



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, MAY 12, 2022
VIA VIDEOCONFERENCE**

The following Trustees were present:

LABOR TRUSTEES

M. Schaunaman, Chairman
J. Mullen
S. Singer
W. Utreras

MANAGEMENT TRUSTEES

J. Epperson
M. Harrison

Also present were:

D. Bellows – Bellows CPA's
J. Herron - Associated Administrators, LLC
J. Ianniello - Associated Administrators, LLC
E. Naegle - The Segal Company
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 February 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 February 10, 2022. as presented.

III. AUDITOR'S REPORT

The Trustees welcomed Ms. Dina Bellows-Levine from Bellows Associates, CPA. to the meeting.

Ms. Bellows-Levine presented engagement letters for the annual audit and preparation of the IRS Form 990, copies of which are attached to and made a part of these minutes as Exhibit A. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the engagement of Bellows Associates, CPA to perform the annual audit and to prepare the IRS Form 990 for the plan years ending March 31, 2023, March 31, 2024, and March 31, 2025 as presented in engagement letters dated April 1, 2022.

IV. HEALTH CONSULTANT'S REPORT

A. 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 have insufficient income and assets to meet current obligations early in fiscal year 2023.

Mr. Naegele calculated a break-even Health & Welfare Contribution rate of \$6.11 for fiscal year 2022. For the year ending March 31, 2022, the projected break-even contribution is \$6.55 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 B. Mr. Ianniello showed a comparison for the period of April 2020 through March 2021 and April 2021 through March 2022.

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

V. ATTORNEY'S REPORT

Ms. Phillips distributed a report titled "Trustees Report" dated May 12, 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, United Excavations, Inc. and Shoreline Foundation, Inc.

B. Payroll Audits

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

B & M Marine Construction, Inc. - In process of gathering documents

BHI Specialty Services - In process of gathering documents

Bigge Crane & Rigging Company – In process of gathering documents

HJ Foundation Company – In process of gathering documents

DLS Prestressed, Inc. – Field visit schedules for 5/17/2022

Malcolm Drilling Company, Inc. – In process of gathering documents

C. UHC CONTRACT RENEWAL

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

RESOLVED to ratify the current UHC renewal contract.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for March 31, 2022, 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 March 2022 were \$2,507,016.84 compared to \$1,889,195.32 for March 2021. He reported that for the month of March 2022, the Fund had total receipts of \$1,575,512.29 and total expenses of \$713,618.43, resulting in a surplus of \$861,893.86.

B. Disbursements

Mr. Ianniello presented the expense check register for March 2022, which indicated total disbursements of \$711,453.50.

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.

VII. OTHER FUND BUSINESS

Mr. Ianniello reported the following:

A. Self-Pay and COBRA Letters

Self-Pay and COBRA letters mailed on March 11, 2022.

B. SAR and WHCRA mailed

SAR and WHCRA notices mailed March 9, 2022.

C. Open Enrollment

Open Enrollment packets mailed on March 25, 2022.

D. Creditable Coverage Disclosure

Creditable Coverage Disclosure was filed with CMS on April 29, 2022.

VIII. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, August 11, 2022 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: Engagement Letters, April 1, 2022
- Exhibit B: Hours and Contributions Report
- Exhibit C: Trustees Report from Fund Counsel, May 12, 2022
- Exhibit D: Income and Expense Statement, March 31, 2022