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 9, 2023
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	J. Epperson
W. Utreras	D. Short

Also present were:

D. Bellows – Bellows CPA's
J. Herron - Associated Administrators, LLC
J. Ianniello - Associated Administrators, LLC
E. Naegele - Segal
K. Phillips - Phillips, Richard & Rind, PA
M. Smith - Apprenticeship Director

I. CALL TO ORDER

Mr. Ianniello reported that Mr. James Kammer and Mr. Claude Potter had accepted the vacant Union Trustee positions. A quorum being present, the Chairman called the meeting to order.

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on August 10, 2023, 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 10, 2023.**

III. <u>AUDITOR'S REPORT</u>

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

A. <u>Audited Financial Statements for Years Ended March 31, 2023, & 2022</u>

Ms. Bellows-Levine presented a Summary of the draft Audited Financial Statements for the Plan years ended March 31, 2023, and 2022, a copy of which is attached to and made a part of these minutes as Exhibit A. 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, 2022, and 2023. She reviewed the audit and reported that the net assets available for benefits as of March 31, 2023, were $2,935,221 compared to $1,019,817 as of March 31, 2022, representing an increase of $1,915,404. Ms. Bellows-Levine reviewed the Notes to Financial Statements as of the years ended March 31, 2023, and 2022.

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

> **RESOLVED, to approve the audited Financial Statements for the Plan years ended March 31, 2023, and 2022, as presented.**

B. <u>IRS Form 5500 and Form 990 for Plan Year Ended March 31, 2023</u>

Ms. Bellows-Levine said that for the Plan Year ended March 31, 2023, Form 5500 would be filed before January 15, 2024, and Form 990 would be filed before February 15, 2024, under the allowable extensions of time to file.

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

IV. HEALTH CONSULTANT'S REPORT

The Trustees welcomed Mr. Ernie Naegele from The Segal Company ("Segal") to the meeting.

FASB ASC 965 – Actuarial Valuation

Mr. Naegele reviewed the actuarial valuation results of the Fund's postretirement welfare benefits as of March 31, 2023, under FASB Accounting Standards Codification 965, a copy of which is attached to and made a part of these minutes as Exhibit B. Mr. Naegele reported that the accumulated postretirement benefit obligation ("APBO") was $2,351,097 as of March 31, 2023, compared to $2,367,042 as of March 31, 2022, representing a $15,945 decrease in the APBO.

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

V. ATTORNEY'S REPORT

Ms. Phillips distributed the "Trustees Report" dated November 10, 2022, a copy of which is attached to and made a part of these minutes as Exhibit C.

A. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving Florida Rigging & Crane Company, Able Logistics South, LLC, R & S Concrete South, Inc., Berkel Company Contractor, and North American Crane & Rigging, LLC.

1. **Florida Rigging & Crane Company** - Paid late fees but still need to pay attorney's fee.

2. **Able Logistics South, LLC** – Made all outstanding payments, and no monies are due.

3. **R&S Concrete South, Inc**. – still owes a late fee for August 2023 and an attorney fee totaling $874.77. No payment has been received.

4. **Berkel Company Contractor** - Made all outstanding payments, and no monies are due.

5. **North American Crane & Rigging, LLC** – payment was made for outstanding contributions but not attorney fees. $310 Attorney fees are still owed - late fee notice mailed October 25, 2023.

B. Payroll Audits

Ms. Phillips provided the following payroll audit status report from the Bellows firm. Sims Crane & Equipment, Laney Directional Drilling, PreCon Construction, Williams Specialty Service, and Zeiger Crane Rental are all found in compliance, and all the employers have been notified. Ms. Phillips asked Associated Administrators, LLC to compose a list of next year's next group of Payroll Audits.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for September 30, 2023, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported that total assets for September 2023 were $4,085,320.48 compared to $2,380,989.12 for September 2022. He reported that for September 2023, the Fund had total receipts of $1,008,600.67 and total expenses of $908,155.84, resulting in a surplus of $100,444.83. After careful consideration, the Trustees concluded that it may not be in the best interest to continue holding over four 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 $400,000 extra to the union loan with the next payment and move one million to the Health and Welfare investment account.**

B. Disbursements

Mr. Ianniello presented the expense check register for September 2023, which indicated total disbursements of $924,416.59.

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

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

C. Death Benefit Claims Report

Mr. Ianniello reported that one death benefit claim had been paid since the previous Board meeting.

D. Retirees Who Qualified for Free Life Insurance Report

Mr. Ianniello reported that one Central Pension Fund retiree qualified for free life insurance coverage under the Health & Welfare Plan since the previous Board meeting.

VII. 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 19, 2023.

B. Fiduciary Liability Insurance Renewal

A quote was received for the renewal of the Fiduciary Liability Policy from January 1, 2024, to January 1, 2025. The renewal premium is $11,945.00, with a base policy premium of $11,720.00 and a waiver of recourse premium of $225. 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, 2024, to January 1, 2025, at a premium of $11,945 ($11,720 base premium and $225 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 (80/20% split).**

C. Aetna Gag Clause

Aetna will not submit the attestations on behalf of Plan Sponsors, regardless of whether they are self-funded or fully insured. Aetna does not have all the information required to file the report on behalf of Plan Sponsors. Associated Administrators LLC will fill out the attestation for the Fund.

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

The Fund's IFEBP membership renewal invoice for $1,425.00 for 2023 was received.

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

> **RESOLVED, to renew the 2024 IFEBP membership for $1,425.00, with $1,140 to be paid by the Health & Welfare Fund and $285 to be paid by the Apprentice and Training Fund (80/20% split).**

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

The next quarterly Board meeting was scheduled for Thursday, February 15, 2023, at 9 a.m., via videoconference. The remaining regular Board meetings were scheduled for May 9, August 15, and November 14, 2024.

IX. <u>ADJOURNMENT</u>

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: Audited Financial Statements for Plan years ended March 31, 2023, and 2022
Exhibit B: Actuarial Valuation and Review of Postretirement Welfare Benefits as of March 31, 2023
Exhibit C: Trustees Report from Fund Counsel, November 9, 2023
Exhibit D: Income and Expense Statement, September 30, 2023