

**U.A. Local 467  
Health & Welfare Trust Fund  
Board of Trustees Meeting  
June 11, 2013**

**Minutes**

An Executive Session was called prior to beginning the meeting. Trustees, Legal Counsel and the Consultants were present.

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 Mike Swanson at the U.A. Local 467 Union Hall, 1519 Rollins Road in Burlingame, California. A quorum was present.

2. Roll Call

The following Trustees were present:

Employee

Mike Swanson, Chairman  
Mark Burri  
Chris Collins  
Gary Saunders

Employer

Scott Strawbridge, Co-Chairman  
Michael Vlaming  
Ken Westphal, ACCOES

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.  
Pam Barrett, Judy Sargent, Sandy Stephenson and Debbie Wolfe; UAS

3. Minutes

A. March 12, 2013

The Trustees reviewed the Minutes. Following review, it was **M/S/C** to approve the Minutes of March 12, 2013 as presented.

4. Communications

There were no communications.

5. Delinquency Report – Mike Swanson

Chairman Swanson distributed the Delinquency Report as of June 11, 2013 relating to three (3) contractors who were 30 days or more past due and he continues to work closely with them to ensure payment.

- 1) Peninsula Air Conditioning owes March and April 2013
- 2) Pro-Plumbing owes February, March and April 2013
- 3) Robert's Fire Stop owes March and April 2013.

Contractors referred for Collections:

- 1) Cal Pacific Plumbing – Mr. Swanson said \$43,000 was collected from the employer's bank account based on the judgment. Both liquidated damages and principal are still due. A judgment was received which included legal fees.
- 2) South City Refrigeration & Air Conditioning. South City has been late, but the plan office confirmed that April hours were paid.

Relating to Dinelli Plumbing, it was reported that their delinquency was paid after the received correspondence from the Trust Counsel.

6. Report by Dick Grosboll, Counsel

A. Summary Plan Description

Mr. Grosboll reported that the revision to the Summary Plan Description is in progress. He said he would provide the Administrator and the Consultants with draft copies for review. This will be added to the next agenda for discussion, although the document will not likely be ready for approval until later in 2013.

7. Report by Steven Callow, New Century Partners

The Trustees reviewed the quarterly report for May 31, 2013. Mr. Callow reported that the portfolio was doing well. As of May 31, 2013, the total market value for the Health & Welfare Trust Fund portfolio was \$14,791,390, with \$7,744,044 held in Mutual Funds, \$7,047,056 was held in the MetLife Stable Value Funding Contracts and \$290 in Cash and Equivalents. Mr. Callow said he did not anticipate any changes in the portfolio.

8. Report by Kaufmann & Goble – Marci Vukson and Sid Kaufmann

A. Claims Experience 2013 and 2012

Ms. Vukson distributed and summarized the 2013 and 2012 Claims Experience Report.

**B**     Vision Service Plan Renewal

The Trustees reviewed Vision Service Plan's (VSP) proposed renewal effective June 1, 2013. Ms. Vukson said VSP's renewal rate of \$13.97 is guaranteed for two (2) years for Actives and for Retirees. The increase is 4.25% over the last renewal rate of \$13.4 per member per month. Ms. Vukson said the renewal rate was reasonable, especially considering that there was no increase last year. The Trustees reviewed the history of the VSP rates. The Trustees and participants continue to be satisfied with VSP's service. Following review, it was **M/S/C** to approve VSP's renewal rate increase as proposed, effective June 1, 2013.

**C.**     Kaiser Premium Rate Renewal

The Trustees reviewed Kaiser's premium rate renewal effective September 1, 2013. For Actives and Retirees, the current rate is \$1,251.79 and Kaiser proposed an increase of 1.93%, or \$1,276.01. This represents an annual cost of \$110,443 or \$.09 per hour.

Relating to the Residential Classifications, Kaiser proposed a 0.36% increase for Single, Two-Party and for Family coverage. The Trustees reviewed a history of Kaiser Rates for 2003-2013.

Following review, it was **M/S/C** to approve Kaiser's proposed renewal rate increases for Actives and Retirees and for Residential Classifications effective September 1, 2013.

**D.**     Status of Pharmacy Benefit Manager (PBM) Proposals

Mr. Kaufmann said his office received some information from Truveris, the company that is doing the search for the PBM. Truveris recommended that the Plan stay with Envision unless there are service issues. The Consultant's agreed. Ms. Vukson said her office would obtain another contract from Envision. She said they would bring information to the next meeting for the Trustees to review and decide if a change should be made to Envision as the Plan's Pharmacy Benefits Manager.

Mr. Kaufmann reported that CAN-Rx is working well and that there have been significant savings to the members with no problems reported. He suggested that this be included in the next Union newsletter so the members know the additional mail order prescription drug service is available.

9. Report by Administrator – Pamela Barrett

A. Employee Appeal #05032013A

The Trustees reviewed an appeal relating to the Self-Funded Medical Claims Plan. The participant is requesting that the Preventive Care benefit coverage frequency limitation be reviewed and revised to cover her dependent children's physical examinations annually. Currently, the Plan allows for Routine/Preventive Care for anyone over five (5) years of age for one visit up to \$300 (inclusive of laboratory and radiology work) every twenty-four (24) months.

The Trustees reviewed a letter from the participant dated March 4, 2013, as well as information from the San Carlos School District. Following review and discussion, it was **M/S/C** to change the Plan to allow one (1) physical exam per year effective August 1, 2012 and that the Plan reimburse the participant \$300.00 per child based on this plan change.

Mr. Grosboll said he would bring an Amendment to the Plan for execution by the Trustees at the next meeting.

Based on the amendment, it was **M/S/C** to grant the appeal.

B. Distribution of Summary of Benefits Coverage

It was reported that the Summary of Benefits Coverages (SBC) were mailed to all participants.

10. Assets and Expenses

A. Financial Statements

Following review of the January, February and March 2013 financial statements, it was **M/S/C** to accept the financial statements as presented.

B. Payments of Bills

The Trustees reviewed and discussed the itemized bills. It was **M/S/C** to accept the payment of bills, checks 5007 to 5063 as presented.

11. Review of Financial Audit – Alex Miller

Mr. Miller reviewed a copy of the financial audit for the years ending December 31, 2012 and 2011. He said it was a clean, unqualified opinion. Mr. Miller stated that he still needed information from Mr. Kaufmann's office in order to complete pages 14 and 15 of the audit. Following review of the audit, the Notes to the financial statement were briefly reviewed. It was **M/S/C** to approve the financial audit as presented and to timely file all necessary tax forms, including filing the Form 5500 electronically.

12. Old Business

None.

13. New Business

A. Results of Executive Session  
Request for Proposal (RFP) for Third Party Administrator

Chairman Swanson noted that during the Executive Session, the Trustees discussed the RFP process for the Third Party Administrator. Interviews will be held with three companies on June 24<sup>th</sup>. United Administrative Services' interview will be held at 10:00 a.m.

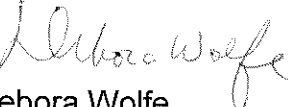
14. Next Meeting Date

The next regular meeting is scheduled on Tuesday, September 10, 2013 at 9:30 a.m. at the U.A. Local 467 Union Hall.

15. Adjournment

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

Respectfully submitted,

  
Debora Wolfe  
Recording Secretary