

**U.A. Local 467  
Health & Welfare Trust Fund  
Board of Trustees Meeting  
September 11, 2012**

**Minutes**

1. Call to Order

The regular meeting of the Board of Trustees U.A. Local 467 Health & Welfare Trust Fund was called to order by Chairman Gary Saunders at the U.A. Local 467 Union Hall, 1519 Rollins Road, Burlingame, California. A quorum was present.

2. Roll Call

The following Trustees were present:

Employee

Gary Saunders, Chairman  
Mike Swanson  
Mark Burri  
Pete Dufault

Employer

Scott Strawbridge, Co-Chairman  
Michael Vlaming  
Ken Westphal  
Bill Whitney

Also Present

Marci Vukson and Sid Kaufmann; Kaufmann and Goble  
Dick Grosboll; Neyhart, Anderson, Flynn & Grosboll  
Steven Callow; New Century Partners  
Alex Miller; Hemming Morse Inc.  
James Bishop; White Star Advisors  
Jean Sukovez, Judy Sargent and Debbie Wolfe; United Administrative Services

3. Minutes

A. June 12, 2012

The Trustees discarded the Minutes that were included in the meeting packet. Revised Minutes were distributed and reviewed. Following review, it was **M/S/C** to approve the revised Minutes as presented.

Chairman Saunders requested that going forward that draft copies of the Minutes be sent in one e-mail by fund to him and to all fund professionals. Mr. Saunders will also be mailed a hard copy of the draft Minutes. The professionals were asked to review the Minutes as soon as possible and to send their changes to the Administrator's Office.

4. Communications

A. Envision Rx Options

Envision sent a letter dated July 17, 2012 which noted changes in its formulary status. Notice of the changes were sent to the Participants.

B. Trustee Resignation

Stephen R. Singewald sent the Trustees a letter dated September 5, 2012 resigning as a Trustee on the Fund effective immediately. It was reported that Mr. Singewald served on the Fund for over 30 years.

The Administrator's Office was asked to verify Mr. Singewald's years of service and to forward that information to Chairman Saunders who will send Mr. Singewald a thank you letter on behalf of the Trust Fund. Mr. Singewald was praised for his significant contributions to the Trust and on behalf of the Participants.

The Administrator's Office will obtain a new signature card for Mr. Vlaming who will replace Mr. Singewald as a signer on behalf of the Trust Fund.

C. NCCMP Annual Dues

The Trustees reviewed an invoice from the National Coordinating Committee for Multiemployer Plans (NCCMP) for annual dues for the period of June 1, 2012 to May 31, 2013. The Trustees were in agreement that membership is educational and benefits the Plan and the Plan's Participants. It was **M/S/C** to approve payment of the \$3,000 dues which will be split equally with the Health and Welfare Trust Fund.

5. Delinquency Report

Trustee Swanson distributed the Delinquency Report as of September 11, 2012 relating to several delinquent contractors for the payment of July fringe benefits due by August 20, 2012. He noted that six (6) contractors were 30 days or more past due and he continues to work closely with them to ensure payment. Further, he reported on two (2) contractors that were turned over to the collections attorney. Mr. Swanson said the contractors are experiencing cash flow issues.

The following contractors are 30 days or more past due:

- 1) Ayoob Mechanical owes June and July 2012.
- 2) Dinelli Plumbing owes May, June and July 2012.
- 3) Northern Refrigeration owes for June and July 2012.
- 4) Olsson Plumbing owes June and July 2012.
- 5) Peninsula Air Conditioning owes June and July 2012.
- 6) Roberts Firestop owes April, June and July 2012.

Questions were raised about a few of the delinquencies and the follow-up action to be taken.

Contractors referred for Collections:

- 1) Cal Pacific Plumbing. Legal Counsel reported that Ben Lunch in his office is pursuing a Default Judgment against Cal Pacific as the employer did not respond to the Complaint.
- 2) So. City Refrigeration & Air Conditioning. Legal Counsel said his office is seeking to enforce the Judgment. The last attempt on its bank account yielded no funds. The Company may have a new alias. An investigator may be used to elicit more information.

6. Report by Dick Grosboll, Counsel

A. Summary of Benefits Coverage

Mr. Grosboll distributed a draft of a summary of benefits provided by the Fund that is required by the Department of Labor. He indicated that he just wanted to give the Trustees an idea of the nature of this summary. He said he would review the summary with the Administrator and with the Consultant. Mr. Grosboll reported that the summary of benefits and coverage must be sent to all Participants. He said it could be inserted in the front of the Summary Plan Description. Mr. Grosboll said he would provide an updated summary at a future meeting.

B. Summary Plan Description

Mr. Grosboll said the Summary Plan Description needs to be revised since it has been more than five years since the last revision. It was **M/S/C** to direct Legal Counsel and the professionals to begin revising the Summary Plan Description for all plans.

C. Mental Health Parity Act

Mr. Grosboll said the revised Summary Plan Description will incorporate changes required by the Mental Health Parity Act. He may have a Plan Amendment for a future meeting, but that at this stage the Plan is complying. Mr. Grosboll reminded the Trustees that the Plan is required to provide mental health benefits in a manner similar to how regular medical benefits are provided.

