International Union of Operating Engineers
Local 487 Health & Welfare Fund
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**MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS
HEALTH & WELFARE FUND
THURSDAY, NOVEMBER 14, 2024
VIA VIDEOCONFERENCE
(DRAFT)**

The following Trustees were present:

LABOR TRUSTEES	MANAGEMENT TRUSTEES
M. Schaunaman, Chairman	J. Turk, Secretary-Treasurer
J. Kammer	S. Alfele
C. Potter	D. Short, Jr
W. Utreras	

Also present were:

D. Bellows-Levine – Bellows CPA's
T. Dubose – Legacy Wealth Management
J. Herron - Associated Administrators, LLC
J. Ianniello - Associated Administrators, LLC
A. Perrotta - Segal
K. Phillips - Phillips, Richard & Rind, PA

I. CALL TO ORDER

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

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on August 14, 2024, which were circulated to the Trustees in advance of the meeting.

After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to approve the minutes of the regular Board meeting held on August 14, 2024.**

III. CONSULTANT'S REPORT

The Trustees welcomed Mr. Andrew Perrotta from The Segal Company ("Segal") to the meeting.

A. FASB ASC 965 – Actuarial Valuation

Mr. Perrotta reviewed the actuarial valuation results of the Fund's postretirement welfare benefits as of March 31, 2024, under FASB Accounting Standards Codification 965, a copy of which is attached to and made a part of these minutes as Exhibit A. Mr. Perrotta reported that the accumulated postretirement benefit obligation ("APBO") was $1,682,442 as of March 31, 2024, compared to $2,351,097 as of March 31, 2023, representing a $668,655 decrease in the APBO.

The Trustees thanked Mr. Perrotta for his report and excused him from the meeting.

IV. INVESTMENT CONSULTANT'S REPORT

The Trustees welcomed Mr. Tony Dubose from Legacy Wealth Management to the meeting.

1. Performance Report

Mr. DuBose reviewed a report titled "Portfolio Review," which is attached to and made a part of these minutes as Exhibit B. Mr. DuBose discussed information from the report with the Trustees. As of November 1, 2024, the portfolio's market value was $1,045,150. The portfolio had an investment gain of $11,248 from August 1, 2024, through October 31, 2024.

Mr. DuBose said that the asset allocation as of November 1, 2024, was 53.57% in bonds, 29.46% in cash, 11.11% in U.S. stocks, 4.96% in non-classified, 0.21% in non-U.S. stocks, and 0.69% in other.

The Trustees thanked Mr. Dubose for his report and excused him from the meeting.

V. AUDITOR'S REPORT

The Trustees welcomed Ms. Dina Bellows-Levine from Bellows Associates, CPA, to the meeting.

A. Audited Financial Statements for Years Ended March 31, 2024

Ms. Bellows-Levine presented a summary of the draft audited financial statements for the plan years that ended March 31, 2024, a copy of which is attached to and made a part of these minutes as Exhibit C. She expressed an unmodified (clean) opinion on the Financial Statements, meaning that, in her opinion, the Financial Statements present fairly, in all material respects, the financial status of the Fund as of March 31, 2024. She reviewed the audit and reported that the net assets available for benefits as of March 31, 2024, were $3,074,332 compared to $2,935,221 as of March 31, 2023, representing an increase of $139,111. Ms. Bellows-Levine reviewed the Notes to Financial Statements as of the year ended March 31, 2024.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to approve the draft audited Financial Statements for the Plan year ended March 31, 2024 as presented.**

B. IRS Form 5500 and Form 990 for Plan Year Ended March 31, 2024

Ms. Bellows-Levine said that for the Plan Year ended March 31, 2024, Form 5500 would be filed before January 15, 2025, and Form 990 would be filed before February 15, 2025, under the allowable extensions of time to file.

The Trustees thanked Ms. Bellows-Levine for her report and excused her from the meeting.

VI. ATTORNEY'S REPORT

Ms. Phillips distributed the "Trustees Report" dated November 14, 2024, a copy of which is attached to and included in these minutes as Exhibit D.

A. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving PCI Energy Services, LLC.

1. **PCI Energy Services, LLC** – Owes $5,461.89 for March 2024 contributions and Attorney's fees. Payment has not been received as of November 14, 2024, and a second demand letter was sent on November 12, 2024, via electronic mail and Certified mail.

