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MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES OF THE
LITHOGRAPHERS AND PHOTOENGRAVERS LOCAL 285 WELFARE FUND
HELD ON JULY 30, 2013
LANDOVER, MD

The following persons were in attendance:

UNION TRUSTEES	EMPLOYER TRUSTEES
William Tull - Chairman	Michele Cirrincione - Secretary
Isaiah Thompson	David Ashton
Edward Williams	David King
	Tom Labadie

Also present were:

Paul Green – Mooney, Green, Saindon, Murphy & Welch, P.C.
Andrew Lin – Mooney, Green, Saindon, Murphy & Welch, P.C.
Shawn Miller – Calibre CPA Group
Leonard Phillips – Kaiser Permanente
Joseph Sears – Associated Administrators, LLC
James Webb – Capital Financial, LLC

I. CALL TO ORDER

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

II. MINUTES – BOARD MEETING HELD ON APRIL 17, 2013

Mr. Sears 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 Board meeting held April 17, 2013 are approved as written.**

III. FINANCIAL REPORT

A. Financial Statement

Mr. Sears reviewed the unaudited financial statements for the first three months of the plan year, March 1, 2013 through May 31, 2013. During this period, the Fund had total income of $430,561 versus total expenses of $613,116 for a loss of $182,555. He noted that the Fund currently has approximately 9.4 months of expenses in reserve.

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

RESOLVED to accept and approve the financial statements for March 1, 2013 through May 31, 2013.

B. Capital Financial, LLC Report

The Trustees welcomed Mr. James Webb of Capital Financial, LLC to the meeting.

Mr. Webb reviewed the account statements from Capital Financial, LLC for the months of April, May, and June 2013. The statements showed a balance of $1,589,779.06 as of June 30, 2013. This total included a money market holding of $98,824.06 and Certificates of Deposit ("CDs") of $1,490,955.00.

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 April, May, and June 2013.

Mr. Webb said he purchased two CDs in June, totaling $449,000. One CD was a 10-year CD through Worlds Foremost Bank for $249,000, and Mr. Lin noted that, prior to the purchase, the Trustees had determined via a poll that, under the circumstances, the purchase of this CD by Capital Financial for the Fund would not violate the Plan's investment policy.

The Trustees reviewed the current holdings of the Fund, and noted that the PNC Bank money market account used for operating expenses currently holds over $480,000. They discussed this amount, and decided that some of this money could be transferred from the operating account to Capital Financial for the purchase of additional CDs.

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

> **RESOLVED to transfer $230,000 from the PNC Bank money market account to Capital Financial, LLC for the purchase of CDs.**

In addition, Mr. Webb said that the Federated money market account, currently holding over $98,000, did not need this much money to be held in the account. He said that he would use a portion of this amount to be used for the purchase of CDs as well, and will leave approximately $25,000 in the account.

The Trustees thanked Mr. Webb for his report and he was excused from the remainder of the meeting.

IV. AUDITOR REPORT

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

Mr. Miller said the audit process was almost complete and they had no issues in getting the information required. He said he would present the final report at the next Board meeting.

Mr. Miller said payroll audits had recently been completed on several participating employers and were being scheduled on several others.

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

V. HEALTH CARE VENDOR REPORT – KAISER PERMANENTE

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

Mr. Phillips reviewed a report dated July 30, 2013. He reviewed the Fund's demographics and wellness statistics. He said he would be able to present the renewal proposal at the next Board meeting. Mr. Phillips also discussed the new fees required under the Affordable Care Act.

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

VI. COUNSEL REPORT

A. Affordable Healthcare Act ("ACA")

Counsel Green said a "Notice of Exchanges" was required to be mailed to all participants by participating employers by October 1, 2013. He said he would prepare a notice to be utilized by all employers.

Mr. Green discussed the idea of the Fund mailing a letter to all participants prior to the Notice of Exchanges letter being mailed. This letter would inform participants that the Fund is offering adequate and affordable coverage.

