International Union of Operating Engineers
Local 487 Health & Welfare Fund
911 Ridgebrook Road
Sparks, MD 21152-9451
Phone: 877-291-2387
www.associated-admin.com

MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS
HEALTH & WELFARE FUND
THURSDAY, NOVEMBER 10, 2022
VIA VIDEOCONFERENCE

The following Trustees were present:

LABOR TRUSTEES	**MANAGEMENT TRUSTEES**
M. Schaunaman, Chairman	J. Turk, Secretary-Treasurer
J. Mullen	S. Alfele
S. Singer	J. Epperson
W. Utreras	D. Short

Also present were:

D. Bellows – Bellows CPA's
J. Bucha - SEI
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. David Short and Mr. Scott Alfele had accepted the vacant Management 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 4, 2022, 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 4, 2022.**

III. 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, 2022, & 2021

Ms. Bellows-Levine presented a Summary of the draft Audited Financial Statements for the Plan years ended March 31, 2022, and 2021, 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, 2021, and 2022. She reviewed the audit and reported that the net assets available for benefits as of March 31, 2022, were $1,019,817 compared to $352,847 as of March 31, 2021, which represented an increase of $666,970. Ms. Bellows-Levine reviewed the Notes to Financial Statements as of the years ended March 31, 2022, and 2021.

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, 2022, and 2021, as presented.**

B. IRS Form 5500 and Form 990 for Plan Year Ended March 31, 2022

Ms. Bellows-Levine said that for the Plan Year ended March 31, 2022, Form 5500 would be filed before January 15, 2023, and Form 990 would be filed before February 15, 2023, 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, 2022, 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 $2,367,042 as of March 31, 2022, compared to $2,482,955 as of March 31, 2021, representing a $115,913 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 Laney Directional Drilling Company, Sarens Nuclear & Industrial Services, LLC, Tricon Group, Inc., and Pre-Con Construction:

1) Laney Directional Drilling Co.

On October 13, 2022, administrators sent a collection letter in the amount of $1,519.63 for the late payment of the August 2022 contributions. A demand letter was sent by the fund counsel on November 2, 2022 via Certified Mail for the total amount of $1,829.63 ($1,519.63 plus $310.00 in attorney's fees and costs). Administrators indicated that as of today, payment has not been received.

2) Sarens Nuclear & Industrial Services, LLC

On September 19, 2022 administrators sent a collection letter for the unpaid contributions for the months of March through June 2022, plus an additional 10% in service fee assessed for the late payment of these contributions. On October 13, 2022, fund counsel was notified that payment for the contributions from March through June 2022 were received on October 6, 2022, but failed to include the late fee assessed for the late payment of the contributions. A demand was sent by the fund counsel on November 2, 2022 via Certified Mail for the total amount of $1,636.02 ($1,326.02 late fees plus $310.00 in attorney's fees and costs). Administrators indicated that as of today, payment has not been received.

3) Tricon Group, Inc.

On August 25, 2022, payment in the amount of $400.93 was received from Tricon Group, Inc. which included the November 2021 late fee ($125.93), and the $275.00 assessed in fees and costs. Waiver was granted per the action of the board for the period of March 2022 ($132.56).

4) Pre-Con Construction

Ms. Phillips said that Pre-Con Construction requested a waiver of service fees totaling $235.95 for the late payment of its July 2022 contributions. She recommended granting the waiver in accordance with the Fund's Collection and Audit Procedures. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to waive service fees due from Pre-Con Construction in the amount of $235.95 in accordance with the Fund's Collection and Audit Procedures.**

B. Payroll Audits

Ms. Phillips provided the following payroll audit status report as provided by the Bellows firm:

BHI Specialty Services – Audit completed; found to be in compliance

HJ Foundation Company – Audit completed; found to be in compliance

Malcolm Drilling Company, Inc. – Under Review

C. CONFLICT OF INTEREST FORMS TO NEW TRUSTEES

Ms. Phillips reported that the Conflict of Interest Policy forms need to be sent to the new Trustees to be filled out.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for September 30, 2022, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported that total assets for the month of September 2022 were $2,380,989.12 compared to $1,323,693.65 for September 2021. He reported that for September 2022, the Fund had total receipts of $870,538.86 and total expenses of $817,148.25, resulting in a surplus of $53,390.61.

B. Disbursements

Mr. Ianniello presented the expense check register for September 2022, which indicated total disbursements of $817,028.63.

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 three death benefit claims had been paid since the previous Board meeting.

D. Retirees Who Qualified for Free Life Insurance Report

Mr. Ianniello reported that two Central Pension Fund retirees 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 22, 2022.

B. Form 5500

The Fund auditor filed Form 5558 with the IRS to extend the reporting deadline to January 15, 2023, for the Fund's Form 5500 for the Plan year ended March 31, 2022.

C. Form 990

The Fund auditor filed Form 8868 with the IRS to extend the reporting deadline to February 15, 2023, for the Fund's Form 990 for the Plan year ended March 31, 2022.

D. Fiduciary Liability Insurance Renewal

A quote was received for the renewal of the Fiduciary Liability Policy for January 1, 2023, to January 1, 2024. Since the current policy includes a Renewal Guarantee Endorsement, there is no increase in premium. The renewal premium is $12,010, with a base policy premium of $11,785 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 renewal of the fiduciary liability insurance policy for the period January 1, 2023, to January 1, 2024, at a premium of $12,010 ($11,785 base premium and $225 waiver of recourse premium), with $9,428 to be paid by the Health & Welfare Fund and $2,357 to be paid by the Apprentice and Training Fund (80/20% split).**

E. Payroll Audits

Mr. Ianniello reported that five employers had been randomly selected for the next round of payroll audits:

Sims Crane & Equipment
Laney Directional Drilling
Pre Con Construction
Williams Specialty Service
Zeiger Crane Rental

The Fund Office will send notice to the selected employers.

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

The Fund's IFEBP membership renewal invoice was received for $1,360 for 2023.

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

> **RESOLVED to renew the 2023 IFEBP membership for $1,360, with $1,088 to be paid by the Health & Welfare Fund and $272 to be paid by the Apprentice and Training Fund (80/20% split).**

VIII. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, February 9, 2023, at 9 a.m., via videoconference. The remaining regular Board meetings were scheduled for May 11, August 10, and November 9, 2023.

IX. 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: Audited Financial Statements for Plan years ended March 31, 2022, and,2021
Exhibit B: Actuarial Valuation and Review of Postretirement Welfare Benefits as of March 31, 2022
Exhibit C: Trustees Report from Fund Counsel, November 10, 2022
Exhibit D: Income and Expense Statement, September 30, 2022