D. Stepchildren Covered Under the Plan

Mr. Grosboll reported on an issue that arose since the last meeting relating to the death of a member's spouse who had a stepchild covered under the Plan. He reported that Plan language relating to continuing coverage for stepchildren will be clarified. The Trustees concurred that it was the intent of the Plan to continue coverage for stepchildren as long as the Participant provides 100% of the stepchild's support and lives with the Participant.

7. Report by Steven Callow, New Century Partners

Mr. Callow distributed and reviewed the New Century Partners quarterly report as of August 31, 2012. He reported that the portfolio was doing well. As of August 31, 2012, the total market value for the Health & Welfare Trust Fund portfolio was \$13,547,599, with \$5,139,648 held in Mutual Funds, \$8,406,449 held in a MetLife Stable Value Funding Contract, and \$1,503 in Cash and Equivalents.

Mr. Callow said the MetLife Contract matures today and he said new contracts are being negotiated. He suggested moving \$3.5 million of the \$8,406,449 to a two-year contract with a rate of .85% and to move \$3.5 million to a three-year contract with a 1.27% rate. Mr. Callow said approximately \$1.4 million would be wired to Wilmington trust for investment in the Vanguard Total Stock Market fund currently held in the account.

8. Report by Kaufmann & Goble

A. Claims Experience 2011 and 2010

Ms. Vukson distributed and summarized the 2012 and 2011 Claims Experience report for information. She reported that claims for the first six months of 2012 are up slightly compared to 2011. She said her office would continue to monitor prescription drug costs which are up about 15% compared to the prior year.

B. Monthly Self-Pay COBRA and Retiree Rates

The Trustees reviewed a list of Monthly Self-Pay Rates by category, by current rate and by the new rates effective January 1, 2013. The Consultant recommended approval of the monthly self-pay rates. It was **M/S/C** to concur with the Consultant's recommendation to approve the new rates effective January 1, 2013.

Chairman Saunders noted that July's self-funded claims increased substantially since members returned to work and they are starting to use their benefit. He reported that \$25,000 is being set aside each month for stop loss claims.

9. Report by Administrator

A. Final IRS COBRA Payment

The Fund received a check in the amount of \$82,619.43 as the final payment for the COBRA subsidy. Ms. Sukovez reported that the refund included \$5,178.43 in interest.

B. E-Mailing of Financial Statements

In response to a question from the Administrator, the Trustees confirmed that they want to receive the financial statements between meetings via e-mail.

10. Assets and Expenses

A. Financial Statements

Following review of the April, May and June 2012 financial statements it was **M/S/C** to accept the financial statements as presented.

Chairman Saunders noted that there was almost \$4.7 million being held in cash as shown on the June 2012 financial statement. He said he asked Ms. Sukovez to calculate how much of the funds could be used for investment purposes and she reported that approximately \$1.8 could be used for investment purposes. It was reported that the interest rate on the Extended Money Market account held at Bridge Bank is  $\frac{3}{4}$  of 1%. Discussion followed. Ms. Sukovez was asked to contact Bridge Bank for a rate for return on a new account and she will report back to Mr. Saunders.

B. Payments of Bills

The Trustees reviewed and discussed the itemized bills. It was **M/S/C** to accept the payment of bills, checks 4844-4893 as presented.

11. Old Business

There was no old business.

12. New Business

A. Department of Labor Re: Form 990

Mr. Miller reported on a new annual disclosure for 501(c)(9) Plans such as this Plan which it appears to require all contributing employers to provide their name, contact information, employer identification or tax identification number, tax status and how much the employer is contributing on an annual basis. The Administrator's Office would determine the amount contributed on an annual basis for the employer. Mr. Miller said the information from the contributing employers is to be included with the Form 990. He said his office would provide the Administrator's Office with a boilerplate letter that will be sent to all contributing employers requesting the information and the Administrator will monitor receipt of the information from the employers. Mr. Miller said the Fund will make its best effort to obtain the information from the employers. It was acknowledged that this is both onerous and impractical requirement, particularly this first year and that the

form may have to include a response that efforts are being made to obtain the information or something to that effect.

B. Request for Fee Increase

Mr. Miller stated verbally that for the financial audit services the total fees increased from \$81,500 to \$88,500 per year effective immediately. It was reported that the fee covers all four trust funds. In response to a question, Mr. Miller said the last fee increase was granted three years ago. It was **M/S/C** to approve Hemming Morse's request for a fee increase. The Trustees confirmed that they continue to be pleased with Hemming Morse's performance.

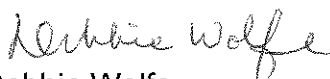
13. Next Meeting Date

The next regular meeting is scheduled on Tuesday, December 11, 2012 at 9:30 a.m. at the U.A. Local 467 Union Hall.

14. Adjournment

There being no further business, it was **M/S/C** to adjourn the Board of Trustees Health & Welfare Trust Fund meeting.

Respectfully submitted,

  
Debbie Wolfe  
Recording Secretary