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 OCTOBER 24, 2018
LANDOVER, MARYLAND

The following persons were in attendance:

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

Also present were:
Alicia Cochran – Associated Administrators, LLC
Andrew Lin – Mooney, Green, Saindon, Murphy & Welch, P.C.
Deborah Dubbs – Associated Administrators, LLC
Ed Chicoski – Lakeshore Benefit Group Insurance Brokerage, LLC
Glenn Eyrich – Calibre CPA Group PLLC
Sean Jenkins – Charles Schwab
Leonard Phillips – Kaiser Permanente
Mary Thuell – Mooney, Green, Saindon, Murphy & Welch, P.C.

I. CALL TO ORDER

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

II. TRUSTEE RESIGNATION

Ms. Cochran reported receipt of an email received on October 4, 2018 from Trustee Michele Cirrincione noting her resignation as an Employer Trustee effective immediately. Ms. Cochran said that the Trust Agreement states a successor Trustee may be designated by the party or parties originally appointing such Trustee. The Employer Trustees directed the Administrative Manager to send a letter to the participating employers to solicit Trustee nominations. Ms. Cochran noted that Trustee Cirrincione was serving as the Secretary of the Fund, held signature authority with Charles Schwab and approved the Administrative Manager's invoices on a monthly basis. Trustee Tull agreed to review and approve the Administrative Manager invoices going forward.

The Trustees discussed designation of a Trustee to serve as Secretary. On Motion made and seconded, unanimously voted approval of the following resolution:

> **RESOLVED to name David King as the Secretary replacing Michele Cirrincione for the remainder of the 2018 calendar year.**

III. MINUTES – MEETING OF JULY 18, 2018

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 draft and,

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

> **RESOLVED that the minutes of the regular Board meeting held July 18, 2018 are approved as written.**

IV. FINANCIAL REPORT

A. Second Quarter Report

Ms. Cochran presented the unaudited Financial Statements for the second quarter of the Plan year June 1, 2018 through August 31, 2018. The Fund had total income of $773,773 and total expenses of $873,156. The Fund operated in the second quarter with a deficit of $99,383.

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

RESOLVED to accept and approve the Financial Statements for June 1, 2018 through August 31, 2018.

B. PNC Bank Fees

Ms. Cochran presented a letter from PNC Bank describing the Treasury Management fee increase request related to the operating accounts discussed at the prior meeting. Ms. Cochran also noted that, as requested by the Trustees, the Administrative Manager had sent a banking services Request for Information (RFI) to Amalgamated Bank, Bank of Labor, and Radius Bank. Bank of Labor responded by providing information explaining its services and fees; its response was included in the meeting materials for the Trustees' review.

Following review and discussion of the RFI results and on Motion made and seconded, the Trustees unanimously voted approval of the following resolution:

RESOLVED to accept and approve the proposed PNC banking fee increases effective January 1, 2019.

V. CHARLES SCHWAB

The Trustees welcomed Sean Jenkins of Charles Schwab to the meeting.

Mr. Jenkins reported that the Windhaven investment is still pending due to the need for additional paperwork. Mr. Lin said that the additional paperwork requested by Schwab cannot be provided by the Fund without misrepresenting the nature of the Fund. He also said that Counsel provided a modified version of the paperwork requesting a conference with Schwab legal review team to discuss resolution of the matter but Schwab refused to accept or further discuss any such proposed solution. Mr. Jenkins said that it is a corporate policy that paperwork cannot be modified. The Trustees directed Mr. Jenkins to review other investment options that do not require the paperwork at issue and to present them to Ms. Cochran for Trustee review.

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

VI. AUDITOR REPORT

The Trustees welcomed Glenn Eyrich of Calibre CPA Group PLLC to the meeting.

Mr. Eyrich reviewed a draft of the annual audit for the Plan year March 1, 2017 through February 28, 2018 and said it included an unmodified opinion. The audited Statement of Net Assets Available for Benefits as of February 28, 2018 reflected receivable employer contributions of $150,197 and other receivables of $5,970. Net assets available for benefits were $2,683,792 on February 28, 2018 compared to $2,432,180 on February 28, 2017.

Mr. Eyrich reported that the 2017 Form 5500 must be filed by December 15, 2018 and the 2017 Form 990 must be filed by January 15, 2019.

