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 15, 2024
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

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 9, 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 November 9, 2023.**

III. INVESTMENT CONSULTANT'S REPORT

1. Performance Report

Mr. DuBose reviewed a report titled "Portfolio Review," which is attached to and made a part of these minutes as Exhibit A. Mr. DuBose discussed information from the report with the Trustees. As of February 2, 2024, the portfolio's market value was $1,005,447. The portfolio had an investment gain of $2,461 for the period December 5, 2023, through February 2, 2024.

Mr. DuBose discussed the Investment Policy for the Health and Welfare Fund as this is a new account; he questioned if the Trustees wanted to follow the Apprenticeship Fund's Investment Policy or create a new one for the Health & Welfare Fund.

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

> **RESOLVED, to have the Health and Welfare Fund's Investment Policy match the Apprenticeship Fund's Investment policy. Counsel will work on the amendment.**

Mr. Dubose asked the Trustees if they would prefer to keep SEI as the custodian of assets. Mr. Dubose advised that moving the assets to LPL instead of SEI would make it easier to access the funds.

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

> **RESOLVED, to move the custodian of assets from SEI to LPL.**

IV. HEALTH CONSULTANT 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 B.

Based on current income and expense calculations and Segal's standard forecasting assumptions, the Fund is projected to have 3.7 months of reserves at the end of 2025 and 3.0 months by the end of the fiscal year 2026. Mr. Naegele calculated a break-even Health & Welfare Contribution rate of $6.83 for the fiscal year 2024. The projected break-even contribution rate for the year ending March 31, 2025, is $7.26 based on the projected expenses and hours.

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

V. <u>ATTORNEY'S REPORT</u>

Ms. Phillips distributed the "Trustees Report" dated February 15, 2024, a copy of which is attached to and made a part of these minutes as Exhibit C.

A. <u>Delinquency and Collections</u>

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

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

2. **<u>R & S Concrete South, Inc.</u>** – Still owe $168.18 service fees – Collection fee notice mailed January 30, 2024

3. **<u>North American Crane & Rigging, LLC</u>** – made all outstanding payments, and no monies are due.

4. **<u>Concrete Erectors, Inc.</u>** – A late payment letter was mailed for $1,272.37 in late payments from August through November 2023.

B. <u>Payroll Audits</u>

Ms. Phillips provided an update on the current Collection Procedures and how the Trustees can improve the process and the cost of the payroll audits. Ms. Phillips and Mr. Ianniello proposed that the Collection Policy be amended to say that five random audits are completed annually and that all participating employers contributing over $200,000 annually be audited at least once every five years. The remaining employers will be audited based on two per year, and all employers will continue to be selected randomly.

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

> **RESOLVED to amend the Collection Policy to say that five annual random audits are completed annually and that all participating employers contributing over $200,000 annually be audited at least once every five years. The remaining employers will be audited based on two per year, and all employers will continue to be selected randomly.**

C. <u>Trust Document</u>

Ms. Phillips asked the Trustees if she could look at the Trust document for the Fund and amend or update anything that was outdated. She would present any changes at the next Trustee meeting for the Trustees to vote on.

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

> **RESOLVED, to authorize Ms. Phillips to update the Trust document for the Fund.**

D. <u>Medical Renewal with UHC</u>

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

> **RESOLVED, to ratify the medical renewal with UHC that was voted on between meetings.**

VI. <u>ADMINISTRATIVE MANAGER'S REPORT</u>

A. <u>Income and Expense Statement</u>

Mr. Ianniello reviewed the Income and Expense Statement for December 31, 2023, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported that total assets for December 2023 were $2,803,381.91 compared to $2,647,280.73 for December

2022. He reported that for December 2023, the Fund had total receipts of $916,669.25 and total expenses of $878,125.38, resulting in a gain of $38,543.87

B. Disbursements

Mr. Ianniello presented the expense check register for December 2023, which indicated total disbursements of $2,291,815.30.

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 no death benefit claims had been reported since the previous Board meeting.

D. Retirees Who Qualified for Free Life Insurance Report

Mr. Ianniello reported that since the previous Board Meeting, two members qualified for free life insurance coverage under the Health & Welfare Plan.

VII. OTHER FUND BUSINESS

A. Summary Annual Report

The Summary Annual Report for the plan year ended March 31, 2023, 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. Payroll Audit Selection

Five companies were randomly selected for this year's round of payroll audits. They will be receiving letters in the mail to notify them.

1. **B & M Marine Construction, Inc.**

2. **Shoreline Foundation, Inc.**
3. **Maxim Crane Works**
4. **Union Temp Service Inc.**
5. **R & S Concrete South Inc.**

C. Conflict of Interest Forms

Conflict of Interest forms were sent to the Trustees via DocuSign on January 25, 2024.

VIII. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, May 9, 2024, 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,

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Jonathan Turk, Fund Secretary

These Minutes were adopted on __________________________.

Attachments:

Exhibit A: Legacy Wealth Management Investment Report February 15, 2024
Exhibit B: Health Benefits Report, February 15, 2024
Exhibit C: Trustees Report from Fund Counsel, February 15, 2024
Exhibit D: Income and Expense Statement, December 31, 2023