UNITE HERE Local 25 and Hotel Association Of Washington, D.C.
Group Legal Services 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.
GROUP LEGAL SERVICES FUND
HELD ON AUGUST 6, 2019
IN WASHINGTON, D.C.

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
John Boardman - Chairman	Solomon Keene
Linda Martin (for part of the meeting)	Charles Hill
Stephanie Steer (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
Kevin Regan – Regan and Associates Chartered
Paul Regan – Regan and Associates Chartered
Alan Spatrick – Meketa Investment Group
Anne-Marie Sims – Associated Administrators, LLC

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 the Hilton Washington Embassy Row Hotel changed ownership to Aju Hotel DBA Dupont ERH Propco, LLC. ("Dupont"). Dupont has advised they do not have the payroll records from the previous ownership. He said Novak had reached out to the prior ownership to schedule the audit, but have not 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. COLLECTION COUNSEL REPORT

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

VIII. CO-COUNSEL REPORT

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

IX. PROVIDER REPORT

The Trustees welcomed Mr. Paul Regan and Mr. Kevin Regan from Regan and Associates Chartered to the meeting. Mr. Regan reviewed the Second Quarter 2019 Utilization Report provided by Regan and Associates Chartered as contained in the meeting booklet. A copy of the subject reports is attached to and made a part of these minutes as Exhibit C.

X. ADMINISTRATIVE MANAGER'S REPORT

First Quarter 2019 Administrative Manager's Report

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 D. Mr. Boardman observed the Legal Fund reserves have dipped below the level of the September 15, 2017 reserves as a result of the increase in the rate paid to Regan and Associates Chartered, which may trigger a contribution increase under Section 14.12 of the CBA. He said that Local 25 would wait to receive the second quarter 2019 Administrative Manager's report to evaluate whether this is a trend, would then address any required contribution increase with the bargaining parties to the CBA based on the data provided by the Fund.

Mr. Singerman asked Ms. Sims to prepare a cash flow projection for review at the next meeting.

XI. OTHER FUND BUSINES

Fidelity Bond Application

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.

XII. NEXT MEETING DATE AND LOCATION

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

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: Novak|Francella: Financial Statements for years ended December 31, 2017 and 2018
Exhibit B: Payroll Audit Collections Report: Dated July 30, 2019
Exhibit C: Regan and Associates Chartered –First Quarter 2019 Utilization Report
Exhibit D: Associated Administrators, LLC – Administrative Managers Report – First Quarter 2019.