MEETING OF THE BOARD OF TRUSTEES OF THE HOSPITALITY INDUSTRY 401(k) PLAN

Held at: UNITE HERE Local 25
901 K Street, N.W., Suite 200
Washington, DC 20001

On: April 25, 2019

Trustees Present:
John Boardman
Solomon Keene

Others Present:

Anne Mayerson, Bredhoff & Kaiser, PLLC, Fund Co-Counsel
Fred Singerman, Seyfarth Shaw LLP, Fund Co-Counsel
Anne-Marie Sims, Associated Administrators, LLC
Brian Dana, Meketa Investment Group (for part of the meeting)
Bill Stahl, Prudential Retirement

I. Call to Order

The meeting was called to order at approximately 1:45 p.m.

II. Approval of Minutes of Prior Meeting

The Trustees reviewed the minutes of Board of Trustees meeting of January 24, 2019 and February 14, 2019 and approved them with no changes.

III. Investment Consultant's Report

Brian Dana presented the report of Meketa Investment Group for the first quarter of 2019. He noted that all investment options have posted positive returns year-to-date. He reviewed the performance of funds over trailing one, three and five year periods versus their respective indices and peer group.

Mr. Dana reviewed the expense ratios for each investment option; all options had a net expense ratio at or below the respective peer average except for the Artisan MidCap Principal Small Cap Growth Funds.

IV. Prudential

Bill Stahl reviewed with the Trustees the Plan Summary as of March 31, 2019, including demographics, distributions, and investment option statistics. He noted that the percentage of participants who are calling Prudential rather than using the web was high compared to Prudential's book of business and asked whether Prudential should be encouraging participants to use the website (including from their phones). Mr. Boardman noted that Local 25 is currently reviewing members' ability to access information electronically and deferred this discussion until the next meeting. Mr. Boardman thanked Mr. Stahl for his report, noting that the written Plan Summary was comprehensive and easy to understand.

Mr. Stahl reported that the process of outsourcing the responsibility to approve distributions to Prudential had been completed. Final distribution, enrollment, and beneficiary forms have been approved by co-counsel and translated into Spanish as previously approved by the Trustees for a cost of approximately $1,400. Prudential has provided a new beneficiary form, both in English and in Spanish, to all participants with an account balance. The mailing was done at Prudential's cost.

Mr. Stahl reported that educational meetings have been scheduled with the Omni Shoreham (May 23) and the Sheraton Tyson (June 13). The Embassy Suites Convention Center has also reached out for an educational session. Attempts to schedule educational meetings at the Gaylord and St. Regis have been unsuccessful to date. John Boardman said that he will follow up with each. Mr. Boardman had previously requested that Prudential schedule education sessions with Washington Hilton and Marriott Wardman.

Mr. Stahl reported on his discussions with employers that appeared to have missed contributions during the transition to Prudential. (Mr. Singerman recused himself from the discussion of Harrington Hotel.) The Trustees agreed not to take any further action with respect to the Harrington, based on its written advice to Prudential that all employees were advised that employee deferrals would be temporarily ceased during the transition to Prudential. All of remaining employers were found not to have missed contributions with the exception of the Madison, which appears to have made late contributions for some but not all employees. The Trustees asked Mr. Stahl to follow up with Madison to ascertain why the contributions were late.

V. Administrative Manager's Report

Ms. Sims presented the Administrative Manager's Report for the fourth quarter 2018. She noted that all employers have paid the fourth quarter 2018 administrative assessment except the W Hotel, and that Stephanie Steer has advised that she will discuss this with the W Hotel and follow up with her. She reported on the late contributions for 2018, which included the combined reports of Novak Francella (for the period before the transition to Prudential) and Prudential (for the remainder of the year).

The Trustees reviewed the total income and total expenses for the fourth quarter 2018. Fred Singerman recommended that the amount of per capita fee being assessed should be reviewed on at least an annual basis. Ms. Sims agreed to provide a cashflow projection for discussion at the next meeting.

The Trustees approved the assessment of interest and penalties against employers that owe interest in excess of $40 for 2018. The assessment will include a reminder that the employer is also liable for an excise tax for every year in which interest remains outstanding.

VI. Co-counsel Report

Mr. Singerman reported that there was no update on the status of the Department of Labor investigation.

VII. Next Meeting Date and Adjournment

The next meeting was scheduled to immediately follow the meetings of the related funds on August 6, 2019. There being no further business before the Board of Trustees, the meeting was adjourned at 2:30 p.m.