 Plan participants.

VII. INVOICES

Ms. Cochran presented a list of invoices dated March 3, 2020 for Trustee 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 March 3, 2020 are approved for payment as presented.**

VIII. PROVIDER REPORT – DENTAL HEALTH CENTERS AND ASSOCIATES, LLC (DHC)

Ms. Cochran said a copy of the 2019 report was contained in the meeting booklet. The report indicated the total yearly premium paid for dental coverage was $134,183.42. The dollar value of dentistry performed at the average "usual and customary" fees in 2019 was $210,322.00. Ms. Cochran said the report indicates that for each $1.00 in premiums paid, the members are receiving $1.57 of dental services based on "usual and customary" values.

IX. OTHER FUND BUSINESS

A. 2020 Summary of Benefits & Coverage ("SBC")

Ms. Cochran reported that the 2020 SBC Notice for the period January 1, 2020 to December 31, 2020 was mailed to active participants on December 23, 2019.

B. Stop Loss Policy – Ullico

Ms. Cochran reported the Fund received a dividend in the amount of $4,423 for the January 1, 2019 to December 31, 2019 policy year. The rebate is 5% of the Plan's specific gross stop loss premium.

C. Cyber Liability Policy

Ms. Cochran reported that the Fund's current Cyber Liability Policy will expire March 12, 2020. The broker, NFP, is currently working on obtaining proposals to be presented to the trustees.

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

> **RESOLVED to give authority to Chairman and Secretary to decide on a Cyber Liability Policy for the upcoming policy year.**

D. 2020 Auditor Engagement Letter

Ms. Cochran reported receipt of the 2020 Auditor Engagement Letter for the 2019 Plan year at an annual fee of $14,700. She said the letter reflects no increase in premium from the prior year.

E. Trustee Expense Policy

Ms. Cochran indicated that a request was received from Trustee Richardson regarding reimbursement for a reservation through an Airbnb instead of a hotel for the upcoming International Foundation Employees Benefit Plans conference. Fund Counsel noted the current Policy provides the Trustees with discretion to interpret the Policy to allow for reimbursement for Airbnb expenses properly incurred.

On MOTION made and seconded, the Trustees voted – with Trustee Richardson abstaining – approval of the following resolution:

> **RESOLVED that the Fund will reimburse the expenses of an Airbnb, provided the cost is within the standard price range of hotel accommodations for the specific conference in which the Trustee attended.**

Fund counsel noted that because this was a matter of Trustee interpretation, no amendment to the existing Policy is necessary.

F. Form 1099MISC

Ms. Cochran reported that the Form 1099MISC was mailed on January 30, 2020.

G. Annual Creditable Coverage Disclosure to the Centers for Medicare & Medicaid Services ("CMS") (2020)

Ms. Cochran reported the electronic filing of the Creditable Coverage Disclosure to CMS for 2020 was filed in a timely manner and that CMS accepted the filing.

H. Employer Contribution Rate Letter

Ms. Cochran reported that a revised contribution rate increase letter was mailed to Eight O’ Clock Coffee for a rate change effective February 5, 2020.

I. Segal Proposal

Ms. Cochran presented a proposal from Segal to review the quote for benefits to be provided by Kaiser. She noted the Kaiser quote is for a fully-insured benefit program. Ms. Cochran said Segal would prepare a written report with an analysis of the Kaiser quote. The fee would be at Segal’s hourly rates, estimated at a total of $5,000 to $8,000, not to exceed $8,000.

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

RESOLVED to authorize Chairman and Secretary to consider and decide on Segal’s proposal.

X. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected June 18, 2020 as their next regular meeting date immediately following the companion Pension Fund meeting in Landover, Maryland.

XI. ADJOURNMENT

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

Respectfully submitted,

Jason Paradis
Secretary