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 AUGUST 6, 2019
IN WASHINGTON, D.C.

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
John Boardman - Chairman	Solomon Keene
Stephanie Steer (for part of the meeting)	Charles Hill
Linda Martin (for part of the meeting)	

Also present were:

Anne Mayerson – Bredhoff & Kaiser, PLLC
Fredric Singerman – Seyfarth Shaw, LLP
Tyler Geiman - Novak|Francella, LLC
Marcella Pascal - Novak|Francella, LLC
Anne-Marie Sims – Associated Administrators, LLC
Alan Spatrick – Meketa Investment Group

I. CALL TO ORDER

Mr. Boardman confirmed that he had obtained proxies from Linda Martin and Stephanie Steer. A quorum being present, Chairman Boardman called the meeting to order.

II. TRUSTEES

Mr. Keene reported that Trustee Walsh had retired and provided the Plan with notice of his resignation of Trusteeship, effective immediately.

III. MINUTES

Board Meeting, April 25, 2019

Ms. Sims reported she had received no further comments on the draft of the 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 April 25, 2019 are approved.**

IV. INVOICES

Ms. Sims presented a list of invoices dated July 30, 2019. She noted that 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 July 30, 2019 are approved for payment.**

V. AUDITOR REPORT

Financial Statements for years ended December 31, 2017 and 2018

Ms. Marcella Pascal of Novak | Francella, LLC ("Novak"), distributed copies of the Financial Statements for the years ended December 31, 2017 and 2018, a copy of which is attached to and made a part of these minutes as Exhibit A. She confirmed that the audit included an unmodified opinion of the financial statements of the Fund, and she presented the report in detail. Ms. Pascal reported that the Form 5500 and Financial Statements would be timely filed.

VI. PAYROLL AUDIT REPORT

Payroll Audit Collections Report

Ms. Sims referred to the Payroll Audit Collections Report dated July 30, 2019, included in the meeting book. A copy of the report is attached to and made part of the minutes as Exhibit

B. Ms. Sims reviewed the report which contains 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.

Mr. Tyler Geiman provided an overview of the current status of the payroll audits that are being performed by Novak. He explained Novak was experiencing audit entry issues with Centerplate, and Quantum Services. Anne Mayerson said she had sent an audit entry letter by email and first-class mail to Yaz Hacan, the General Manager of Quantum. The letter had been returned as undeliverable and she had received no reply to the email. Mr. Boardman said that Novak should suspend its efforts to schedule this audit so that the Finance Committee could discuss this matter further following the meeting. With respect to the Centerplate audit, Mr. Boardman explained that it had left the Convention Center in March 2019 and he would attempt to obtain contact information from HERE International..

Mr. Geiman reported that the Hilton Washington Embassy Row Hotel has changed ownership to Aju Hotel DBA Dupont ERH Propco, LLC. ("Dupont"). Dupont advised that they do not have the payroll records documentation from the previous ownership. He said Novak had reached out to the prior ownership to schedule the audit, yet had a response. Mr. Geiman stated that the Beacon Hotel had also changed ownership and they had reached out to the prior ownership to schedule the payroll audit. Mr. Boardman requested Novak to follow up with Stephanie Steer if information is not forthcoming

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

> **RESOLVED to approve modifying the payroll audit period timeframes for the Beacon (through February 28, 2018), and Centerplate (through March 31, 2019) to be closing audits.**

Mr. Geiman reported that Novak is scheduled to start payroll audit field work at the Capitol Skyline Hotel the week of August 19, 2019**.**

VII. <u>COLLECTION COUNSEL REPORT</u>

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

VIII. <u>CO-COUNSEL REPORT</u>

Co-Counsel reported there were no legal matters requiring Board action at this time.

IX. <u>ADMINISTRATIVE MANAGER'S REPORT</u>

<u>First Quarter 2019 Administrative Manager's Report</u>

Ms. Sims presented and reviewed the First Quarter 2019 Administrative Manager's Report, a copy of which is attached to and made part of these minutes as Exhibit C. Mr. Boardman noted that the A-List reserve is being drawn down at the rate of about $8-$10,000 per month as a result of the drop in functions. Mr. Boardman will prepare a recommendation to increase the premium co-pay rate for participants for consideration at the next meeting.

Ms. Sims advised the following hotels are reporting A list employees: Omni-Shoreham; Hyatt Regency; Marriott Wardman; Washington Hilton; Capitol Hilton; Mayflower; St. Regis and Liaison Capitol Hill. With respect to the issue raised at the last meeting concerning whether the St. Regis and Liaison should be reporting functions, Ms. Steer said that the St. Regis had confirmed that it had reported functions in error and she will follow up with the Liaison.

Mr. Boardman said that the allowance for eyeglass frames had not been increased for many years. He will ask the provider to cost out an increased allowance for discussion at the next meeting.

X. OTHER FUND BUSINES

<u>Fidelity Bond Application</u>

In reviewing the fiduciary insurance coverage renewal for the Fund, Ms. Sims reported that she will look into social engineering coverage and report back to the Board at a subsequent meeting.

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

The Trustees scheduled the next regular Board meeting for Wednesday, November 20, 2019, commencing at 10:00 a.m.

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XII. ADJOURNMENT

There being no further business, the meeting was adjourned.

XIII. ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,

Solomon Keene
Secretary-Treasurer

AMS/bm
(Org. 08-06-19)

Attachments:
Exhibit A: Financial Statements for years ended December 31, 2017 and 2018
Exhibit B: Payroll Audit Collections Report: Dated July 30, 2019
Exhibit C: Associated Administrators, LLC-Administrative Managers Report- First Quarter 2019