MEETING OF THE BOARD OF TRUSTEES OF THE HOSPITALITY INDUSTRY 401(k) PLAN

Held by teleconference on June 4, 2020

Trustees Present:
John Boardman
Solomon Keene

Others Present:

Anne Mayerson, Bredhoff & Kaiser, PLLC, Fund Co-Counsel
Fred Singerman, Seyfarth Shaw LLP, Fund Co-Counsel
Anne-Marie Sims, Associated Administrators, LLC
Tyler Geiman, Novak Francella
Jackie Coyle, Novak Francella
Bill Stahl, Prudential Retirement
Casey Golosky, Prudential Retirement
Henry Jaung, Meketa Investment Group (for part of the meeting)

I. Call to Order

The meeting was called to order at 1:20 p.m.

II. Approval of Minutes of Prior Meeting

The Trustees reviewed the minutes of the Board of Trustees meeting of February 27, 2020 and approved them with no changes.

III. Investment Consultant's Report

Henry Jaung provided the Investment Review for the first quarter of 2020. The value of the 401(k) Plan decreased by $7.1 million during the first quarter of 2020, ending at $39.0 million on March 31, 2020. Almost all investment options posted negative returns during this volatile first quarter of 2020, with TIPS, Vanguard Total Bond, the Guaranteed Income Fund, and Baird Core Bond Plus either positive or flat. Touchstone and Artisan Midcap continued to be the only two managers with net expense ratios below their respective peer averages. Mr. Jaung said that Meketa has no concerns about the performance or fees for any investment option.

IV. Prudential

Bill Stahl reviewed with the Trustees the Plan Summary as of March 31, 2020, including Plan demographics, distributions, and investment option statistics.

Anne Mayerson reminded the Trustees that, during a conference call on March 27, 2020, they had agreed as permitted by the CARES Act to (i) permit individuals to take corona-virus-related distributions (“CRDs”) of up to $100,000, and (ii) suspend year-end required minimum distributions unless otherwise requested by the participant. Mr. Stahl said that there were 69 distributions in April and May, 54 of which were CRDs, for a total of $1.2 million.

Mr. Jaung exited the meeting.

V. Co-counsel Report

Ms. Mayerson said that co-counsel is working with Prudential and Ms. Sims on a participant communication concerning the CARES Act.

Mr. Singerman reported that, under the guidance issued by the Department of Labor (“DOL”) on April 28, the DOL will not take any enforcement action with respect to a "temporary delay" in forwarding participant contributions and loan repayments to the plan during the period from March 1, 2020 until 60 days after the announced end of the COVD-19 emergency if the failure to timely remit such payments is due solely to the COVID-19 outbreak. Ms. Mayerson added that the guidance also provides relief to the Plan with respect to the issuance of various notices that would otherwise be due during this period.

Mr. Singerman reported on the DOL audit, which is still ongoing. He said that he had worked with Prudential to respond to a request from the DOL investigator concerning the payment of required minimum distributions. Earlier this week, the investigator asked some follow-up questions including whether the Fund could conduct a quarterly audit; he is preparing a response.

VI. Administrative Manager’s Report

Ms. Sims presented the Administrative Manager’s Report for the fourth quarter 2019 and the first quarter 2020. Mr. Boardman noted that the administrative contributions to the Plan are hours-based, so alternative income sources will be required. Ms. Sims said that the January and June administrative assessments usually bring in about $100,000 per year. She will prepare an up-to-date cashflow to share with the Trustees at the next meeting.

She presented a report showing the administrative contributions assessed in January 2020. Contributions remain outstanding from five employers. She presented a summary of lost earnings and penalties assessed for first quarter 2020. She reported that she has discussed with the W the fact that no contributions have been made for pay periods after November 2019. The W has explained that it is operating with a skeletal staff due to the pandemic and would forward these contributions as soon as possible.

VII. Payroll Auditors' Report

Tyler Geiman and Jackie Coyle referred the Trustees to their report entitled Status of Payroll Reviews as of 6/4/2020, which had been discussed earlier at the meetings of the related Funds.

VIII. Next Meeting Date and Adjournment

The next meeting was scheduled to immediately follow the meetings of the related funds on September 24, 2020. There being no further business before the Board of Trustees, the meeting was adjourned at 1:45 p.m.

Approved by the Board of Trustees on __________________________, 2020

By: __________________________

Anne-Marie Sims