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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 19, 2017
LANDOVER, MARYLAND

The following persons were in attendance:

UNION TRUSTEES	EMPLOYER TRUSTEES
William Tull - Secretary	Michele Cirrincione – Chairperson – via conference call
Isaiah Thompson	David Ashton
Edward Williams	David King
Barry English	

Also present were:
Ed Chicoski – Lakeshore Benefit Group Insurance Brokerage, LLC
Alicia Cochran – Associated Administrators, LLC
Brian Davis – Associated Administrators, LLC
Andrew Lin – Mooney, Green, Saindon, Murphy & Welch, P.C.
Olga Metelitsa – Mooney, Green, Saindon, Murphy & Welch, P.C.

I. CALL TO ORDER

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

II. CHAIRPERSON/SECRETARY

In accordance with the Trust Agreement, the positions for Chairperson and Secretary for the Board of Trustees alternate on an annual basis. On Motion made and seconded, the Board unanimously voted approval of the following resolution:

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

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

The Trustees welcomed Mr. Ed Chicoski of Lakeshore Benefit Group Insurance Brokerage, LLC (Lakeshore) to the meeting.

A. Tiered Rates

Mr. Chicoski provided a report, which contained a description of the Equal Single Member Contribution tiered rate plan, a listing of enrollment by employer by plan, and annual employer funding reports. Under the Equal Single Member Contribution tiered rate plan, which the Trustees had approved at the May 11, 2016 meeting, each participant, regardless of his or her employer, would each pay employee contributions pursuant to a contribution schedule based upon which plan of benefit and which level of coverage was elected by the participant. Ms. Cochran reported interim action in which the Trustees approved the revised Kaiser renewal for the period March 1, 2017 through February 28, 2018 of a 4% increase in the current premiums with no change in the benefit plans.

Mr. Chicoski reviewed the Equal Single Member Contribution tiered rate plan and noted that the rates reflected the Kaiser premium increase but that the rates would slightly change based on the Trustees decision regarding the 2017 administrative load.

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

RESOLVED to implement the Equal Single Member Contribution tiered rate plan effective with the March 1, 2017 Plan year.

B. Sickness and Accident Benefit – Mutual of Omaha (MOO)

Mr. Chicoski said per the Trustees' request at the last meeting, that he had requested a quote from the current provider, Mutual of Omaha, to increase the $200.00 weekly benefit to $500.00. He said that MOO agreed to hold the current rate which would result in an increase in the monthly premium of approximately $3,200.00. Following discussion, there was no action taken regarding an increase in the weekly benefit amount.

C. Cigna Dental

Trustee Tull discussed some of the issues with the Cigna DHMO dental plan raised by participants and discussed the possibility of adding the option of a PPO dental plan.

Mr. Chicoski discussed in detail the benefits and disadvantages between a PPO and HMO dental plan design. He suggested if the Trustees choose to offer a PPO plan, the PPO plan could be offered as a buy-up plan, with the additional cost of the PPO plan to be the responsibility of the participant. He stated that he would contact Cigna for a PPO plan quote. Mr. Chicoski said that he would also ask Cigna to keep the current per member per month rate of the DHMO plan.

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

RESOLVED to approve the implementation of a buy-up dental PPO plan, as soon as administratively possible, contingent on no impact to the per member per month rate of the DHMO plan.

Mr. Chicoski said that he would work with the Administrative Manager to report to the Trustees the Cigna dental PPO proposal as well as the implementation of the new dental plan.

IV. MINUTES – MEETINGS OF OCTOBER 5, 2016

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

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

RESOLVED that the minutes of the regular Board meeting held October 5, 2016 are approved as written.

V. FINANCIAL REPORT

Ms. Cochran reviewed the unaudited financial statements for the third quarter of the plan year beginning March 1, 2016. The Fund had total income of $1,578,274 and total expenses of $1,639,966 for the plan year up to November 30, 2016. The Fund operated in the third quarter with a deficit of $61,692 and maintained a reserve of approximately 12.2 months of benefits.

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, 2016 through November 30, 2016.

