DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE PRESSMEN WELFARE FUND MARCH 6, 2020

The following Trustees were present:

UNION TRUSTEES
Paul Atwill - Co-Chairman
Janice Bort
Dennis Larkin

EMPLOYER TRUSTEES
H. Beth Swanson - Chairman
Jay Goldscher

Also present were:

Ellen Boardman, Esq. - O'Donoghue & O'Donoghue, LLP
Deborah Clutts - Associated Administrators, LLC
Kathy Phillips - Associated Administrators, LLC
Dawn Welch - Associated Administrators, LLC

I. CALL TO ORDER

A quorum being present, Chairman Swanson called the meeting to order at 1:05 p.m. at the offices of Associated Administrators, LLC in Landover, Maryland.

II. APPROVAL OF THE MINUTES

The Trustees reviewed the minutes of the regular meeting and the executive session held November 1, 2019 and,

On Motion made, seconded, and unanimously adopted by the Trustees, it was

RESOLVED to accept the regular minutes and the executive session minutes of the November 1, 2019 Board of Trustees' meeting as written.

III. ADMINISTRATIVE MANAGER REPORT

A. Financial Statement

Ms. Welch presented the financial statement for the 2019 Plan year from January 1, 2019 to December 31, 2019. The financial statement showed total income of $2,268,178 and total expenses in the amount of $2,144,739, resulting in a gain of $123,439.

She also presented the financial statement for January 1, 2020 to January 31, 2020. The Fund had income of $164,385 and expenses in the amount of $234,212, resulting in a net deficit of $69,827.

The Trustees requested that the confidential settlement payment received in December 2019 be reflected in the financial statement. They also requested that the Cash Disbursement Journal list the check numbers in order and include any voided check numbers. Ms. Welch said she will have the requested information added to the financial statement and circulated it to the Trustees.

B. Delinquency Report

The Trustees reviewed the Delinquency and Accounts Receivable Report. The Trustees discussed the following:

- David L. Andrukitis, Inc. - Interest and liquidated damages are owed for the months of June and August 2018 and June 2019 through December 2019, totaling $4,803.64. Fund counsel advised that a demand letter will be sent.

- Benchmark Marketing - Interest and liquidated damages are owed for the month of December 2019 in the amount of $191.45. Benchmark Marketing was sent an invoice for the amount owed.

C. Invoices

Ms. Welch presented a list of invoices paid from October 1, 2019 to January 31, 2020. She noted that there were no additions, deletions or changes to the list. The Trustees reviewed the list and determined that all invoices represented proper Fund expenses.

On Motion made, seconded, and unanimously adopted by the Trustees, it was

> **RESOLVED to approve the invoices paid from October 1, 2019 to January 31, 2020.**

D. Collective Bargaining Agreement (CBA) Report

The Trustees reviewed the CBA Report that reflected the rate required to be paid for the last five years by each contributing employer pursuant to the applicable CBA.

E. Investments

The Trustees reviewed the Fund's investments as of January 31, 2020. The Fund's assets include Certificates of Deposit totaling $500,000 and cash in the Operating Account ($858,805.98). The assets also include the Fidelity Spartan 500 Index Fund, with a balance of $596,786.77. The Trustees reviewed the investment return report for the Fidelity Spartan 500 Index Fund – Investor Class.

Ms. Welch noted that the Fund's asset allocation is 30.52% in the Fidelity Spartan 500 Index Fund, 25.57% in Certificates of Deposit, and 43.92% in cash.

The Trustees discussed modifying the Investment Policy to maintain cash reserves of approximately $250,000 (but not to exceed $300,000) in the Fund's current operating account and to open a money market or savings account at a financial institution different than the institution currently being used to maintain the operating account. The reserves in the money market or other savings account are to not exceed $100,000 unless the Trustees determine otherwise.

The Trustees discussed the maturing Certificates of Deposit and reviewed the Fund's Investment Policy. Ms. Welch was directed to purchase the IDC Report, at an annual cost of $1,390, to assist with identifying Certificates of Deposit which meet the investment criteria detailed in the Investment Policy.

The Trustees discussed increasing the current $62 per month subsidy applied to the co-premium for all active employees to $82 per month. The Trustees directed the Administrative Manager to estimate the cost to the Plan to increase the subsidy.

On Motion made, seconded, and unanimously adopted by the Trustees, it was

> **RESOLVED to amend the Investment Policy to maintain cash reserves of approximately $250,000 (but not to exceed $300,000) in the Fund's current operating account; and**
>
> **FURTHER RESOLVED to open a money market or other savings account at a financial institution determined by the Investment Subcommittee, different from the institution currently being used to maintain the operating account for cash reserves not to exceed $100,000 unless the Trustees determine otherwise; and**
>
> **FURTHER RESOLVED to invest an additional $300,000 in the Fidelity Spartan 500 Index Fund – Investor Class and purchase Certificates of Deposit in increments of $100,000 as directed by the Investment Subcommittee.**

These actions will be taken as soon as practicable.

