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, FEBRUARY 9, 2023
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:

C. Aguirre - Aetna
J. Bucha – SEI
T. Dubose – Legacy Wealth Management
B. Garrison – UHC
A. Hartman-Killa - UHC
J. Herron - Associated Administrators, LLC
J. Ianniello - Associated Administrators, LLC
R. Jackson - Aetna
E. Naegele - Segal
K. Phillips - Phillips, Richard & Rind, PA
M. Smith - Apprenticeship Director
B. Sudler – Brown & Brown
S. Zborowski – Evershore Financial Group

I. CALL TO ORDER

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

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on November 10, 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 November 10, 2022.**

III. <u>HEALTH INSURANCE REPORT</u>

The Trustees welcomed Mr. Robert Sudler from Brown & Brown to the meeting.

A. <u>Health Renewal Report</u>

Mr. Sudler distributed a report analyzing the UHC renewal proposal and request for proposal ("RFP") results, a copy of which is attached to and made a part of these minutes as Exhibit A.

An RFP was sent to carriers on December 7, 2022: one company declined to quote, and three companies provided a quote but were not competitive. Aetna and UHC responded to the RFP and provided a competitive quote. Mr. Sudler said that representatives from Aetna and UHC were present to discuss the quote and answer any questions. Mr. Sudler said that if the Trustees decided to switch healthcare providers, UHC's contract would expire on March 31, 2023.

<u>United Healthcare ("UHC")</u>

The Trustees welcomed Mr. Brian Garrison and Ms. Angela Hartman-Killa from UHC to the meeting. UHC proposed a one-year contract with an 8% increase with no benefit changes to the plan.

<u>Aetna</u>

The Trustees welcomed Ms. Cathy Aguirre and Ms. Renthia Jackson from Aetna to the meeting. Aetna proposed a one-year contract with a 5.5% increase from the current UHC rates. The primary benefit changes with Aetna would be:

- Acupuncture is covered benefit with a $30 co-pay.
- Open Access (No PCP required)
- Minute Clinic $0 copay at CVS
- Change in copay for specialty drugs $20/$125/$125

Trustee Decision

Mr. Sudler recommended that the Fund terminate its contract with UHC and hire Aetna effective April 1, 2023. After Discussion on Motion made and seconded, the Trustees voted unanimous approval of the following solution:

> **RESOLVED to approve a one-year contract with Aetna for medical and a two-year contract for dental and vision benefits.**
>
> **Aetna HMO:**
> **Employee Only $673.00**
> **Employee Plus One $1,430.37**
> **Employee Plus Family $1,999.26**
>
> **Dental HMO Rates:**
> **Employee Only $11.52**
> **Employee Plus One $22.46**
> **Employee Plus Family $36.86**
>
> **Dental PPO Rates:**
> **Employee Only $18.41**
> **Employee Plus One $36.51**
> **Employee Plus Family $66.83**
>
> **Vision:**
> **Employee Only $3.51**
> **Employee Plus One $6.67**
> **Employee Plus Family $9.73**

Mr. Sudler stated he would work with the Administrative Manager to prepare for open enrollment and coordinate with Aetna regarding the implementation process for April 1, 2023, effective date.

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

B. HEALTH CONSULTANT'S REPORT

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

Mr. Naegele reviewed the information contained in the report about the Fund's experience and budget projections, a copy of which is attached to and made a part of these minutes as Exhibit B. Based on current income and expense calculations and Segal's standard forecasting assumptions, the Fund is projected to have only 3.0 months of continuation value at the end of 2024 and 2.1 months by the end of the fiscal year 2026.

Mr. Naegele calculated a break-even Health & Welfare Contribution rate of $6.11 for the fiscal year 2023. For the year ending March 31, 2024, the projected break-even contribution is $6.81 based on the projected expenses and hours and is not impacted by the contribution rate change.

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

IV. ATTORNEY'S REPORT

Ms. Phillips distributed the "Trustees Report" dated February 9, 2023, a copy of which is attached to and made a part of these minutes as Exhibit C.

A. Delinquency and Collections

Ms. Phillips said that Zeiger Crane Rental requested a waiver of service fees for the late payment of its December 2022 contributions. Ms. Phillips said that after reviewing the Fund's records and the applicable collection policy, Zeiger Crane Rental does not qualify for the waiver of late fees, as a waiver had been previously granted for the period of March 2020, and waivers can only be granted once in a three-year rolling period.

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

> **RESOLVED to deny the waiver of service fees for the late payment of December 2022 contributions.**

B. Payroll Audits

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

Sims Crane & Equipment – In Progress
Laney Directional Drilling – In Progress
PreCon Construction – In Progress
Williams Specialty Service – In Progress

Zeiger Crane Rental – In Progress

Ms. Phillips discussed the collection procedures requiring the Fund to audit all employers within a five-year period. Currently, the Fund has 45 employers, which would require nine payroll audits a year. Each payroll audit is expensive, and to do nine a year would be cost-prohibitive. Further, there are internal processes which allow for monitoring of contributions from employers on a routine basis. Therefore, Ms. Phillips recommended modifying the collection procedures to remove the requirement for all employers to be audited within five years.

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

> **RESOLVED to amend the collection procedures to do at most five audits per year.**

C. CONFLICT OF INTEREST FORMS

Ms. Phillips reported that the Conflict of Interest Policy forms must be sent to all Trustees for 2023 to acknowledge that the trustees continue to have no conflict precluding their ability to act as fiduciaries on this Fund.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for December 31, 2022, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported that total assets for December 2022 were $2,647,281.62 compared to $1,587,610.31 for December 2021. He reported that for December 2022, the Fund had total receipts of $646,608.54 and total expenses of $780,281.72, resulting in a deficit of $133,673.18.

B. Disbursements

Mr. Ianniello presented the expense check register for December 2022, which indicated total disbursements of $779,947.54.

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 since the previous Board Meeting, one Central Pension Fund retiree qualified for free life insurance coverage under the Health & Welfare Plan.

VI. OTHER FUND BUSINESS

A. Summary Annual Report

The Summary Annual Report for the plan year ended March 31, 2022, was presented to Fund Counsel and the Trustees for review. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the Summary Annual Report.

B. Form 5500 & Form 990 Filed Timely

VII. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, May 11, 2023, at 9 a.m., via videoconference.

VIII. ADJOURNMENT

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

Respectfully submitted,

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Jonathan Turk, Fund Secretary

These Minutes were adopted on ________________________.

Attachments:

Exhibit A:	Health Insurance Report, February 9, 2023
Exhibit B:	Health Benefits Report, February 9, 2023
Exhibit C:	Trustees Report from Fund Counsel, February 9, 2023
Exhibit D:	Income and Expense Statement, December 31, 2022