VI. CAPITAL FINANCIAL, LLC

Ms. Cochran reviewed the Investment Portfolio as of December 31, 2016. The statement showed a balance of $1,858,548.30. This total included a money market holding of $26,548.30, Pershing money market holding of $200,000.00, and Certificates of Deposit ("CDs") of $1,632,000.00.

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 2016 through December 2016.

Ms. Cochran reviewed interim action taken by Chairman and Secretary to approve the renewal of a Certificate of Deposit that matured on December 27, 2016. Mercantile Commercebank NA was renewed at a rate of 1.55% for two years.

Ms. Cochran said per the Trustees' request at the last meeting, a written response was requested from PNC and The Charles Schwabb Corporation (Charles Schwabb) regarding the Request For Proposal (RFP) for investment advisement services. The Trustees requested that the Administrative Manager invite PNC and Charles Schwabb to the next meeting to give a presentation regarding its investment advisement services.

VII. COUNSEL REPORT

Mr. Lin said that the Fund received a letter from the Internal Revenue Service (IRS) billing the Fund $38.81 in connection with a 2014 Form 941. He said that the Fund does not file a Form 941 and that the prior Administrative Manager, FCE erroneously filed a Form 941 in 2010 and that the Fund auditor submitted amended forms in 2014 to correct the prior filings. Mr. Lin said that he believed the current assessment was in error; however because he advised that legal costs to dispute the fee would far exceed the fee itself, the Chairman and Secretary approved paying the assessment of $38.81. Ms. Cochran confirmed that a check was sent to the IRS by certified mail on November 22, 2016.

VIII. OTHER FUND BUSINESS

A. Participant Issue

Trustee Cirrincione discussed a participant issue regarding coverage denial by Kaiser to allow a participant to see a nurse practitioner as a primary care physician. She said that the participant had sent inquiry letters to the Fund Office and Union and was expecting a written response. Ms. Cochran said she had advised the participant to send an appeal to the Board of Trustees. Mr. Lin asked that the Administrative Manager send copies of the correspondence sent by the participant.

B. Cyber Liability Coverage

Ms. Cochran provided a summary of Cyber Liability proposals from Chubb Insurance Company, Travelers, Markel/Evanston and Beazley through the broker Eberts & Harrison, Inc. A copy of the proposals was contained in the meeting booklet. The Trustees reviewed the summary of proposals and decided to table the decision until the next meeting for review. The Trustees also asked the Administrative Manager to request from the broker likely scenarios that the policies would cover that wouldn't be covered under the Administrative Manager or other Fund provider's policies.

C. International Foundation of Employee Benefit Plans

Ms. Cochran reported receipt of the 2017 membership with the International Foundation of Employee Benefit Plans. She said the annual fee is $1,150.

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

> **RESOLVED to approve the 2017 renewal with the International Foundation of Employee Benefits Plans at a fee of $1,150.**

D. Potential New Participating Employer

Trustee Tull discussed with the Trustees the potential of adding three additional employees from an office that services a Pension Fund utilized by Local 285 Lithographers and Photoengravers Welfare Fund participants. Fund Counsel suggested checking to make sure that the three employees are not currently covered under a Collective Bargaining Agreement and that the Trustees should consider having a consultant review the demographic and claim experience of the individuals.

E. Open Enrollment – Administrative Load

Mrs. Cochran reviewed an estimate for the administrative expenses for the 2017-18 plan year. Based on current enrollment and the plan's estimated expenses, the estimate reflected a monthly administrative cost of approximately $92.32 per employee. Mrs. Cochran noted that 75% of the administrative load had been assessed to members for the 2016-2017 plan year. Considerable discussion by the Trustees ensued concerning the portion of the administrative load that would be passed to the plan participants for the upcoming year, noting that the trend of expenses is expected to continue to increase. They discussed how the portion of the administrative load passed to participants would affect the plan reserves.

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

RESOLVED to charge $78.47 per employee per month for administrative expenses for the 2017-18 plan year.

IX. NEXT MEETING DATE AND LOCATION

The Trustees scheduled a special Board meeting to be held April 26, 2017, 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