

Lithographers & Photoengravers

Local 285 Welfare Fund

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MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES OF THE
LITHOGRAPHERS AND PHOTOENGRAVERS LOCAL 285 WELFARE FUND
HELD ON JANUARY 8, 2014
LANDOVER, MD

The following persons were in attendance:

UNION TRUSTEES

William Tull - Secretary
Isaiah Thompson
Edward Williams

EMPLOYER TRUSTEES

Michele Cirrincione - Chairperson
David Ashton
David King
Tom Labadie

Also present were:

Paul Green – Mooney, Green, Saindon, Murphy & Welch, P.C.
Andrew Lin – Mooney, Green, Saindon, Murphy & Welch, P.C.
Colleen Murphy – Associated Administrators, LLC
Joseph Sears – Associated Administrators, LLC

I. CALL TO ORDER

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

II. TRUSTEE DEATH

Trustee Tull noted that Trustee Eric Wilfong had passed away, and a new Union Trustee would be appointed in the future.

III. CHAIRPERSON/SECRETARY

In accordance with the Trust Agreement, the Chairperson and Secretary for the Board of Trustees changes on an annual basis.

On Motion made and seconded, unanimously voted approval of the following resolution:

RESOLVED to name Michele Cirrincione as the Chairperson of the Board of Trustees and William Tull as the Secretary.

IV. MINUTES – BOARD MEETING HELD ON NOVEMBER 6, 2013

Mr. Sears confirmed that there were no changes to the final draft of the subject minutes circulated prior to this meeting. The Trustees reviewed the draft and,

On Motion made and seconded, unanimously voted approval of the following resolution:

RESOLVED that the minutes of the Board meeting held November 6, 2013 are approved as written.

V. FINANCIAL REPORT

A. Financial Statement

Mr. Sears reviewed the unaudited financial statements for the second quarter of the plan year, September 1, 2013 through November 30, 2013. For the first nine months of the plan year through November 30, 2013, the Fund had total income of \$1,606,733 versus total expenses of \$1,822,958 for a deficit of \$216,225. He noted that the Fund currently has reserves equal to approximately 9.3 months of expenses.

On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to accept and approve the financial statements for September 1, 2013 through November 1, 2013.

B. Capital Financial, LLC Report

Mr. Sears reviewed the account statements from Capital Financial, LLC for the months of October and November 2013. The statements showed a balance of \$1,818,417.17 as of November 30, 2013. This total included a money market holding of \$24,437.17 and Certificates of Deposit (“CDs”) of \$1,793,980.00.

On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to accept and approve the Capital Financial, LLC reports for October and November 2013.

VI. COUNSEL REPORT

A. Eligibility Rules

Mr. Lin presented a memorandum explaining the current eligibility rules. The Trustees had an extended discussion about the current rules and requested that Mr. Lin review a hybrid option of the two rules currently in place. A special meeting was scheduled for January 21, 2014 to discuss the rules in detail.

VII. RENEWAL DISCUSSION

A. Health Care Provider - Kaiser

Mr. Sears said that Kaiser had revised its renewal proposal that was presented at the November meeting. Such proposal called for increases of 4.4% for the DHMO plan, 5.1% for the Signature plan, 11.3% for the Select plan, and 16.3% for the PPO plan. In addition, Mr. Sears reviewed a proposal from CareFirst for similar benefits.

After discussion, On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to approve the Kaiser renewal rates effective March 1, 2014 as presented.

B. Dental Provider – Group Dental Services, Inc.

Mr. Sears said that Group Dental Services, Inc. (“GDS”) had revised its proposal that was presented at the November meeting to call for a rate of \$43.38 per employee per month (“pepm”). He said that GDS offered an alternate proposal that increased copayments but lowered the monthly premium to \$37.31 pepm. Mr. Sears also reviewed proposals from other carriers within the dental market, including CIGNA and United Concordia.

After discussion, On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to accept and approve the Group Dental Services, Inc. alternate proposal with a monthly premium of \$37.31 per employee per month effective March 1, 2014 as presented.

C. Life and Disability Provider – Mutual of Omaha

Mr. Sears said that, based on a request from the Trustees at the last meeting, Mutual of Omaha had provided Life and AD&D rates that would provide separate rates for Active and Retiree coverage. While the Active rate would decrease, the Retiree rate would increase significantly. The Trustees did not feel this was an attractive option and decided to remain using the combined rate that has been used historically.

On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to accept and approve the Mutual of Omaha Life and AD&D rate of \$.43 and \$.03 per \$1,000 in coverage as of March 1, 2014. In addition, the Weekly Disability rate of \$.43 per \$10 in coverage effective March 1, 2014 was approved.

D. Administrative Load

Mr. Sears reviewed an estimate for the administrative expenses for the 2014-15 plan year. Such estimate, based on current enrollment, called for a monthly charge of approximately \$54.78 per employee. The Trustees noted that no load had been added to the 2013-14 plan year in an attempt to hold the employees' increase to a minimum. The Trustees agreed they would pass on an amount equal to half of the estimate and use either Fund reserves or contributions paid by employers signatory to a Bookbinders agreement for non-participating employees for the remainder of the expenses, but would need to review this on an annual basis.

After discussion, On Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to charge \$27.39 per employee per month for administrative expenses for the 2014-15 plan year.

E. Three-Tier Rate Structure

Mr. Sears noted that he had requested alternate rates from Kaiser and GDS to charge premiums on a 3-tier basis instead of the current composite basis. He noted that the current system of composite rates had been adopted at a time when there were no employee contributions and that it discouraged the participation of single employees who are required to pay the same amount as employees with families. Moving to 3-tiered rates, however, would significantly increase the cost for employees with families and could lead to employers seeking to reduce their contributions for single employees. The Trustees agreed to discuss such a change in the future.

F. Open Enrollment Meeting and Mailing

The Trustees set February 8, 2014 as the date of the annual open enrollment meeting. Per past practice, Mr. Sears said a packet of information, detailing new rates and benefit changes, would be mailed to all Fund participants prior to the meeting date.

VIII. OTHER FUND BUSINESS

A. Retirees – Medicare Rates

Mr. Sears said letters were mailed to all retirees purchasing health coverage through the Fund stating the new rates for Kaiser and the Graphic Communications National Plan.

B. IRS Form 5500

Mr. Sears said the annual IRS Form 5500 was filed timely in December 2013.

C. Privacy Statement

Mr. Sears said the privacy statement was mailed to participants in November 2013.

IX. NEXT MEETING DATE AND LOCATION

The Trustees scheduled a Special meeting of the Board to be held on January 21, 2014, commencing at 9:00 A.M., and the next regular Board meeting to be held April 10, 2014, commencing at 10:00 A.M. Both meetings will be held in the conference room of Associated Administrators in Landover, MD.

X. ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,

William Tull, Secretary

JMS(orig 1-14-14)