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

> **RESOLVED to authorize counsel to prepare a model Notice of Exchanges letter to be provided to the employers and to separately mail a letter to all participants prior to the Notice of Exchanges letter stating that the Fund is providing adequate and affordable coverage.**

B. Defense of Marriage Act ("DOMA")

Counsel Green discussed the Supreme Court's DOMA decision and how it could impact the Fund's eligibility rules. He said that the part of the law that had prohibited the federal government from recognizing same-sex marriages had been overturned as unconstitutional, but that the remaining part of the law permitting individual states to not recognize lawful same-sex marriages from other states remains in place, although it is subject to separate challenges. He noted that this ambiguity in the law could result in challenges for the Fund in the future. For example, it is unclear under current law whether a same-sex couple who were validly married in Maryland or Washington, DC would remain married if they changed their domicile to Virginia, which does not recognize other states' same sex marriages. He noted that it is likely that this issue will be resolved in the near future either by guidance issued by the IRS or additional court rulings. He said no changes to Fund rules were currently required.

C. Craftsman Press

Counsel Lin reported that the settlement agreement with Craftsman Press had now been fully executed and entered, and that the litigation had been dismissed.

VII. ADMINISTRATIVE MANAGER REPORT

A. Vision Provider Report – National Vision Administrators ("NVA")

Mr. Sears reviewed a report provided by NVA for the plan year ending February 28, 2013. He said 97% of claims were in-network for the year and that 99.5% of Fund participants had access to two providers within 20 miles of their residence. He said that participants had 91 exams and purchased 168 materials during the plan year.

B. Payroll Audit – H&H Bindery

Mr. Sears said a payroll audit performed by Calibre CPA Group on H&H Bindery found no discrepancies for the period January 2010 through December 2012.

C. Employer Delinquencies

Mr. Sears said that Peake Delancey had recently paid late fees that were due the Fund.

Mr. Sears said that H&H Bindery owed $395.79 to the Fund for late fees. Mr. Lin said an appeal letter was received from the employer requesting a waiver of this fee and.

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

RESOLVED to deny H&H Bindery's appeal of late fees charged to the employer.

The Trustees discussed the due date of the monthly invoice and the dates in which late fees are charged, but declined to make any changes to the Delinquency Policy at this time.

VIII. OTHER FUND BUSINESS

A. Participant Appeal – Joseph Ury

Mr. Sears said that a routine eligibility audit found that a retiree, Joseph Ury, was not purchasing retiree health coverage through the Fund but was purchasing Fund coverage for his dependents. Further investigation found that Mr. Ury lives outside of the Kaiser Medicare network area, but that his pre-Medicare dependents did live within the Kaiser Pre-Medicare network area. Mr. Ury said he was verbally advised by the prior administrative manager that, because he lived out of the network area, he would be permitted to buy continued coverage for his family even though he was no longer covered. Mr. Sears said that Mr. Ury had paid his premiums timely. The Trustees discussed the unique circumstances of the case.

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

RESOLVED to allow retiree Joseph Ury to continue to buy Fund health coverage for his dependents.

B. Eligibility Rules

The Trustees engaged in an extended discussion of the eligibility rules. Specifically, they discussed the problems engendered by the fact that the Plan is governed by two sets of rules, one for the former Bookbinders and one for the Lithographers. The Trustees also discussed the difficulties resulting from the hire of new employees and the initial implementation of coverage. Counsel Green and Mr. Sears explained the origin of the existing procedure whereby employers are permitted to enroll new employees from their initial eligibility dates prior to making their first contributions by having the employers commit in advance to making those contributions. It was noted that some employers objected to this procedure, contending that their obligation to contribute was defined in the collective bargaining agreement. It was explained that the procedure developed because the Fund Office generally had no other way of knowing a new employee's initial eligibility date until long after the fact when the initial contribution was received.

Counsel Lin and Mr. Sears were requested by the Trustees to develop recommendations to address these eligibility issues for the next meeting.

IX. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next Board meeting to be held November 6, 2013 at the conference room of Local 285 in Washington, D.C., commencing at 10:00 A.M.

X. ADJOURNMENT

There being no further business, the meeting was adjourned.

Respectfully submitted,

Michele Cirrincione, Secretary

JMS