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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 5, 2016
LANDOVER, MARYLAND

The following persons were in attendance:

UNION TRUSTEES
William Tull – Chairman
Isaiah Thompson

EMPLOYER TRUSTEES
Michele Cirrincione – Secretary – via conference call
David King
Tom Labadie

Also present were:
Ed Chicoski – Lakeshore Benefit Group Insurance Brokerage, LLC
Alicia Cochran – Associated Administrators, LLC
Karen Crossin – The McKeogh Company
Brian Davis – Associated Administrators, LLC
Robin Hammersley – The McKeogh Company
Andrew Lin – Mooney, Green, Saindon, Murphy & Welch, P.C.
Betty Marshall-Thomas – Kaiser Permanente
Shawn Miller – Calibre CPA Group PLLC
Olga Metelitsa – Mooney, Green, Saindon, Murphy & Welch, P.C.
Leonard Phillips – Kaiser Permanente

I. CALL TO ORDER

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

II. THE MCKEOGH COMPANY

The Trustees welcomed Mr. Ed Chicoski of Lakeshore Benefit Group Insurance Brokerage, LLC and Ms. Karen Crossin and Ms. Robin Hammersley of The McKeogh Company to the meeting.

Ms. Hammersley distributed a report titled, "Waiver Contribution Program Study." Ms. Crossin reviewed the Fund data and assumptions underlying the report, noting that there were currently nine participants waiving coverage. She reviewed the report's projected cash flow in several scenarios modifying the Fund's option to waive coverage. Ms. Crossin modeled several outcomes based on questions from the Trustees about changes in the percentage of participants waiving coverage, the employer waiver contributions and the expected benefit expenses.

The Trustees thanked Ms. Crossin and Ms. Hammersley for their report, and they were excused from the meeting. The Trustees tabled any action regarding the Fund's current waiver of contribution practice until after receiving the March 1, 2017 Kaiser renewal.

III. KAISER PERMANENTE

The Trustees welcomed Ms. Betty Marshall-Thomas and Mr. Leonard Phillips of Kaiser Permanente to the meeting.

Mr. Phillips distributed his report titled "Periodic Utilization Reports." He reviewed the Fund's summary demographics, prevention services, major chronic conditions prevalence and lifestyle risks.

Mr. Phillips stated the March 1, 2017 rate proposal was not yet available but that he expected to have the information by the end of the following week. Mr. Philips also distributed a report of the Fund's Top-25 drugs. The Trustees thanked Ms. Marshall-Thomas and Mr. Phillips for their report, and they were excused from the meeting.

The Trustees asked the Administrative Manager to follow up with Mr. Phillips to ensure the renewal was received by the end of the week.

IV. AUDITOR REPORT

The Trustees welcomed Shawn Miller of Calibre CPA Group PLLC to the meeting.

Mr. Miller reviewed a draft of the annual audit for the Plan year March 1, 2015 through February 29, 2016 and said it included an unmodified opinion. Such report showed employer contributions of $164,032 and other receivables of $2,867 during the 2015-2016 Plan year. Net assets available for benefits were $2,326,135 on February 29, 2016 compared to $2,300,022 on February 28, 2015.

Mr. Miller reported that the 2015 Form 5500 will be due on December 15, 2016 and the 2015 Form 990 will be due on January 15, 2015.

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

V. MINUTES – MEETING OF JULY 20, 2016

Ms. Cochran confirmed that there were no changes to the final draft of the subject minutes circulated prior to the 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 20, 2016 are approved as written.

VI. FINANCIAL REPORT

Ms. Cochran reviewed the unaudited Financial Statements for the second quarter of the Plan year June 1, 2016 through August 31, 2016. The Fund had total income of $1,009,959 and total expenses of $1,096,165. The Fund operated in the second quarter with a deficit of $86,206.

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, 2016 through August 31, 2016.

VII. CAPITAL FINANCIAL, LLC

Ms. Cochran reviewed the Investment Portfolio as of August 31, 2016. The statement showed a balance of $1,850,527.57 as of August 31, 2016. This total included a money market holding of $18,527.57 and Certificates of Deposit (“CDs”) of $1,832,000.00.

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

RESOLVED to accept and approve the Capital Financial, LLC report as of August 31, 2016.

Ms. Cochran reviewed interim action taken by Chairman and Secretary to approve the renewal of a Certificate of Deposit that matured on August 29, 2016. People United Bank was renewed at a rate 1.25% for two and one half years.

Ms. Cochran said that in accordance with the Trustees' direction, a Request for Proposal (RFP) was sent to Investment Performance Services (IPS), Quan-Vest, Gallagher Fiduciary Advisors and PNC Bank for investment advisement services. She said that IPS and Quan Vest declined to provide a proposal and no response was received from Gallagher Fiduciary. Ms. Cochran said that PNC Bank had verbally stated that it could perform the current services provided by Capital Financial. The Trustees asked the Administrative Manager to request a written response to the RFP from PNC Bank. Trustee Tull asked that the RFP be sent to The Charles Schwab Corporation.

VIII. OTHER FUND BUSINESS

A. Fiduciary Liability Renewal

Ms. Cochran reported receipt of Fiduciary Liability Renewal proposals from Chubb Insurance Company, Travelers, Ullico/Markel American and Hudson Insurance Company through the broker Eberts & Harrison, Inc. for the period October 16, 2016 through October 16, 2017. A copy of the proposals was contained in the meeting booklet. The Trustees reviewed the policies and proposed premiums. The Trustees directed the Administrative Manager to renew the policy with Chubb, the incumbent insurer, provided Chubb matches the liability limits of Ullico. Ms. Cochran said she would contact the broker to request an increase in the Chubb liability limits.

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

RESOLVED to approve the Fiduciary Liability Renewal with Chubb, provided the limits of liability are increased to match those proposed by Ullico, at a premium of $3,186 for the period October 16, 2016 through October 16, 2017.

B. <u>Cyber Liability Coverage</u>

Ms. Cochran reported receipt 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 proposals and asked the Administrative Manager to work with Fund Counsel and provide a summary of the proposals at the next meeting for review.

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

The Trustees will determine the next meeting date after receiving the March 1, 2017 Kaiser renewal.

X. <u>ADJOURNMENT</u>

There being no further business, the meeting was adjourned.

Respectfully submitted,

William Tull, Chairman