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

VII. COUNSEL REPORT

Mr. Andrew Lin reported that Counsel completed a review of the Summary Plan Description ("SPD") and provided comments to Ms. Cochran; the revised SPD was distributed to the Trustees for their comments or questions on the content. Ms. Cochran will finalize the SPD formatting and page numbers and distribute it to members once completed if there are no substantive revisions from the Trustees.

Mr. Lin also explained that he had worked with Ms. Cochran to update a report previously prepared by the McKeogh Company in October 2016 showing the effects of expanding the Fund's current policy regarding the availability to waive coverage. This option is only available to certain Bookbinders members, and requires a $544 monthly contribution from employers. Mr. Lin explained that expanding the waiver option to all members while continuing to charge the same waiver fee, would financially benefit the Fund and lower the employee contributions required to cover the cost of coverage based on the projections. If, however, availability of the waiver was expanded without requiring employers to pay a waiver fee, employee contributions would have to substantially increase to pay for coverage and administrative costs. Notwithstanding the projected financial impact to the Fund of expanding the waiver option, Mr. Lin noted that one consequence of more members waiving coverage would be that the participation in the Fund would continue to shrink at an accelerated rate, reducing the Fund's bargaining leverage with vendors and leaving expensive coverage for a small group of members. He also noted that Employers would likely become increasingly hostile to the waiver fee.

VIII. LAKESHORE BENEFIT GROUP INSURANCE BROKERAGE, LLC

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

Mr. Chicoski reviewed the report titled, "Group Dental Insurance Renewal for Lithographers and Photoengravers Local 285 Welfare Fund." Mr. Chicoski reviewed Cigna's request for a 5.5% premium increase for the policy period March 1, 2019 through February 28, 2020.

The Trustees discussed the proposed increase and directed Mr. Chicoski to negotiate the proposal with Cigna.

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

> **RESOLVED to engage Mr. Chicoski to negotiate the Cigna dental proposal for the March 1, 2019 policy year.**

IX. KAISER PERMANENTE

The Trustees welcomed Mr. Leonard Phillips of Kaiser Permanente to the meeting.

Mr. Phillips reviewed the "Rate Proposal" report dated October 9, 2018 detailing Kaiser's renewal proposal effective March 1, 2019. The report was broken out by plan. The renewal proposal reflects a 15% capped increase in premiums. Mr. Phillips reviewed the Fund's claims experience for the past year, including high-cost claimants and prescription utilization.

At the request of the Trustees, Mr. Phillips said he would discuss reducing the 15% capped increase with his underwriting team and report back to the Administrative Manager and Mr. Chicoski.

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

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

> **RESOLVED to engage Mr. Chicoski to negotiate the Kaiser renewal for the March 1, 2019 policy year.**

X. OTHER FUND BUSINESS

A. Fiduciary Liability Renewal – Interim Action

Ms. Cochran reported interim approval by the Trustees of the Fiduciary Liability Renewal policy with Chubb, through the broker Eberts & Harrison, Inc. for the period October 16, 2018 through October 16, 2019. She said the premium had no increase from the prior policy year.

B. 2018 Payroll Audits

Ms. Cochran reported that the Fund auditor, Calibre, completed the 2018 payroll audits. She said that the following employers were audited: Mosaic, for the period January 1, 2015 through December 31, 2017, and Accumail, for the period January 1, 2013 through December 31, 2017. Ms. Cochran reported a discrepancy noted in the Accumail audit of $1,476.07. She said a payment in the amount of $1,476.07 was received from the employer. Ms. Cochran said that there were no discrepancies noted for the Mosaic payroll audit.

C. Retirees – Medicare Rates

Ms. Cochran reported receipt of the rates for the Kaiser Medicare plans effective January 1, 2019. She said the renewal reflects no increase in the premium from the prior year; however the retirees would be changing to the Medicare Advantage platform. She stated that a letter explaining this change would be mailed to the retirees along with a new ID card and Evidence of Coverage booklet.

D. International Foundation of Employee Benefit Plans

Ms. Cochran reported receipt of the 2019 membership with the International Foundation of Employee Benefit Plans. She said the annual fee is $1,245.

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

> **RESOLVED to approve the 2019 renewal with the International Foundation of Employee Benefits Plans at a fee of $1,245.**

XI. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next regular Board meeting to be held January 9, 2019, commencing at 10:00 A.M. in the conference room of Associated Administrators in Landover, Maryland.

XII. ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,

David King, Secretary