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, FEBRUARY 10, 2022
VIA VIDEOCONFERENCE

The following Trustees were present:

LABOR TRUSTEES	MANAGEMENT TRUSTEES
M. Schaunaman, Chairman	J. Epperson
J. Mullen	M. Harrison
S. Singer	F. Villella
W. Utreras	

Also present were:

S. Cuevas - UHC
J. Hart - SEI Global Institutional Group
A. Hartman - UHC
J. Herron - Associated Administrators, LLC
J. Ianniello - Associated Administrators, LLC
E. Naegele - The Segal Company
K. Phillips - Phillips, Richard & Rind, PA
M. Smith - Apprenticeship Director
B. Sudler - Brown & Brown of Florida, Inc.

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 11, 2021, 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 11, 2021 as presented.**

III. HEALTH CONSULTANT'S REPORT

A. Brown & Brown Insurance

The Trustees welcomed Mr. Bob Sudler from Brown and Brown Insurance to the meeting.

Mr. Sudler reported that benefit renewal negotiations for the International Union of Operating Engineers Local 487 Health and Welfare Fund have been completed with an effective date of April 1, 2022. Mr. Sudler had several discussions with UHC regarding shock claims. UHC agreed to the renewal for this year at 7.9% with current benefits. Mr. Sudler stated that there would be a 0% increase for Dental and Vision benefits.

Mr. Sudler asked the Board of Trustees to welcome in Angela Hartman and Sabrina Cuevas from UHC so they may answer any questions. After a short discussion, the Trustees thanked Ms. Hartman and Ms. Cuevas for their reports and excused them from the meeting.

Chairman Schaunaman asked Mr. Sudler if he would speak with UHC and propose an alternative billing cycle to absorb the increase of 7.9%. Mr. Sudler stated that he would speak with UHC and report back to the Trustees.

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

B. Segal Health Benefits Report

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

Mr. Naegele reviewed information contained in the report pertaining to the Fund's experience and budget projections. Based on current income and expense calculations and Segal's standard forecasting assumptions, the Fund is projected to be depleted before March 31, 2023. Mr. Naegele advised the Fund has $74,000 in reserves as of today.

Mr. Naegele calculated a break-even Health & Welfare Contribution rate of $7.00 for fiscal year 2022. For the year ending March 31, 2022, the projected break-even contribution is $7.54 based on the projected expenses and hours and is not impacted by the contribution rate change.

Mr. Ianniello presented the Hours and Contributions Report, a copy of which is attached to and made a part of these minutes as Exhibit A. Mr. Ianniello showed a comparison for the period of April 2020 through March 2021 and April 2021 through December 2021. Chairman Schaunaman requested that Mr. Naegele work with the Administrative Manager to project if the Fund's cash flow will be adequate to cover the Fund's benefits through July 2022, taking into account the UHC benefit cost increase of 7.9% and report back to the Trustees.

C. <u>Cobra Rate Memorandum</u>

Mr. Naegele reviewed the "April 1, 2022 COBRA Rates" memorandum dated February 8, 2022, a copy which is attached to and made a part of these minutes as Exhibit B. He presented the recommended COBRA and Self-Pay rates as of April 1, 2022, the effective date of the Fund's Open Enrollment. The rates cover the period of April 1, 2022 through March 31, 2023.

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

RESOLVED to approve the COBRA and the Self-Pay rates for medical, dental, vision coverage effective April 1, 2022 through March 31, 2023, as follows:

<u>UHC SELF PAY RATES:</u>

<u>NHP HMO Plan with Dental HMO and Vision</u>

Employee Only	**$623.99**
Employee Plus One	**$1,308.00**
Family	**$1,842.98**

<u>UHC HMO Plan with Dental PPO and Vision</u>

Employee Only	**$862.07**
Employee Plus One	**$1,807.61**
Family	**$2,554.62**

<u>UHC POS Plan with Dental PPO and Vision</u>

Employee Only	**$862.07**
Employee Plus One	**$1,807.61**
Family	**$2,554.62**

<u>UHC COBRA RATES</u>

<u>NHP HMO Plan with Dental HMO and Vision</u>

Employee Only	**$636.47**
Employee Plus One	**$1,334.16**
Family	**$1,879.84**

<u>UHC HMO Plan with Dental PPO and Vision</u>

Employee Only	**$879.31**
Employee Plus One	**$1,843.76**
Family	**$2,605.71**

UHC POS Plan with Dental PPO and Vision

Employee Only	**$879.31**
Employee Plus One	**$1,843.76**
Family	**$2,605.71**

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

IV. ATTORNEY'S REPORT

Ms. Phillips distributed a report titled "Trustees Report" dated February 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.

B. Payroll Audits

Ms. Phillips provided the following payroll audit status report:

B & M Marine Construction, Inc. - In process of gathering documents
BHI Specialty Services - In process of gathering documents
Bigge Crane & Rigging Company – Have not responded yet
HJ Foundation Company – Have not responded yet
DLS Prestressed, Inc. – In process of setting up a field visit date
Malcolm Drilling Company, Inc. – Have not responded yet

C. No Conflict of Interest

No Conflict of Interest Acknowledgement will be sent out through Docusign for everyone to sign.

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

Ms. Phillips requested an increase to Phillips, Richard and Rind's fee arrangement with the Fund from previous rate $285 per hour to $310 per hour, reminding the trustees that the last increase was in 2019. 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 $310 per hour.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for December 31, 2021, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported total assets for the month of December 2021 were $1,587,610.31 compared to $1,252,326.39 for December 2020. He reported that for the month of December 2021, the Fund had total receipts of $760,953.40 and total expenses of $777,398.84, resulting in a deficit of $16,445.44.

B. Disbursements

Mr. Ianniello presented the expense check register for December 2021, which indicated total disbursements of $778,186.96.

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 there was one death benefit claim pending to a beneficiary since the previous Board meeting.

D. Retirees Who Qualified for Free Life Insurance Report

Mr. Ianniello said that no Central Pension Fund retirees qualified for free life insurance coverage under the Health & Welfare Plan since the previous Board meeting.

VI. OTHER FUND BUSINESS

Mr. Ianniello reported the following:

A. Crime Policy renewal

The Fund's Crime Policy was renewed through November 30, 2024.

B. Form 5500

The Fund auditor filed Form 5500 for Plan year ended March 31, 2020 on December 10, 2021.

C. Form 990

The Fund auditor advised the Fund's Form 990 for Plan year ended March 31, 2020 would be filed by the February 15, 2021 deadline.

D. Summary Annual Report

Summary Annual Report for the plan year ended March 31, 2021 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.

VII. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, May 12, 2022 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,

____

Jonathan Turk, Fund Secretary

These Minutes were adopted on ________________________.

Attachments:

Exhibit A: Hours and Contributions Report, April 2020 through December 2021
Exhibit B: Segal COBRA Rate Memorandum
Exhibit C: Fund Counsel's Trustees Report
Exhibit D: Income and Expense Statement, December 31, 2021