UNITE HERE Local 25 and Hotel Association Of Washington, D.C.
Health and Welfare Fund

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DRAFT

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES OF
UNITE HERE LOCAL 25 AND HOTEL ASSOCIATION OF WASHINGTON, D.C.
HEALTH AND WELFARE FUND
HELD ON JANUARY 25, 2018
IN WASHINGTON, D.C.

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
John Boardman - Chairman	Solomon Keene
Stephanie Steer	
Linda Martin	

Also present were:

Anne Mayerson - Bredhoff & Kaiser, PLLC
Fredric Singerman - Seyfarth Shaw, LLP
Brian Dana - Meketa Investment Group
Henry Jaung – Meketa Investment Group
Anne-Marie Sims - Associated Administrators, LLC
Ellen Odell - Calibre (for a portion of the meeting)

I. CALL TO ORDER

Mr. Keene reported that Trustees Steve Smith and Joel Manion had each provided him with a proxy for all matters coming before the Board. A quorum being present, Chairman Boardman called the meeting to order.

II. MINUTES

Board Meeting, October 24, 2017

Ms. Sims reported she had received no further comments on the draft of subject minutes which had been circulated prior to this meeting.

On Motion made and seconded, the Trustees approved the following resolution:

RESOLVED that the minutes of the Board meeting held October 24, 2017 are approved.

III. INVOICES

Ms. Sims presented a list of invoices dated January 25, 2018. It was noted there were no additions, deletions or changes to the list.

On Motion made and seconded, the Trustees approved the following resolution:

RESOLVED that the invoices set forth in the list dated January 25, 2018 are approved for payment.

IV. PAYROLL AUDIT REPORT

A. Payroll Audit Collections Report

Ms. Sims referred to the Payroll Audit Collections Report dated January 24, 2018 included in the meeting book. A copy of the report is attached to and made part of the minutes as Exhibit A. Ms. Sims reviewed the report which contains the results for collection of payroll audit deficiencies after receipt of the audits from Calibre and before referral of unpaid billed deficiencies to the Fund's Collection Counsel.

B. Levy Verizon Center

Ms. Odell noted that Levy has lost the contract at Verizon Center effective December 2, 2017 so the audit will be an exit audit. Mr. Boardman said he would obtain contact information for Levy since it is no longer onsite.

C. Marriott Wardman Park

Ms. Odell reported that Calibre is currently auditing the Marriott Wardman Park for the 2014-2016 period (or 2013-2016, in the case of function employees) and is encountering some issues that require Trustee guidance. Fred Singerman recused himself during this portion of the meeting.

The first issue involves requested documentation. Ms. Odell explained that this employer is unwilling to provide non-union payroll, W-2's/W-3's and a full roster of all employees for the audit period of 2014-2016. Ms. Mayerson advised that the Funds are entitled to this information under the terms of the Trust Agreement and collection policy. Upon discussion, the Trustees authorized Counsel to write to the Marriott Wardman Park requesting this information by a particular date and advising the employer that if it does not provide the requested documentation by that date, the matter would be referred to the Fund's collection counsel.

The second issue involves function employees. Ms. Odell reminded the Trustees that, under the Plan's February 2016 settlement agreement with the Marriott Wardman Park, the Marriott agreed that the contributions due from January 1, 2013 through February 2016 would be calculated as follows: (i) for steady banquet servers, based on hours worked as reflected in the employer's time clock records; (ii) for all other function employees (and for steady banquet servers for whom no hours are reflected in the employer's time clock records), based on functions worked and assuming that each function is five hours and with a cap of 50 hours (10 functions) per employee per week. For periods commencing March 5, 2016, Local 25 and Marriott Wardman Park agreed that contributions for all function employees, including steady banquet servers, would be calculated using the per-function basis described above.

Ms. Odell reported that, notwithstanding the terms of the settlement agreement, based on a sample it appears that the Marriott Wardman paid contributions on all function employees based on clocked time for the period covered by the settlement agreement. She noted that the Marriott Wardman Park maintained only paper banquet sheets for this period, which makes this process arduous. She suggested the following alternative options for the Board: (1) Calibre could review the banquet sheets for 2013 through February 2016, for which Calibre would request additional billing fees, (2) Calibre could extrapolate audit findings with this sample testing error of each on-call banquet employee be assessed and additional 23.04 hours per month, or (3) the Marriott Wardman Park could conduct a self –audit similar to the one that it had done for the prior audit period. The Board agreed to permit the employer to conduct a self-audit to avoid the cost of having the Funds' auditors audit all of the function sheets for function employees other than steady banquet servers for the entire audit period (which would be passed along to the employer).

At this point, Mr. Singerman returned to the meeting.

V. COLLECTION COUNSEL REPORT

Ms. Sims reported there were no collection matters requiring Board action at this time.

VI. CO-COUNSEL REPORT

Counsel Rate Increase Request

Mr. Singerman noted that the most recent increase of the Co-Counsel hourly professional rate for attorneys to $425.00 was effective September 1, 2013. He observed that the current rate has been in effect for four years, and that it is well below the current average professional billing rate for the services of experienced Taft-Hartley benefit fund attorneys located in the metropolitan Washington, D.C. area. Mr. Singerman requested that the Trustees approve an increase of the Co-Counsel hourly professional rate for attorneys to $515 effective January 1, 2018. He noted that the proposed increase anticipates that counsel will request increases in the future on an annual basis (if appropriate) and therefore does not reflect a component for fixing the rate for a number of years in the future.

Following discussion, the Trustees called for an Executive Session, and Mr. Singerman and Ms. Mayerson left the meeting room. At the conclusion of the Executive Session, Mr. Singerman and Ms. Mayerson were recalled to the room.

On Motion made and seconded, the Trustees approved the following resolution:

> **RESOLVED that the hourly rate on which the services of the law firms as Fund Co-Counsel are based is increased from $425 for attorneys to $515 for attorneys, effective January 1, 2018.**

VII. ADMINISTRATIVE MANAGER'S REPORT

Third Quarter 2017 Administrative Manager's Report

Ms. Sims presented and reviewed the Third Quarter 2017 Administrative Manager's Report, a copy of which is attached to and made part of these minutes as Exhibit B. The Trustees requested from AA the level of surplus as of 9/16/2017. Ms. Sims reported that they will provide the level of surplus as of both 8/31/2017 and 9/1/2017. This will be broken down by benefit for which contributions are made. She explained that a line item will be added to this report for surplus levels.

VII. OTHER FUND BUSINESS

Fund Auditor Engagement Letter – 2017 Plan Year

Ms. Sims reported that copies of the proposed audit engagement letter for the 2017 Plan Year from Mr. Tyler Geiman of Novak|Francella, LLC ("Novak") had been circulated prior to the meeting. A copy of subject letter is attached to and made a part of these minutes as Exhibit C.

Ms. Sims noted that the requested fee of $17,250 for the audit and for the preparation of the Form 5500 2017 represented a $250 increase from the prior year.

Following discussion, upon Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

> **RESOLVED that Novak|Francella, LLC engagement letter is approved.**

VIII. NEXT MEETING DATE AND LOCATION

The Trustees scheduled their next regular Board meeting for Thursday, May 3, 2018, commencing at 9:00 a.m.

IX. ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,

Solomon Keene
Secretary-Treasurer

AMS/bm
(Org. 01-25-18)

Attachments:

Exhibit A: Payroll Audit Collections Report: Dated January 24, 2018
Exhibit B: Associated Administrators, LLC – Third Quarter 2017
Exhibit C: Novak|Francella Fund Auditor Engagement Letter 2018