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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, 2020 LANDOVER, MARYLAND

The following persons were in attendance:

UNION TRUSTEES	EMPLOYER TRUSTEES
William Tull – Chairman	David King – Secretary
Barry English	David Ashton
	Tom Labadie

Also present were:
Kristen Barshinger – Associated Administrators, LLC
Alicia Cochran – Associated Administrators, LLC
Andrew Lin – Mooney, Green, Saindon, Murphy & Welch, P.C.
Christian Phillips – Eberts & Harrison, Inc.
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 Secretary of the Board of Trustees and William Tull as the Chairman.**

III. MINUTES – MEETING OF OCTOBER 16, 2019

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 16, 2019 are approved as written.**

IV. FINANCIAL REPORT

Ms. Cochran reviewed the unaudited Financial Statements for the third quarter of the Plan year September 1, 2019 through November 30, 2019. For the Plan year through the third quarter, the Fund had total income of $1,163,189 and total expenses of $1,300,365. The Fund operated in the third quarter with a deficit of $137,176.

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, 2019 through November 30, 2019 as presented.**

V. CHARLES SCHWAB

Ms. Cochran noted that a copy of the Charles Schwab statement for November 2019 is contained in the meeting booklet.

VI. EBERTS & HARRISON, INC. – CYBER LIABILITY PROPOSALS

The Trustees welcomed Mr. Christian Phillips of Eberts & Harrison, Inc. to the meeting. Mr. Phillips presented a summary of proposals from insurers Chubb, Travelers, and Barbican/Lloyds through Ullico. He reviewed $1 million and $2 million policies from each carrier, noting the liabilities within each policy and annual premiums. Mr. Phillips noted that a $1 million limit of liability policy would be sufficient for the size of the Fund. The Trustees thanked Mr. Phillips for his presentation and he was excused from the meeting.

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

> **RESOLVED to select the $1 million Cyber Liability policy with Chubb for an annual premium of $2,086 to be effective as soon as administratively possible.**

VII. COUNSEL

Mr. Lin provided the Counsel report. He first noted that PNC, which had made a presentation at the last meeting to provide investment advisory services to the Fund, determined that it is not able to provide such services to multiemployer ERISA funds. Currently, the Fund does not have an investment advisor in place to assist with reviewing and updating its Investment Policy and making an appropriate investment with the portion of money currently reserved in a short-term money market account at PNC, of approximately $621,000. The Trustees further confirmed that Dahab Associates would not be selected as the Fund's investment advisor. After additional discussion, the Trustees instructed Ms. Cochran to consult with other advisors who work with similarly situated funds to see if another potential advisor would be interested in the Fund's business. Mr. Lin noted that he would also investigate additional investment advisor options.

Ms. Thuell circulated a Trust Amendment revising the number of Trustees to three union trustees and three employer trustees, as approved by the Board at the October meeting. The Amendment was reviewed and then executed.

VIII. ADMINISTRATIVE EXPENSE LOAD

Ms. Cochran reviewed an estimate for the administrative expenses for the 2020-2021 Plan year. Based on current enrollment and the Plan's estimated expenses, the estimate reflected a monthly administrative cost of approximately $111.20 per employee. Ms. Cochran noted that 0% of the administrative load had been assessed to members for the 2018-2019 Plan year. She said that Fund reserves as of November 30, 2019 are 18.0 months, while reserves as of November 30, 2018 were 17.8 months.

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

RESOLVED to waive the administrative expense load for the 2020-2021 Plan year.

The Trustees also discussed using the same calculation that was performed in the prior Plan year for the tiered rates.

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

RESOLVED to allow Mr. Ed Chicoski of Lakeshore Benefit Group Insurance Brokerage, LLC to develop the tiered rates under the Equal Single Member Contribution approach and based on the Trustees' decision regarding the 2020-2021 administrative load.

The Trustees also discussed the waiver of employee contributions for those employers that were remitting 100% of benefit costs for the 2020-2021 Plan year. Following discussion, on Motion made and seconded, the Board voted approval of the following resolution:

RESOLVED to waive employee contributions under the Equal Single Member Contribution tiered rate approach for those employers that are remitting 100% of the cost of benefits for their covered employees, for the Plan year beginning March 1, 2020.

Trustees Tull and Labadie recused themselves from the motion.

IX. OTHER FUND BUSINESS

A. Kaiser Renewal – INTERIM ACTION

Ms. Cochran reported that the Trustees approved the Kaiser renewal with a 7.83% increase in premium, following Kaiser's agreement to lower the proposed rate from 9.83%. She also noted that Kaiser is in the process of preparing the 2020 Plan year Summary of Benefits and Coverage (SBC).

B. <u>IRS Form 5500</u>

Ms. Cochran reported that the annual IRS Form 5500 was electronically filed by the Fund auditor on December 13, 2019 for the March 1, 2018 through February 28, 2019 Plan year.

C. <u>Medicare Retirees</u>

Ms. Cochran said that notification letters were mailed December 2, 2019 to the Kaiser Medicare retirees regarding the change to the Medicare Advantage platform effective January 1, 2020.

D. <u>Payroll Audit</u>

Ms. Cochran reported that the Fund auditor, Calibre, completed the payroll audit for Raff Embossing for the period January 1, 2017 through December 31, 2018. She said that there were no findings in the payroll audit.

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

The Trustees scheduled the next regular Board meeting to be held April 22, 2020, commencing at 10:00 a.m. in the conference room of Associated Administrators in Landover, Maryland.

XI. <u>ADJOURNMENT</u>

There being no further business, the meeting was adjourned.

Respectfully submitted,

David King, Secretary