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 SEPTEMBER 11, 2019 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
R. Brooks – Chairman
J. Lacy
F. Meyers
T. Richardson – Alternate

EMPLOYER TRUSTEES
J. Paradis – Secretary
H. Sebhat – via conference call
F. Stegman
B. Pounds – Alternate

Also present were:

C. Allebach – Group Vision Services
K. Barshinger – Associated Administrators, LLC
H. Burton – Morgan, Lewis & Bockius, LLP
M. DeLancey – Blank Rome LLP
L. DuVall – Associated Administrators, LLC
R. Foxman – Group Vision Services
R. Sichel – Investment Performance Services, LLC

I. CALL TO ORDER

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

II. MINUTES

The Trustees read the minutes of the last regular meeting held on June 13, 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 June 13, 2019 are approved as written.

III. FINANCIAL REPORT

A. Custodian Bank – PNC Bank, NA

Ms. DuVall noted a copy of the PNC Summary of Activity report for the period January 1, 2019 through June 30, 2019 is contained in the meeting booklet.

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

1. Investment Performance

The Trustees welcomed Mr. Rich Sichel of IPS to the meeting.

Mr. Sichel distributed his report titled, "Master Consulting Services Report – June 30, 2019." Mr. Sichel reported that the total market value of assets as of June 30, 2019 was $9,114,374. Mr. Sichel distributed his report titled, "Preliminary Monthly Performance Analysis – July 31, 2019." He reported that the total market value of assets as of July 31, 2019 was $9,394,998.

2. Asset Allocation

Mr. Sichel reported that as of June 30, 2019, the Fund held 48.0% in Investment Grade Fixed income, 37.7% in Short Duration High Yield, 4.6% in Real Estate, and 9.7% in cash equivalents. He noted Wedge Capital held $4,372,953, Chartwell Investment held $3,435,346, American Core Realty held $418,093, and there was $887,982 in the cash account.

Mr. Sichel noted that the cash allocation is within the targeted policy range, however based on the current cash needs, the Trustees may want to consider allocating funds into the fixed income allocation. Ms. DuVall said she would review the cash flow of the Fund with Ms. Cochran and that Ms. Cochran would provide this information to Chairman and Secretary.

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

> **RESOLVED to authorize Chairman and Secretary to approve the rebalancing of funds once Ms. Cochran has reviewed the current cash needs of the Fund.**

3. Investment Consulting Contract Renewal

Mr. Sichel reviewed his memorandum to Ms. Cochran dated June 17, 2019 in which IPS proposed a new contract for a four-year period with an initial increase of $2,500, with no additional increases for the three years following.

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

RESOLVED to accept the proposal of IPS to provide Master Consulting services. Annual fees, beginning on October 1, 2019, will be $25,000, with no annual increase for the next three years under a four-year agreement ending on September 30, 2023.

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

IV. COUNSEL REPORT

Mr. DeLancey reviewed the status of subrogation matters under collection as of September 11, 2019. He stated that there are no cases requiring Trustee action at this time.

Mr. DeLancey and Mr. Burton reported that there are no other legal matters pending before the Board of Trustees at this time.

V. ADMINISTRATIVE MANAGER'S REPORT

Ms. DuVall presented the Administrative Manager's Report for the second quarter 2019. Such report showed contributions of $1,255,211, interest and dividend income of $82,322, and miscellaneous income of $194, producing a total income of $1,337,727 for the quarter. Expenses included $1,271,474 of benefit expenses and $59,661 of operating expenses, producing a total expense of $1,331,135. This produced a total surplus of $6,592 for the quarter ended June 30, 2019. Ms. DuVall noted that contributions were made on behalf of 372 Plan participants.

VI. INVOICES

Ms. DuVall presented a list of invoices dated September 11, 2019 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 September 11, 2019 are approved for payment as presented.

VII. PARTICIPANT APPEALS

Appeal Number	Issue	Board Decision
A19/107-3710	Accident and Sickness Benefits	Approved

VIII. PROVIDER REPORT – Group Vision Services

The Trustees welcomed Mr. Craig Allebach and Mr. Ralph Foxman of Group Vision Services to the meeting. Mr. Allebach distributed reports for the periods January 1, 2018 through June 30, 2018 and January 1, 2019 through June 30, 2019. He reviewed these reports in detail.

The Trustees thanked Mr. Allebach and Mr. Foxman for their presentation and they were excused from the meeting.

IX. OTHER FUND BUSINESS

A. Employer Contribution Rate Letter

Ms. DuVall reported that a revised contribution rate increase letter was mailed

to Ahold USA/Giant Recycling for a rate change effective July 1, 2019.

B. Patient-Centered Outcomes Research Institute (PCORI)

Ms. DuVall stated the PCORI fee, imposed by the Affordable Care Act for self-insured group plans, was mailed on July 26, 2019. The amount paid was $1,935.50.

C. Cigna PPO Savings Report

Ms. DuVall noted a copy of the savings report for the period January 1, 2019 through June 30, 2019 is contained in the meeting booklet.

D. Stop Loss Information Request from Strategic Benefits Advisors (SBA)

Ms. DuVall reviewed a stop loss Request for Proposal (RFP) for the IBT's current stop loss program. The current stop loss policy is insured through Union Labor Life Insurance Company (Ullico). The Fund currently participates in the IBT program insured by Ullico. In order to solicit propels, the IBT has requested specific Fund data to assist with the stop loss RFP. After discussion,

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

RESOLVED that the matter be tabled and the Fund would not be providing the requested data at this time.

X. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected December 3, 2019 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