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

Held by Zoom on December 15, 2022

Trustees Present:
John Boardman
Solomon Keene

Others Present:

Paul Schwab, UNITE HERE Local 25
Stephanie Steer-Jones, UNITE HERE Local 25
Anne Mayerson, Bredhoff & Kaiser, PLLC, Fund Co-Counsel
Ben Conley, Seyfarth Shaw LLP, Fund Co-Counsel
Anne-Marie Sims, Associated Administrators, LLC
Barb Maiorano, Associated Administrators, LLC
Kathy Phillips, Associated Administrators, LLC
Dawn Welch, Associated Administrators, LLC
Bill Stahl, Empower Retirement
Casey Golosky, Empower Retirement
Henry Jaung, Meketa Investment Group

I. Call to Order

The meeting was called to order at 1:30 p.m.

II. Approval of Minutes of Prior Meeting

The Trustees reviewed the minutes of the Board of Trustees meeting of June 21, 2022 and approved them with no changes.

III. Investment Consultant's Report

Henry Jaung provided the Investment Review for the third quarter of 2022. The value of the Plan decreased by $1.4 million during the third quarter of 2022, ending at $36.3 million on September 30, 2022. The investment roster produced negative results during the quarter; the Guaranteed Income fund was the only positive performing asset in the lineup. All managers except for the international equity aggregate and Vanguard Total Bond Index have produced positive gains over the 5-year period. Over the trailing ten years, all managers have produced positive returns. The Guaranteed Income Fund was the largest single investment and represented 23.2 % of the Plan's assets as of September 30, 2022. As a group, the Target Date funds accounted for 33.3% of the Plan assets. Touchstone and Artisan Mid Cap are the only investment options with net expense ratios slightly higher than their respective peer group average. Meketa has no concern with any of the funds in the lineup. Mr. Jaung explained that Meketa has spoken with the managers of the poorest-performing funds, Touchstone Sands and Goldman Sachs Small Cap Value, and does not recommend eliminating them as they are simply in sectors that have not performed well and remain solid investment options. He noted that Touchstone is more concentrated than its peers and is very volatile, so it could be one of the top performers again shortly.

IV. Payroll Auditor Report

Tyler Geiman presented the payroll audit report. No issues warranted discussion.

V. Prudential/Late Contributions

Mr. Stahl reviewed with the Trustees the Plan Summary as of September 30, 2022 including Plan demographics, distributions, and investment option statistics.

Mr. Stahl reviewed with the Trustees his report showing last contributions received from each contributing location. Ms. Sims noted that the previous operators of the W and Madison have both been audited through their exit dates (March 31, 2022 in the case of the Madison and August 31, 2021 in the case of the W) and each has paid all amounts determined to be due through the end of the audit period. Stephanie Steer advised that Madison has a new HR manager whom she will put in touch with Associated so that Madison can get onboarded. She will also put Embassy Row in touch with Associated for the same purpose. She will also follow up with the Hotel Washington and Embassy Suites about their failure to remit salary reduction contributions (in the case of Hotel Washington, since it took over in September 2021 and in the case of Embassy Suites, since August 2022). Mr. Schwalb will ask Linda Martin to reach out to Gaylord about its failure to remit salary contribution reductions since mid-October. Ms. Golosky said that onboarding of Salamander (formerly Madison Oriental) is in process. A discussion ensued concerning changes in operators, including the fact that Local 25 is supposed to, but does not always, get 60 days' advance notice of a change in operator, and election forms do not always transfer over from the outgoing to the incoming operator.

Mr. Stahl reported on the transition to Empower, noting that the Plan was still scheduled to be migrated to the Empower platform in late 2023 but he would not be surprised if this migration slips to 2024.

VI. Co-Counsel Report

Ms. Mayerson said that, in the interest of time, she would defer to the next meeting her reports on the application of the Department of Labor's final rule on ESG investing and fee litigation.

VII. Administrative Manager's Report

Ms. Sims presented the Administrative Manager's Report for the third quarter 2022.

The Trustees briefly discussed whether the appropriateness of the current administrative fee charged to participants. Mr. Boardman said he would review the numbers for further discussion at the next meeting.

VIII. New Business

Mr. Geiman presented a proposed engagement letter for the 2022 audit of the financial statements and preparation of the Form 5500 at a proposed fee of $11,600, a 5% increase over last year. He noted that the last fee increase was in 2019. The Trustees approved the engagement letter and fee increase.

IX. Next Meeting Date and Adjournment

The next meeting was scheduled to immediately follow the meetings of the related funds on October 4, 2022. There being no further business before the Board of Trustees, the meeting was adjourned at 2:05 p.m.

Approved by the Board of Trustees on __________________________, 2023.

By: __________________________
Anne-Marie Sims