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 FEBRUARY 23, 2023

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
John Boardman - Chairman	Solomon Keene
Linda Martin	Michael D'Angelo (via video conference)
Stephanie Steer Jones	Satinder Palta (via video conference)

Also present were:

Anne Mayerson - Bredhoff & Kaiser, PLLC
Ben Conley - Seyfarth Shaw, LLP
Anne-Marie Sims - Associated Administrators, LLC
Barbara Maiorano - Associated Administrators, LLC (via video conference)
Kathy Phillips -Associated Administrators, LLC (via video conference)
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, December 15, 2022

The Trustees reviewed the draft minutes of the December 15, 2022 meeting.

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

> **RESOLVED that the minutes of the Board meeting held December 15, 2022 are approved as presented.**

III. <u>INVOICES</u>

Ms. Sims presented a list of invoices dated February 23, 2023. 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 February 23, 2023 are approved for payment.**

IV. <u>PAYROLL AUDIT REPORT</u>

Ms. Jackie Coyle was welcomed to the meeting by the Trustees. She referred to the Payroll Audit Collections Report dated February 15, 2023, included in the meeting book. A copy of the report is attached to and made part of the minutes as Exhibit A. Ms. Coyle reviewed the report, which contains results for collection of payroll audit deficiencies She informed the Trustees that she had previously been asked to perform an exit audit of Harrington Hotel, which was scheduled to be sold, but that even though the sale has been put on hold she had been asked to go ahead with the audit.

Ms. Coyle presented a list of proposed audits over the next three years for the Trustees' consideration. The Trustees discussed the fact that, due to the suspension of audits during the pandemic, when all or almost all of the contributing employers were shut down, a number of contributing employers have not been audited for many years. The Trustees directed Ms. Coyle to complete payroll audits from the date of the last audit (or 2015, if later) to the current timeframe. If audit findings for an audit that commences in 2015 are substantial, and there is an unaudited period before 2015, Ms. Coyle is to inform the Finance Committee so that it can determine if the scope of the audit needs to be extended before 2015. The Board expressed a willingness to revise Novak's per-audit fees to account for the longer-than-anticipated audit periods.

Ms. Sims informed the Trustees that the Omni Shoreham Hotel completed a self-audit and has requested reimbursement of an overpayment of contributions. The Trustees requested moving the Omni Shoreham Hotel to the Year 1 - 2023 payroll audit cycle list, with an audit period of 2017 through December 31, 2022. In addition, the Trustees requested the Madison Hotel to be included in the Year 1 - 2023 payroll audit cycle list due to the frequent delinquencies and substantial amount of staffing changes that have occurred. Mr. Boardman requested that he and Mr. Keene review the proposed three year audit cycle list to determine if any additional changes should be made and they would inform Ms. Coyle and Ms. Sims prior to the three year auditing cycle being finalized.

Ms. Steer Jones informed the Trustees that the Beacon Hotel is changing operators and an exit audit will need to be performed and should be included in the 2023 audit cycle. Ms. Sims requested a current contact list of owners and operators for all hotels from Ms. Steer Jones, who agreed to supply this information to the Fund Office.

Ms. Sims reported The Ven at Embassy Row recently contacted the Fund Office because they believe the hotel has overpaid contributions on all Funds. This matter is currently being reviewed at the Fund Office to determine if benefits were extended to participants due to the overpayment. Ms. Sims stated she would circulate the outcome of the review to the Trustees once completed.

The Trustees thanked Ms. Coyle for her presentation and excused her from the meeting.

V. <u>**CO-COUNSEL REPORT**</u>

<u>End of the National Emergency and Public Health Emergency.</u>

Mr. Conley reported the current Administration announced its intent to end the national emergency and public health emergency declarations related to the COVID-19 pandemic on May 11, 2023. Plans were required to disregard the "Outbreak Period" when determining certain deadlines for COBRA enrollment and premiums, claims, appeals and special enrollment timeframes. He reported that the "Outbreak Period" expires 60 days after the end of the National Emergency, which if the National Emergency ends on May 11, 2023, would be July 10, 2023. Mr. Conley noted that Co-Counsel would prepare a Summary of Material Modification ("SMM") to be mailed to the participants.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Fourth Quarter 2022 Administrative Manager's Report

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

B. Redirection of a Portion of the Legal Fund Contributions

Ms. Sims reminded the Trustees that, at their last meeting, she had advised that not all employers began to correctly re-allocate the twelve cent contribution from the Legal Fund to the Health & Welfare Fund as of March 15, 202 as required under the relevant CBAs, and that the Trustees 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. Ms. Sims reported that Local 25 worked with the Fund Office after the meeting to obtain information as to the affected employers, and had notified affected employers using communication drafted by Fund counsel (with input from Seyfarth Shaw in the case of communications to HAWDC employers).Most employers have provided the requested authorization and are now remitting correctly, and contributions from these employers have been transferred from the Legal Fund to the Health & Welfare Fund.

Mr. Boardman reminded the Trustees that effective July 1, 2023, the overall contribution to the Legal and Health and Welfare Funds will increase by an additional twelve cents ($0.12). The additional contribution will be allocated as determined by the Board of Trustees of the Funds in each Board's capacity as Plan sponsor. Upon discussion, it was determined to delay a decision on how these funds will be allotted until the First Quarter 2023 financials can be reviewed. A Finance Committee meeting was scheduled for May 24, 2023 to be held via video-conference to discuss the contribution allocation.

VII. OTHER FUND BUSINESS

A. Redemptions – Dodge & Cox

Ms. Sims reported that the Fund Office had redeemed $300,000 from investments, including Dodge and Cox in order to pay invoicing and service providers for the Welfare Fund.

B. A-List Participants

The Trustees reviewed the A-List participant contributions received. Mr. Boardman noted that the cash flow is still not sufficient to reinstate coverage, but said that the Trustees should continue monitoring and discuss again at the next Board meeting.

VIII. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next regular Board meeting for Tuesday, June 7, 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

AMS/bm

(Org. 2-23-2023)

Attachments:
Exhibit A: Novak|Francella - Payroll Audit Collections Report February 15, 2023
Exhibit B: Associated Administrators, LLC – Administrative Managers Report – Fourth Quarter 2022