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 13, 2025
VIA VIDEOCONFERENCE
(DRAFT)

The following Trustees were present:

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

Also present were:

T. Dubose – Legacy Wealth Management
J. Herron - Associated Administrators, LLC
J. Ianniello - Associated Administrators, LLC
E. Naegele - Segal
K. Phillips - Phillips, Richard & Rind, PA
M. Smith - Apprenticeship Director
B. Sudler – Brown & Brown Insurance

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 November 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 November 14, 2024.**

III. HEALTH CONSULTANT'S REPORT

A. Brown & Brown Insurance

The Trustees welcomed Mr. Bob Sudler from Brown & 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 had been completed, effective April 1, 2025. Mr. Sudler had several discussions with UHC regarding shock claims. UHC agreed to renew this year at plus 2% with the same benefits. Mr. Sudler stated there would be a 0% increase in Dental and Vision benefits.

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

> **RESOLVED, to approve the renewal rate of 2% with UHC effective April 1, 2025.**
>
> **United/NHP HMO**
> **Employee Only: $714.55**
> **Employee plus one: $1,518.67**
> **Family: $2,122.69**
>
> **United/ Out of State**
> **Employee Only: $830.80**
> **Employee plus one: $1,765.74**
> **Family: $2,468.02**

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 ("Segal") to the meeting.

Mr. Naegele reviewed information in the report about the Fund's experience and budget projections, a copy of which is attached and made a part of these minutes as Exhibit A.

Based on current income and expense calculations and Segal's standard forecasting assumptions, the Fund is projected to have 5.5 months of reserves at the end of 2026 and 5.5 months by the end of the fiscal year 2027. Mr. Naegele calculated a break-even Health & Welfare Contribution rate of $7.11 for the fiscal year 2025. The projected break-even contribution rate for the year ending March 31, 2026, is $7.45 based on the projected expenses and hours.

The Trustees thanked Mr. Naegele 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.

A. 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 February 4, 2025, the portfolio's market value was $1,062,431. The portfolio had an investment gain of $10,750 from October 31, 2024 through February 4, 2025

Mr. DuBose said that the asset allocation as of February 4, 2025, was 75.94% in bonds, 11.52% in US stocks, 6.65% in cash, 5% non-classified, 0.21% in non-US stocks, and 0.69% in other.

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

V. ATTORNEY'S REPORT

Ms. Phillips distributed the "Trustees Report" dated February 13, 2025, a copy of which is attached to and included in these minutes as Exhibit C.

A. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving

1. **PCI Energy Services, LLC** – Requested a waiver of late fees and attorney fees in the total amount of $5,461.89 due to unforeseen technical issues that resulted in the late remittance of the March 2024 contributions. PCI Energy Services is eligible for a waiver per the collection policy of the Trust.

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

RESOLVED, to waive the fund's pro rata share of fees in the amount of $5,461.89.

2. **M.J. Harrison Leasing, Inc.** – Requested a waiver of late fees and attorney fees in the total amount of $4,748.92 due to unforeseen technical issues that resulted in the late remittance of the March 2024 contributions. PCI Energy Services is eligible for a waiver per the collection policy of the Trust.

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

RESOLVED, to waive the fund's pro rata share of the fees in the amount of $4,748.92.

B. Payroll Audit Selection

Five companies were randomly selected for this year's payroll audits. They will receive letters advising them of this.

1. **Concrete Erectors**
2. **Betancourt Construction**
3. **Keller North America**
4. **Chuck's Backhoe Services**
5. **Gold Coast Crane**

C. Williams Industrial Services

Ms. Phillips reported receiving correspondence regarding Williams Industrial Services' bankruptcy. After researching, she found that the Fund does not need to act on the notice at this time.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for December 31, 2024, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported that total assets for December 2024 were $2,614,993.81 compared to $2,803,381.91 for December 2023. He noted that for December 2024, the Fund had total receipts of $1,042,225.63 and total expenses of $923,855.99, resulting in a gain of $118,369.64.

B. <u>Excess Reserves</u>

After careful consideration, the Trustees concluded that it may not be in the best interest to continue holding almost 2.5 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 the remaining balance of $230,812.14 from the checking account towards the Union Loan.**

C. <u>Disbursements</u>

Mr. Ianniello presented the expense check register for December 2024, which indicated total disbursements of $942,891.09.

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

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

D. <u>Death Benefit Claims Report</u>

Mr. Ianniello reported five death benefit claims had been reported since the previous Board meeting.

E. <u>Retirees Who Qualified for Free Life Insurance Report</u>

Since the previous board meeting, Mr. Ianniello reported that two members qualified for free life insurance coverage under the Health & Welfare Plan.

VII. <u>OTHER FUND BUSINESS</u>

A. <u>Summary Annual Report</u>

The Summary Annual Report for the plan year ended March 31, 2024, 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. <u>H&W Appeal</u>

Mr. Ianniello reported that the Fund Office had received an appeal for the non-payment of Mr. Kenneth Morgan's life insurance policy. The appeal needed to be heard by the Board of Trustees.

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

RESOLVED, to approve payment of the life insurance policy for Mr. Kenneth Morgan.

C. <u>Conflict of Interest Forms</u>

Conflict of Interest forms were sent to the Trustees via DocuSign on January 23, 2025.

D. <u>Chairman Mark Schaunaman's Retirement</u>

Mr. Ianniello reported that he received a communication that Chairman Schaunaman was retiring effective March 27, 2025. Chairman Schaunaman is appointing Mr. Wally Utreras as the Chairman of the Board.

Mr. Ianniello requested the Board of Trustees approve any signature changes needed to remove Chairman Schaunaman and add Mr. Utreras.

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

RESOLVED, to approve any signature changes needed to make Mr. Wally Utreras Chairman of the Board of Trustees.

VIII. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, May 15, 2025, at 9 a.m., via videoconference.

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: Health Benefits Report, February 13, 2025
Exhibit B: 2024 Legacy Wealth Management Investment Report February 13, 2025
Exhibit C: Trustees Report from Fund Counsel, February 13, 2025
Exhibit D: Income and Expense Statement, December 31, 2024