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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 9, 2019
LANDOVER, MARYLAND

The following persons were in attendance:

UNION TRUSTEES
William Tull – Secretary
Barry English
Mark Poole
John Reading

EMPLOYER TRUSTEES
David King – Chairman
Tom Labadie

Also present were:
Ed Chicoski – Lakeshore Benefit Group Insurance Brokerage, LLC
Alicia Cochran – Associated Administrators, LLC
Deborah Dubbs – Associated Administrators, LLC
Mary Thuell – Mooney, Green, Saindon, Murphy & Welch, P.C.

I. CALL TO ORDER

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

II. CHAIRMAN/SECRETARY

In accordance with the Trust Agreement, the positions for Chairman and Secretary for the Board of Trustees are to alternate on an annual basis.

After a discussion, on Motion made and seconded, the Board unanimously voted approval of the following resolution:

RESOLVED to name David King as the Chairman of the Board of Trustees and William Tull as the Secretary.

III. LAKESHORE BENEFIT GROUP INSURANCE BROKERAGE, LLC – BROKER REPORT

The Trustees welcomed Mr. Ed Chicoski of Lakeshore Benefit Group Insurance Brokerage, LLC to the meeting. He distributed his report titled, "Group Dental, Life and Short Term Disability Insurance Renewal Information."

A. Dental Renewal – Cigna

Mr. Chicoski reviewed Cigna's request for a 6.88% premium increase for the PPO plan and a 4.51% increase for the HMO plan for the policy period March 1, 2019 through February 28, 2020. He said that he was able to negotiate the premium increase for the PPO plan to 5.01%; however, the HMO plan remains at a 4.51% increase. This represents an overall increase between both plans of 4.76%.

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

RESOLVED to accept the premium increase of 4.76% for the renewal of the Cigna HMO and PPO dental plans for the policy period March 1, 2019 through February 28, 2020.

B. Short-Term Disability Renewal – Mutual of Omaha

Mr. Chicoski reviewed the Mutual of Omaha renewal proposal for Life Insurance and Short-Term Disability for the policy period March 1, 2019 through February 28, 2021. He said there was no premium increase and the rates will remain the same as the previous policy period.

After a discussion, on Motion made and seconded, the Board unanimously voted approval of the following resolution:

RESOLVED to accept the Life Insurance and Short-Term Disability renewal with Mutual of Omaha for the policy period March 1, 2019 through February 28, 2021 with no rate increase.

C. Medical Renewal – Kaiser Permanente

Mr. Chicoski distributed an additional handout titled, "Lithographers and Photoengravers Local 285 Welfare Fund Plan Comparison Summary." The handout presented a summary of the current benefits and premiums compared to the current benefits with the proposed renewal rates. Mr. Chicoski noted Kaiser had revised the proposed renewal from a rate increase of 15% to 10%. He reviewed a summary of alternative plan options for the current plans, as well as several high-deductible plan options.

After a discussion, on Motion made and seconded, the Board unanimously voted approval of the following resolution:

RESOLVED to accept the premium increase of 10% for the renewal of the Kaiser HMO Select High, DHMO Select and Flexible Choice plans, to eliminate the HMO Signature plan, and to add the DHMO Select 16 plan for the policy period March 1, 2019 through February 28, 2020.

The Trustees thanked Mr. Chicoski for his report and he was excused from the meeting.

IV. ADMINISTRATIVE LOAD

Ms. Cochran reviewed an estimate for the administrative expenses for the 2018-19 Plan year. Based on current enrollment and the Plan's estimated expenses, the estimate reflected a monthly administrative cost of approximately $103.70 per employee. Ms. Cochran noted that 0% of the administrative load had been assessed to members for the 2017-2018 Plan year. She said that Fund reserves as of November 30, 2018 is 17.8 months while reserves as of November 30, 2017 was 14.8.

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

RESOLVED to waive the administrative expense load for the 2019-20 Plan year.

V. MINUTES – MEETING OF OCTOBER 24, 2018

Ms. Cochran confirmed that there were no changes to the final draft of the 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 regular Board meeting held October 24, 2018 are approved as written.

VI. FINANCIAL REPORT

Ms. Cochran reviewed the unaudited Financial Statements for the third quarter of the Plan year March 1, 2018 through November 30, 2018. The Fund had total income of $1,208,970 and total expenses of $1,291,491. The Fund operated in the third quarter with a deficit of $82,521.

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

RESOLVED to accept and approve the Financial Statements for March 1, 2018 through November 30, 2018.

VII. CHARLES SCHWAB

Ms. Cochran said the Trustees requested at the last Board meeting that Charles Schwab present investment options that do not require the paperwork necessary for the Windhaven Investment. She said that a copy of the Maryland Capital Management portfolio provided by Charles Schwab is contained in the meeting booklet. Ms. Cochran noted that the minimum investment is $500,000. The Trustees noted the minimum investment is within the range of the Investment Policy but higher than the investment amount previously discussed. The Trustees directed the Administrative Manager to work with Fund Counsel to request proposals from other investment managers to replace Charles Schwab.

VIII. OTHER FUND BUSINESS

A. Employer Trustee Nomination

Ms. Cochran reported that employer trustee nomination letters were sent to the participating employers and, to date, no response was received.

B. IRS Form 5500

Ms. Cochran reported that the annual IRS Form 5500 was electronically filed on December 17, 2018 for the March 1, 2017 through February 28, 2018 Plan year.

C. Medicare Retirees

Ms. Cochran said that notification letters were mailed November 16, 2018 to the Kaiser Medicare retirees regarding the change to the Medicare Advantage platform effective January 1, 2019.

IX. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next regular Board meeting to be held April 17, 2019, commencing at 10:00 a.m. in the conference room of Associated Administrators in Landover, Maryland.

X. ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,

William Tull, Secretary