**UNITE HERE Local 25 and Hotel Association of Washington, D.C.**
**Health and Welfare 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.**
**HEALTH AND WELFARE FUND**
HELD ON DECEMBER 15, 2022
VIA VIDEO CONFERENCE

The following Trustees were present:

| UNION TRUSTEES | EMPLOYER TRUSTEES |
|---|---|
| John Boardman - Chairman | Solomon Keene |
| Stephanie Steer Jones | Michael D'Angelo |
| Linda Martin | Satinder Palta |

Also present were:

Anne Mayerson - Bredhoff & Kaiser, PLLC
Ben Conley - Seyfarth Shaw, LLP
Tyler Geiman - Novak|Francella
Barbara Maiorano - Associated Administrators, LLC
Anne-Marie Sims - Associated Administrators, LLC
Kathy Phillips - Associated Administrators, LLC
Dawn Welch - Associated Administrators, LLC
Paul Schwab - UNITE Here Local 25

## I. CALL TO ORDER

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

## II. MINUTES

Board Meeting, June 21, 2022

The Trustees reviewed the draft minutes of the June 21, 2022 meeting.

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

**RESOLVED that the minutes of the Board meeting held June 21, 2022 are approved, as presented.**

## III. INVOICES

Ms. Sims presented a list of invoices dated December 15, 2022. 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 December 15, 2022 are approved for payment.**

## IV. PAYROLL AUDIT REPORT

A. Payroll Audit Collections Report

Payroll Audit Collections Report

Ms. Sims referred to the Payroll Audit Collections Report dated December 8, 2022, included in the meeting book. A copy of the report is attached to and made part of the minutes as Exhibit A. 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.

With respect to the payroll audit scheduled for Washington Court Hotel for 2016-2020, the operator that commenced to operate this property as of February 2021 had previously advised that it does not have payroll records from the previous operator, Harbaugh. Mr. Boardman reported that Harbaugh is no longer a business entity and is defunct, so the Fund is unable to pursue any exit payroll audits. With respect to the exit audit scheduled for Capitol Liaison for 2017-2018, Mr. Geiman informed the Trustees that the auditor has been unable to schedule the exit audit of the prior operator of the Capital Liaison. Ms. Sims added that the findings for the previous audit period were de minimis.

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

**RESOLVED to forgo exit payroll audits for the Capital Liaison and Washington Court hotels.**

With respect to the Embassy Row, Mr. Boardman reported that he is still trying to obtain contact information for Destination.

## V. CO-COUNSEL REPORT

A. A-List Participants

Co-Counsel reviewed with the Trustees the current eligibility and benefit plan requirements for medical coverage for the A-List banquet participants. As discussed at the June and September 2020 Trustees' meetings, during the pandemic there was no banquet work and, as a result, no employer contributions for A-List coverage. The Fund was able to continue to provide coverage to A-List participants by using the A-List reserves until the reserves were depleted at the end of November 2020, at which time the coverage was terminated. Recently, more banquets are being held and contributions are being remitted for A-List participants. Mr. Boardman noted that the cash flow is not sufficient to build the reserves at this time to pay the healthcare premium and recommended to continue monitoring and discuss at the next Board meeting.

B. Redirection of a Portion of the Legal Fund Contributions

Co-Counsel noted that the bargaining parties had agreed to re-allocate contributions from the Legal Fund to the Health and Welfare Fund beginning March 15, 2022 and ending on June 30, 2023 to rectify the deficit in the Health and Welfare Fund and to fund the Dental Program. Twelve Cents ($0.12) was reduced from the legal fund contribution and the optical and dental contribution to the Health and Welfare was increased by Twelve Cents ($0.12). Ms. Sims informed the Trustees that not all employers began to pay correctly as of March 15, 2022, and several employers still have not correctly implemented the 12 cent reallocation of contributions and continue to remit the 12 cents to the Legal Fund instead of the Health & Welfare Fund. After discussion, the Trustees (and Co-counsel) concurred that the contributions made in error to the Legal Fund could be treated as contributions made by mistake of fact and transferred directly from the Legal Fund to the Health & Welfare Fund if authorized by the employer. The Union will seek such authorization from each applicable employer, and remind employers that are still not remitting correctly to do so, upon receipt of information from the Funds as to the identity of the employers for which reallocation is required and employers that are still not remitting correctly.

