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DRAFT

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES OF THE
LITHOGRAPHERS AND PHOTOENGRAVERS LOCAL 285 WELFARE FUND
HELD ON OCTOBER 16, 2019
LANDOVER, MARYLAND

The following persons were in attendance:

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

Also present were:
Kristen Barshinger – Associated Administrators, LLC
Ed Chicoski - Lakeshore Benefit Group Insurance Brokerage, LLC
Alicia Cochran – Associated Administrators, LLC
Glenn Elrich – Calibre CPA Group PLLC
Jeff Hamilton – PNC Investment Services
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 a letter dated September 23, 2019 from Trustee John Reading noting his resignation as a Union Trustee effective immediately, leaving three remaining Union Trustees and three Employer Trustees. Due to the difficulty in identifying a fourth Employer Trustee to serve, the Trustees discussed amending the Trust Agreement to require three Employer Trustees and three Union Trustees rather than four. Ms. Thuell noted that the number of Trustees has been amended in the past.

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

> **RESOLVED to amend the current Trust Agreement to require three Employer Trustees and three Union Trustees.**

Ms. Thuell noted that Counsel would provide a written amendment to reflect the Trustees' resolution at the next meeting.

III. MINUTES – MEETING OF JULY 17, 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 July 17, 2019 are approved as written.**

IV. FINANCIAL REPORT

Ms. Cochran reviewed the unaudited Financial Statements for the second quarter of the Plan year June 1, 2019 through August 31, 2019. The Fund had total income of $742,402 and total expenses of $873,570. The Fund operated in the second quarter with a deficit of $131,168.

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, 2019 through August 31, 2019 as presented.**

Ms. Cochran noted that H&H Bindery, Inc. ("H&H") is listed on the Delinquency Report as they owe $148.82 with interest and late fees. A letter from H&H was received on July 25, 2019 requesting to have all fees waived as their records indicate the payment was sent timely.

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

> **RESOLVED to waive the interest and late fees incurred by H&H Bindery, Inc. in the amount of $148.82.**

V. CHARLES SCHWAB

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

VI. INVESTMENT ADVISORS PRESENTATION

PNC Bank, N.A. (PNC)

The Trustees welcomed Mr. Jeff Hamilton from PNC to the meeting. Mr. Hamilton reviewed available options for different types of Certificates of Deposit (CD), including market-linked CDs and CDs with buffered rates, to increase returns for the Fund with minimal risk and FDIC-insured assets. Mr. Hamilton said there are no fees associated with the firm's services related to CDs. Ms. Cochran asked Mr. Hamilton if his firm would enter an agreement with the Fund acknowledging fiduciary responsibility. After discussion, Ms. Thuell said she would send Mr. Hamilton information regarding the Fund's structure as a Taft-Hartley plan and an example of the fiduciary language the Fund would expect PNC to be willing to accept to provide services, and Mr. Hamilton indicated he would confirm PNC's ability to serve in an investment advisor role in a fiduciary capacity.

The Trustees thanked Mr. Hamilton for his presentation and he was excused from the meeting.

VII. AUDITOR REPORT

The Trustees welcomed Mr. 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, 2018 through February 28, 2019 and said it included an unmodified opinion. The audited Statement of Net Assets Available for Benefits as of February 28, 2019 reflected receivable employer contributions of $134,488 and other receivables of $10,904. Net assets available for benefits were $2,737,705 on February 28, 2019 compared to $2,683,792 on February 28, 2018.

Mr. Eyrich reported that the 2018 Form 5500, under extension must be filed by December 11, 2019 and the 2018 Form 990, under extension must be filed by January 15, 2020.

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

VIII. KAISER PERMANENTE

The Trustees welcomed Mr. Leonard Phillips of Kaiser Permanente to the meeting.
Mr. Phillips reviewed the "Rate Proposal" report dated September 30, 2019 detailing Kaiser's renewal proposal effective March 1, 2020 broken out by plan option. The renewal proposal reflects a 9.83% increase in premiums. Mr. Phillips reviewed the Fund's claims experience for the past year, including high-cost claimants and prescription utilization.

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, 2020 policy year.**

IX. LAKESHORE BENEFIT GROUP INSURANCE BROKERAGE, LLC

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

Mr. Chicoski reviewed the report titled, “Group Dental Insurance Renewal for Lithographers and Photoengravers Local 285 Welfare Fund.” Mr. Chicoski explained that while Cigna’s original request included a 3.0% premium increase, Lakeshore was able to successfully negotiate a rate hold for the policy period March 1, 2020 through February 28, 2021.

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

> **RESOLVED to accept the rate hold for the renewal of the Cigna HMO and PPO dental plans for the policy period March 1, 2020 through February 28, 2021.**

X. COUNSEL

Ms. Thuell reported briefly on the recent data breach potentially affecting Fund members due to an incident at Kaiser Permanente’s dental provider for retirees, Dominion National. Kaiser has provided limited specific information on the incidents and maintained responsibility for reporting on the incident to affected members. Ms. Thuell further noted that this is the second data incident affecting the Fund this year, as earlier in the year the auditor Calibre experienced a data incident affecting one Fund member.

Although the Fund has not had a direct breach, and the affected providers have taken responsibility for the necessary reporting and disclosure related to these incidents, there is continued concern across the industry about potential liability for data security incidents. Accordingly, the Trustees may wish to revisit whether the Fund should address this potential liability by purchasing additional insurance to cover data security incidents. After discussion, the Trustees agreed that a data security insurance provider should be invited to the next meeting for discussion. Ms. Cochran indicated she would make the necessary arrangements.

XI. OTHER FUND BUSINESS

A. Fiduciary Liability Renewal

Ms. Cochran reviewed three proposals prepared by the broker Eberts & Harrison, Inc. for the period October 16, 2019 through October 16, 2020. The broker's recommendation was to renew the policy with Chubb. After discussion,

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

> **RESOLVED to renew the Fund's Fiduciary Liability Policy with Chubb with a $1-million limit, with an annual premium of $3,283.00.**

B. Retirees – Medicare Rates

Ms. Cochran reported receipt of the rates for the Kaiser Medicare plans effective January 1, 2020. She said the renewal reflects a 2% increase in the premium from the prior year.

C. International Foundation of Employee Benefit Plans

Ms. Cochran reported receipt of the 2020 membership with the International Foundation of Employee Benefit Plans. She said the annual fee is $1,065.

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

> **RESOLVED to approve the 2020 renewal with the International Foundation of Employee Benefits Plans at a fee of $1,065.**

XII. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next regular Board meeting to be held January 8, 2020, commencing at 10:00 a.m. in the conference room of Associated Administrators in Landover, Maryland.

XIII. ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,

William Tull, Secretary