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

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (800) 730-2241
www.associated-admin.com

4301 Garden City Drive, Suite 201
Landover, Maryland 20785-6102
Telephone: (800) 730-2241
www.associated-admin.com

DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 & CONTRIBUTING COMPANIES' PREPAID LEGAL SERVICES FUND OCTOBER 6, 2016 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
R. Brooks
R. Jackson
A. Smith
T. Richardson – Alternate

EMPLOYER TRUSTEES
M. Bull – Secretary
L. Johnson
J. Paradis

Also present were:

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

I. CALL TO ORDER

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

II. TRUSTEE APPOINTMENT

Ms. Cochran reported receipt of a letter from Giant nominating Billye Pounds as an alternate Employer Trustee. Ms. Cochran said in accordance with the Trust Agreement the Administrative Manager will send a letter to all Participating Employers for a vote regarding the nomination of Ms. Pounds.

III. MINUTES

The Trustees reviewed the minutes of the last regular meeting held July 7, 2016.

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 July 7, 2016 are approved as presented.

IV. FINANCIAL REPORT

The Trustees welcomed Mr. Rich Sichel of Investment Performance Services (IPS) to the meeting.

A. Custodian Bank – PNC Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period January 1, 2016 through June 30, 2016 as contained in the meeting booklet.

B. Investment Performance Services

Mr. Sichel reviewed his report titled, "Investment Performance Analysis – June 30, 2016" beginning with IPS' market commentary. Mr. Sichel noted the asset allocation as follows: 88.6% in Investment Grade Income and 11.4% in cash and equivalents. Mr. Sichel said the current asset allocations are appropriate in accordance with the Fund's Investment Policy Statement. The Atlanta Capital

Bond Fund held $735,935 in investments. The PNC Prime Money Market held $94,855.

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

V. 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, 2015. 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 $822,307 on December 31, 2015. The total assets as of December 31, 2015 were $831,144, accounts payable were $8,837, and benefit obligations totaled $39,987. He noted total additions for the year ended December 31, 2015 were $155,312, and total deductions were $142,735, resulting in an increase of Net Assets Available for Benefits of $12,577. This combined with a Net Increase in Benefit Obligations of $5,337 resulted in an Increase in Excess of Net Assets Available Over Benefit Obligations of $17,914. The resulting Excess of Net Assets Available for Benefits over Benefit Obligations on December 31, 2015 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.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the second quarter 2016. Such report showed employer contributions of $38,506, miscellaneous income of $0 and interest and dividend income of $3,027, producing a total income of $41,533 for the quarter. Benefit expenses were $15,544 and operating expenses were $13,692, producing a total expense of $29,236, resulting in a net surplus of $12,297 for the quarter. Ms. Cochran noted that contributions were made on behalf of 1,086 participants.

VII. INVOICES

Ms. Cochran presented a list of invoices dated October 6, 2016 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 October 6, 2016 are approved for payment as presented.

VIII. OTHER FUND BUSINESS

A. Collective Bargaining Agreement (CBA) – D.P.I. MID Atlantic, Inc. (DPI)

Ms. Cochran reported the receipt of a newly negotiated CBA between the Union and DPI for the period July 28, 2016 through July 27, 2020.

After discussion and a review of the CBA by Fund Counsel, the Trustees voted approval of the following resolution:

RESOLVED to accept the CBA between the Union and DPI for the period July 28, 2016 through July 27, 2020.

B. **Fee Request**

Ms. Cochran presented on behalf of Steven M. Sindler, Attorney at Law, a fee increase request to be effective January 1, 2017. She said the requested increase in the provider's fee is from $90.00 per hour to $110.00 per hour.

Due to the significant increase in the fee request, the Trustees tabled the proposal. The Trustees directed the Administrative Manager to have the provider attend the first quarter 2017 meeting to present the fee request.

C. **Payroll Audit Status Report – Giant Recycling and Warehouse**

Ms. Cochran reported that the auditor had found a truncating hours issue during the payroll audit performed for the period January 1, 2012 through December 31, 2014. She stated the discrepancy related to truncating hours was identified for the period January 1, 2012 through June 30, 2013. Ms. Cochran said that the Trustees had accepted a Memorandum of Agreement (MOA) between the Bargaining Parties and the Union as a result of a truncating hours issue that was noted in the prior payroll audit. The MOA called for the truncating hours issue to be corrected with contributions effective January 1, 2013. The Trustees discussed using the findings in the prior audit to determine an estimated amount due for the truncated hours for the period January 1, 2013 through June 30, 2013 rather than having the auditor complete a full audit of the payroll records for that period, noting the expense of the auditor to review full payroll records charged at the firms' hourly rates.

The Trustees directed the Administrative Manager and Fund Counsel to review the prior audit to determine an estimated amount due for the period January 1, 2013 through June 30, 2013.

D. Fiduciary Liability Insurance Renewal and Waiver of Recourse Premiums

Ms. Cochran noted interim action regarding the renewal of the Fiduciary Liability policy with CHUBB, through the broker The McLaughlin Company. She said the annual premium at no increase was approved by the Trustees in an electronic poll conducted in July 2016.

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

E. For Your Benefit Newsletter

Ms. Cochran stated that the Fund Office mailed the July 2016 *For Your Benefit* newsletter to Plan participants.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected December 14, 2016 as their next regular meeting in Landover, Maryland.

X. ADJOURNMENT

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

Respectfully submitted,

Michael Bull
Secretary