Ms. Boardman will prepare a revised Investment Policy Statement for execution at the next regular Board meeting

F. <u>Payroll Audit Status Report</u>

The Trustees reviewed the payroll audit status report as provided by Calibre CPA Group, PLLC (Calibre). Calibre currently has an audit in progress with H&H Bindery and has scheduled payroll audits with H&W Printing and Linemark Printing. Co-Chairman Atwill advised the Board that H&W Printing's CBA expires effective March 10, 2020 and that the company will no longer be a contributing employer to the Fund. The

Trustees discussed this information and requested that the Administrative Manager notify Calibre to conduct an exit audit on H&W Printing. The Union will send termination letters to the H&W Printing participants.

On Motion made, seconded, and unanimously adopted by the Trustees, it was

> **RESOLVED to approve the Administrative Manager Report as presented.**

IV. FUND COUNSEL REPORT

Ms. Boardman reported on the following matters:

A. First Amendment to Summary Plan Description (SPD)

Ms. Boardman reviewed her memo dated March 4, 2020 and the proposed First Amendment to the SPD. Her recommendations are set forth below.

1. Pediatric Dental Care

Eliminate the minimum age for dental benefits provided by the Fund's indemnity plan and by the HMO option provided by Group Dental Services (GDS).

2. Election of Dental Benefit Option

Include an option for participants to decline coverage for dental benefits. Participants may decline dental benefits in either the HMO or the indemnity option by informing the Fund Office of their desire to opt out in writing at any time. There will be no reduction in monthly premium. Participants may opt back in for dental coverage under the HMO or the indemnity option during the annual open enrollment period in the month of December and coverage will be effective January 1 of the following year. This election is consistent with the requirements of the Affordable Care Act.

3. Elimination of Approved Dental Treatment Plan

Eliminate the requirement of administrative approval of a dental treatment plan for all dental services that exceed $200.

4. Inclusion of Default for Initial Enrollment

Include a default choice of dental option for participants who fail to make a timely choice upon enrollment in the Plan (or who do not opt out). The indemnity plan will be the default option for coverage if participants do not affirmatively elect an option or opt out of dental coverage.

After discussion, the Trustees upon motion made, seconded and unanimously adopted,

RESOLVED to approve the First Amendment to the Summary Plan Description as presented.

Fund counsel will prepare a Summary of Material Modification and forward it to the Trustees for review.

V. OTHER FUND BUSINESS

Ms. Welch presented the following:

A. Fiduciary Liability Insurance Policy

The Fiduciary Liability Insurance Policy was renewed for the policy period December 31, 2019 to December 31, 2020 at the cost of $3,000. She noted that all Trustees had paid their waiver of recourse premiums for the current coverage period.

B. Audit Engagement Letter

The Trustees reviewed an audit engagement letter from Calibre dated March 5, 2020, proposing a fee of $12,200 (an increase of 6% over the prior year), to perform the audit for the Plan year ended December 31, 2019 and prepare Form 5500 and Form 990.

On Motion made, seconded, and unanimously adopted by the Trustees, it was

RESOLVED to approve the proposed $12,200 fee for Calibre to perform the audit for the Plan year ended December 31, 2019 and to prepare Form 5500 and Form 990.

The Calibre audit engagement letter was signed by the Chairperson and Co-Chairperson during the meeting.

C. Associated Administrators, LLC (Associated) Website

Ms. Welch reviewed the documents, forms and links that are available on the "Your Benefits" page of Associated's website. She also discussed the Trustee Web Portal, which is a secure portion of Associated's website established to allow Trustees and Fund counsel to access meeting materials in advance of a scheduled Board meeting. The Trustees requested that a demonstration of the Trustee Web Portal be provided at the next regular Board meeting.

D. Dental ID Cards

The Trustees requested that the Administrative Manager estimate the cost of dental cards for the HMO and Indemnity dental benefits and draft a template for their review.

E. Fidelity Bond Insurance

The Fund's Fidelity Bond insurance policy will expire on May 1, 2020. The Administrative Manager is in the process of obtaining a quote from the Fund's insurance broker, Segal Select to renew for the policy period May 1, 2020 to May 1, 2023.

VI. NEXT MEETING DATE AND LOCATION

The next regular meeting of the Board of Trustees was scheduled for Friday, July 10, 2020 at 12:30 p.m. at the Associated's office in Landover, Maryland.

VII. ADJOURNMENT

There being no further business to come before the Board of Trustees, the meeting was adjourned at 3:20 p.m.

Respectfully submitted,

H. Beth Swanson, Chairman	Paul Atwill, Co-Chairman