B. Payroll Audits

Ms. Phillips provided an update on the current Payroll Audits. Bellows advised that they are in the final review process, and reports should be ready by the end of November 2024. Bellows also reported that none of them had any findings of noncompliance.

C. Rate Request – Phillips, Richard and Rind, PA

Ms. Phillips proposed increasing Phillips, Richard, and Rind's fee arrangement with the Fund from the previous rate of $310 per hour to $350 per hour.

On motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve Phillips' Richard and Rind's proposed fee increase to $350 per hour.**

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for September 30, 2024, a copy of which is attached to and made a part of these minutes as Exhibit E. He reported that total assets for September 2024 were $3,536,048.19 compared to $4,085,320.48 for September 2023. He noted that for September 2024, the Fund had total receipts of $1,065,618.57 and total expenses of $911,136.69, resulting in a gain of $154,481.88.

B. Excess Reserves

After careful consideration, the Trustees concluded that it may not be in the best interest to continue holding almost two and a half million dollars in the escrow and checking account.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to pay $282,842.25 plus interest owed from the checking account towards the Union Loan and pay off the loan.**

C. Disbursements

Mr. Ianniello presented the expense check register for September 2024, which indicated total disbursements of $1,412,991.06.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to accept the Administrative Manager's Report as presented.**

VIII. OTHER FUND BUSINESS

A. Annual Notice of Creditable Coverage ("NCC") & Privacy Practice Notice

The Fund Office mailed the annual NCC and Privacy Practice Notice to Plan participants on September 27, 2024.

B. International Foundation for Employee Benefit Plans (IFEBP) Membership

The Fund's IFEBP membership renewal invoice was received, listing dues of $1,525 for 2025.

After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to renew the IFEBP membership at a cost of $1,525, with $1,220 to be paid by the Health & Welfare Fund and $305 to be paid by the Apprentice and Training Fund (80/20% split).**

C. Fiduciary Liability Insurance Renewal

A quote was received for the renewal of the Fiduciary Liability Policy from January 1, 2025, to January 1, 2026. The renewal premium is $11,920.00, with a base policy premium of $11,720.00 and a waiver of recourse premium of $200.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to approve the renewal of the fiduciary liability insurance policy for the period January 1, 2025, to January 1, 2026, at a premium of $11,920 ($11,720 base premium and $200 waiver of recourse premium), with $9,376 to be paid by the Health & Welfare Fund and $2,344 to be paid by the Apprentice and Training Fund.**

D. <u>Fidelity Bond Renewal</u>

A quote for $2,855 was received for the renewal of the Fidelity Bond for three years, from December 1, 2024, to December 1, 2027, with the same premium as the expiring policy. The premium would be split with 80% paid by the Health and Welfare Fund and 20% paid by the Apprentice and Training Fund.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to approve the renewal of the Crime Policy at the cost of $2,855 for the three years, December 2024 to December 1, 2027, with $2,284 to be paid by the Health & Welfare Fund and $571 to be paid by the Apprentice and Training Fund.**

E. <u>Associated Administrator's LLC Renewal</u>

Mr. Ianniello stated that Associated Administrators, LLC's contract expires on December 31, 2024. He presented a request for a three-year extension of the contract and reviewed the request for renewal.

After some discussion, On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to approve the renewal of the three-year contract with Associated Administrator's LLC at the following rates per year:**
>
> **1/1/2025 through 12/31/2025: $12,253**
> **1/1/2026 through 12/31/2026: $12,866**
> **1/1/2027 through 12/31/2027: $13,509**

IX. <u>MEETING DATES AND LOCATION</u>

The next quarterly Board meeting was scheduled for Thursday, February 13, 2025, at 9 a.m., via videoconference. The remaining regular Board meetings were scheduled for May 15, August 14, and November 13, 2025.

X. ADJOURNMENT

There being no further business to come before the Board of Trustees, the meeting was adjourned.

Respectfully submitted,

____

Jonathan Turk, Fund Secretary

These Minutes were adopted on _______________________.

Attachments:

Exhibit A:	Actuarial Valuation and Review of Postretirement Welfare Benefits as of March 31, 2024
Exhibit B:	Audited Financial Statements for Plan years ended March 31, 2024
Exhibit C:	Legacy Wealth Management Report – November 1, 2024
Exhibit D:	Trustees Report from Fund Counsel, November 14, 2024
Exhibit E:	Income and Expense Statement, September 30, 2024