Mr. Boardman reminded the Trustees that the CBA provides for an additional twelve cents ($0.12) to be remitted to the Legal and Health & Welfare Funds effective July 1, 2023, to be allocated between the funds in the manner determined by the Trustees. Mr. Boardman requested that allocation of contributions be added to the next meeting agenda for further discussion.

## VI. ADMINISTRATIVE MANAGER'S REPORT

A. Second Quarter 2022 and Third Quarter 2022 Administrative Manager's Report

Ms. Sims presented and reviewed the Third Quarter 2022 Administrative Manager's Report, a copy of which is attached to and made part of these minutes as Exhibit B and Exhibit C.

## VII. OTHER FUND BUSINESS

A. Dental Service Provider Request for Proposal ("RFP")

Ms. Sims reported that, as previously requested by the Trustees, an RFP for a dental service provider had been distributed to the following providers: (1) Cigna Dental, (2) United Concordia and (3) Dentegra (current provider). She stated that the proposals and attachments received had been distributed to the Trustees for review prior to this meeting. A copy of the proposals is attached to and made part of the minutes as Exhibit D. Ms. Sims noted that Dentegra submitted a revised proposal for consideration that reflected a 2.5% decrease in the hourly rate from $0.479 to $0.467.

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

**RESOLVED to accept Dentegra's proposal for dental services, effective January 1, 2023 to December 31, 2023 at the hourly rate of $0.467.**

B. Novak|Francella – Audit Engagement Letters

Ms. Sims reported that copies of the proposed audit engagement letter for the 2022 Plan year from Novak|Francella, LLC ("Novak") had been circulated prior to the meeting. A copy of the subject letter is attached to and made a part of these minutes as Exhibit E.

Ms. Sims noted that the proposed fee of $19,600 for the Plan year 2022 and related services represents a $900 increase (4.8%) from the prior year.

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

> **RESOLVED that the Fund's engagement letter with Novak|Francella, LLC for the audit and related work for the 2022 plan year, at a fee of $19,600, is approved.**

C. Form 5500 for the Plan Year Ended December 31, 2021

Ms. Sims reported the timely filing, under extension, of the Form 5500 for the Plan year ended December 31, 2021.

D. 2022 Summary Annual Report

Ms. Sims reported that the Summary Annual Report had been mailed to Participants on time.

E. Cyber Liability Insurance

Ms. Sims reported that the Cyber Liability policy for the Fund was renewed for the period of November 1, 2022 through October 31, 2023 for a premium of $12,340.

F. Fiduciary Liability Insurance

Ms. Sims reported the policy was renewed for the period of September 1, 2022 through August 31, 2023 for a premium of $7,707.

## VIII. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the following Board meetings for 2023, commencing at 10:00 a.m.: February 23rd, 2023, June 7th, 2023, September 13th, 2023, and December 13th, 2023.

## IX. ADJOURNMENT

There being no further business, the meeting was adjourned.

Approved by the Board of Trustees on __________, 2023

By: ________________________

Anne-Marie Sims, Associated Administrators, LLC.

Attachments

Exhibit A: Novak|Francella – Payroll Audit Collections Report December 8, 2022

Exhibit B: Associated Administrators, LLC – Administrative Managers Report – Second Quarter 2022

Exhibit C: Associated Administrators, LLC – Administrative Managers Report – Third Quarter 2022

Exhibit D: Dental Service Provider Proposals

Exhibit E: Novak|Francella – Audit Engagement Letter