Warehouse Employees Union Local No. 730
and Contributing Companies' Prepaid
Legal Services Fund

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 & CONTRIBUTING COMPANIES' PREPAID LEGAL SERVICES FUND

JUNE 28, 2017
LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
R. Brooks – Chairman	M. Bull – Secretary
L. Hudson	L. Johnson
T. Richardson – Alternate	B. Pounds – Alternate

Also present were:

A. Cochran – Associated Administrators, LLC
B. Davis – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
T. Geiman – Novak Francella LLC
B. Hicks – Investment Performance Services, LLC
M. Pascal – Novak Francella LLC

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 27, 2017.

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 March 27, 2017 are approved as presented.**

III. FINANCIAL REPORT

The Trustees welcomed Mr. Brian Hicks of Investment Performance Services (IPS) to the meeting.

A. PNC Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period January 1, 2017 through March 31, 2017 is contained in the meeting booklet.

B. Investment Performance Services

Mr. Hicks reviewed his report titled, "Investment Performance Analysis – March 31, 2017" beginning with IPS' market commentary. Mr. Hicks noted the asset allocation is as follows: 97.4% in domestic fixed income and 2.6% in cash and equivalents. Mr. Hicks said the current asset allocations are appropriate in accordance with the Fund's Investment Policy Statement. The Atlanta Capital Bond Fund held $835,749 in investments. The PNC Prime Money Market held $22,472.

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

IV. AUDITOR REPORT

The Trustees welcomed Mr. Tyler Geiman and Ms. Marcella Pascal of Novak Francella LLC to the meeting.

Mr. Geiman reviewed the draft Financial Statements for the year ended December 31, 2016. He said this audit reflects an unmodified opinion, in all material respects, of the financial status of the Fund. The Net Assets Available for Benefits were $854,742 on December 31, 2016. The total assets as of December 31, 2016 were $1,223,312, accounts payable were $6,070, and benefit obligations totaled $40,038. He noted total additions for the year ended December 31, 2016 were $154,789, and total deductions were $122,354, resulting in an increase of Net Assets Available for Benefits of $32,435. This combined with a Net Decrease in Benefit Obligations of $51 resulted in an Increase in Excess of Net Assets Available Over Benefit Obligations of $32,384. The resulting Excess of Net Assets Available for Benefits over Benefit Obligations on December 31, 2016 was $782,320. He also reviewed the notes to the financial statements, the schedule of administrative expenses, the schedule of employer contributions, the schedule of assets held for investment purposes, and the schedule of reportable (5%) transactions.

The Trustees thanked Mr. Geiman and Ms. Pascal for their report and they were excused from the meeting.

V. COUNSEL REPORT

Mr. DeLancey said there were no legal matters pending before the Board of Trustees at this time.

VI. ADMINISTRATIVE MANAGER REPORT

Ms. Cochran presented the Administrative Manager Report for the first quarter 2017. Such report showed employer contributions of $33,859, miscellaneous income of $0 and interest and dividend income of $3,994, producing a total income of $37,853 for the quarter. Benefit expenses were $18,213 and operating expenses were $9,952, producing a total expense of $28,165, resulting in a net surplus of $9,688 for the quarter. Ms. Cochran noted that contributions were made on behalf of 1,073 participants.

VII. INVOICES

Ms. Cochran presented a list of invoices dated June 28, 2017 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 June 28, 2017 are approved for payment as presented.**

VIII. OTHER FUND BUSINESS

A. Fiduciary Liability Insurance Renewal and Waiver of Recourse Premiums

Ms. Cochran referred to the proposal contained in the meeting booklet regarding the renewal of the Fiduciary Liability policy, through the broker Union Insurance Group. She said there were two proposals, one from Ullico/Merkel (Ullico) and from the current carrier, Chubb. Ms. Cochran said the annual premium for Ullico is $4,676 and for Chubb is $3,080. She said that Union Insurance Group stated both carriers are excellent options and that the coverages are comparable.

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

> **RESOLVED to approve the Fiduciary Liability Policy with Ullico for the period July 26, 2017 through July 26, 2018 with an annual premium of $4,676.00.**

Ms. Cochran advised the Trustees that letters regarding their required payment of the Waiver of Recourse premium of $25 would be mailed.

B. <u>**Cyber Liability Policy**</u>

Ms. Cochran said that updated applications were submitted to the broker on June 20, 2017. She said proposals had not yet been received.

C. <u>**For Your Benefit Newsletter**</u>

Ms. Cochran stated that the Fund Office mailed the April 2017 *For Your Benefit* newsletter to the Plan participants.

IX. <u>NEXT MEETING DATE AND LOCATION</u>

After discussion, the Trustees selected September 29, 2017 as their next regular meeting in Landover, Maryland.

X. <u>ADJOURNMENT</u>

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

Respectfully submitted,

Michael Bull

Secretary