UNITE HERE Local 25 and Hotel Association of Washington, D.C.
Group Legal Services Fund

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DRAFT

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES OF
UNITE HERE LOCAL 25 AND HOTEL ASSOCIATION OF WASHINGTON, D.C.
GROUP LEGAL SERVICES FUND
HELD ON SEPTEMBER 30, 2021
VIA VIDEO CONFERENCE

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
John Boardman - Chairman	Solomon Keene
Linda Martin	Charles Hill
Stephanie Steer Jones	Satinder Palta

Also present were:

Anne Mayerson – Bredhoff & Kaiser, PLLC
Fredric Singerman – Seyfarth Shaw, LLP
Barbara Maiorano – Associated Administrators, LLC
Anne-Marie Sims – Associated Administrators, LLC
Henry Jaung – Meketa Investments
Peter Belval – Meketa Investments
Tyler Geiman – Novak|Francella, LLC
Jackie Coyle – Novak|Francella, LLC

I. CALL TO ORDER

A quorum being present, Chairman Boardman called the meeting to order.

II. MINUTES

Board Meeting, June 2, 2021

The Trustees reviewed the draft minutes of the June 2, 2021 meeting.

On Motion made and seconded, the Trustees approved the following resolution:

> **RESOLVED that the minutes of the Board meeting held June 2, 2021 are approved, as presented.**

III. INVOICES

Anne-Marie Sims presented a list of invoices dated September 30, 2021. She noted that there were no additions, deletions or changes to the list.

On Motion made and seconded, the Trustees approved the following resolution:

> **RESOLVED that the invoices set forth in the list dated September 30, 2021 are approved for payment.**

IV. AUDITOR REPORT

Financial Statements for years ended December 31, 2020 and 2019

Mr. Tyler Geiman of Novak | Francella, LLC ("Novak"), reviewed copies of the Financial Statements for years ended December 31, 2020 and 2019, which were distributed to Trustees prior to the meeting and copies of which are attached to and made a part of these minutes as Exhibit A. He confirmed that the audit included an unmodified opinion of the financial statements of the Fund, and he presented the report in detail. Mr. Geiman reported that the Form 5500 and Financial Statements would be filed timely.

V. PAYROLL AUDIT REPORT

Payroll Audit Collections Report

Ms. Sims referred to the Payroll Audit Collections Report dated September 20, 2021, included in the meeting book. A copy of the report is attached to and made part of the minutes as Exhibit B. Ms. Sims reviewed the report which contains results for collection of payroll audit deficiencies after receipt of the audits from Novak|Francella and before referral of unpaid billed deficiencies to the Fund's Collection Counsel.

Ms. Sims reported that after numerous attempts to collect payment on the payroll audit findings from the employer formerly operating at the Fairfax Embassy Row, the Fund has not received a response or payment. Accordingly, this matter be referred to Collection Counsel.

Ms. Jackie Coyle provided an overview of the current status of the payroll audits performed by Novak. She reported that the exit audit for the Marriott Wardman Park has been completed with no findings. She reported that Novak is currently experiencing exit audit issues with the W Hotel as the payroll contact, Veronica Whitley, is hesitant to provide electronic information that includes social security numbers, even though she was advised that the auditors already have social security numbers. Ms. Stephanie Steer Jones suggested Ms. Coyle contact Gus Ceccini, who is head of Labor Relations for Marriott Eastern Region, as he can facilitate the receipt of the requested documentation from the W Hotel if this issue continues. The Trustees requested that Ms. Mayerson should be copied on all correspondence. Mr. Singerman recused himself during this discussion, as Seyfarth Shaw represents Marriott International.

Ms. Coyle asked the Trustees if Novak can resume conducting payroll audits on a regular cycle as many of the hotels have recently reopened after the COVID-19 pandemic. Mr. Boardman said that if the properties could share the required documentation needed to perform these audits electronically then payroll audits could resume. Ms. Coyle stated that the auditors at Novak are willing to go on site in order to conduct the audits, if the employer permits. The Trustees agreed that this was acceptable and payroll audits could resume.

VI. <u>PROVIDER REPORT</u>

<u>Regan Associates Chartered</u>

A. <u>Second Quarter 2021 Utilization Report</u>

Mr. Boardman referred the Trustees to Regan Associates' Second Quarter 2021 Legal Plan Utilization report for their review outside of the meeting. A copy of the subject report is attached to and made a part of these minutes as Exhibit B.

B. Service Agreement Amendment Payment Modification

Ms. Mayerson reminded the Trustees that, at the last meeting, the Trustees delegated to the Finance and Collection Committee the decision whether to extend the temporary modifications in Plan benefits and eligibility that became effective July 1, 2020 and were due to expire June 30, 2021, along with the amount to be paid to Regan for providing Plan benefits, through the end of 2021. Following discussion with Regan, the Finance and Collection Committee determined that the temporary eligibility and benefits would continue through July 31, 2021 and that, effective August 1, 2021, the benefits and eligibility provisions would revert to those in effect on June 30, 2020, along with the cents per hour payment provisions in effect before July 1, 2020, with a minimum payment of $66,000 per month through December 31, 2021 (or such later date as agreed upon by the parties).

On Motion made and seconded, the Trustees approved the following resolution:

> **RESOLVED, to ratify the actions of the Finance and Collections Committee to revert to the eligibility and benefit and payment provisions of the Plan, and the contractual payment provisions of the contract with Regan Associates, in effect on June 30, 2020 effective August 1, 2021, provided that the payment to Regan will be no less than $66,000 per month, through December 31, 2021 (or such later date as agreed upon by the parties).**

V. ADMINISTRATIVE MANAGER'S REPORT

Second Quarter 2021 Administrative Manager's Report

Ms. Sims presented and reviewed the Second Quarter 2021 Administrative Manager's Report, a copy of which is attached to and made part of these minutes as Exhibit D.

VI. OTHER FUND BUSINESS

Contributions between Group Legal Services Fund and Health & Welfare Fund

Mr. Boardman reported that the Legal Fund is receiving more money than it requires for cash flow purposes and that his calculations show that it can maintain benefits by drawing upon its reserves to the extent necessary. The Health and Welfare Fund, on the other hand, has a negative cashflow even before the rate increase being requested by Dentegra. He said that this discrepancy could be addressed by the bargaining parties agreeing to reallocate future contributions from the Legal Fund to the Health and Welfare Fund, and suggested that the Trustees authorize the Finance Committee to provide cashflow and other information to the bargaining parties to assist in their consideration of this issue.

On Motion made and seconded, the Trustees approved the following resolution:

> **RESOLVED, that the Finance and Collections Committee is authorized to provide cashflow and other information to the bargaining parties as necessary to assist the bargaining parties in negotiations regarding future contributions to the Legal Fund and the Health and Welfare Fund.**

VII. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next regular Board meeting for Monday, December 20, 2021, commencing at 10:00 a.m.

VIII. ADJOURNMENT

There being no further business, the meeting was adjourned.

Approved by the Board of Trustees on __________, 2021

By: ________________________
Anne-Marie Sims, Associated Administrators, LLC

AMS/bm
(Org. 09-30-2021)

Attachments:

Exhibit A: Novak|Francella - Auditor Report – Financial Statements – PYE 2020 & 2019
Exhibit B: Novak|Francella - Payroll Audit Collections Report – September 2021
Exhibit C: Regan and Associates Chartered – Second Quarter 2021 Utilization Report
Exhibit D: Associated Administrators, LLC – Second Quarter 2021 Administrative Manager's Report