

**U.A. Local 467
Health & Welfare Trust Fund
Board of Trustees Meeting
March 12, 2013**

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 Mike Swanson 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

Mike Swanson, Chairman
Mark Burri
Gary Saunders
Chris Collins

Employer

Scott Strawbridge, Co-Chairman
Dan Larratt
Michael Vlaming

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, Debbie Wolfe and Theresa McCullough; UAS

Introductions were done by all present.

3. Minutes

A. December 11, 2012

The Trustees reviewed the Minutes. Following review, it was **M/S/C** to approve the Minutes of December 11, 2012 as presented.

4. Communications

There were no communications.

5. Delinquency Report – Mike Swanson

Chairman Swanson distributed the Delinquency Report as of March 12, 2013 relating to several delinquent contractors for the payment of December 2012 fringe benefits due by January 20, 2013. He noted that four (4) contractors were 30 days or more past due and he continues to work closely with them to ensure payment.

- 1) Ayoob Mechanical owes December 2012 and January 2013
- 2) Northern Refrigeration owes December 2012 and January 2013
- 3) Pacific Plumbing owes December 2012 and January 2013
- 4) Robert's Fire Stop owes November, December 2012 and January 2013

Questions were raised about a few of the delinquencies and the follow-up action to be taken. Mr. Swanson noted that the employees of Robert's Fire Stop have been advised of their employer's delinquency.

Contractors referred for Collections:

- 1) Cal Pacific Plumbing
- 2) So. City Refrigeration & Air Conditioning
- 3) Dinelli

Legal Counsel indicated that a Motion for Default Judgment was granted in Cal Pacific.

Legal Counsel noted that a Judgment for \$35,245 was obtained against South City and that efforts to collect on that Judgment are being made.

Legal Counsel indicated that a Complaint was filed against Dinelli.

Ms. Sargent noted that December 2012 work hours are needed for the year end close. The Chairman requested that the Administrator wait to do the year end close for Ayoob Mechanical and Northern Refrigeration, which have sent their checks.

6. Report by Dick Grosboll, Counsel

A. Collection Procedures

Mr. Grosboll distributed a First Draft for the revision of the Delinquency and Collection Procedures. This was reviewed and discussed with the Trustees. Discussion followed regarding Section C on page 1 regarding the "Responsibility Delegated to Chair and Co-Chair of the Trust". Following review, it was **M/S/C** to amend this section to read that the employer become current as well as pay any unpaid principal and liquidated damages. The Chair will seek to keep the delinquencies to no more than 1 to 3 months of principal owing at any time and to give the Chair and Co-Chair discretion to approve the collection procedures following this revision.

B. Recent Developments with the New Health Care Plan and Impact on the Plan

Mr. Grosboll distributed a memo on the California's Health Insurance Exchange Under the Affordable Care Act and noted that there is no impact on this fund because the Plan is self-funded. This memo was for information only and in part for the Trustees to understand what non-signatory employers must be doing in the future.

C. Recent Changes to HIPAA/Impact on the Plan

Mr. Grosboll stated that the HIPAA Privacy Practices will need to be revised because of the recent changes to HIPAA. He will work together on this between meetings with the Administrator and the Consultant.

7. Report by Steven Callow, New Century Partners

The Trustees reviewed the quarterly reports for December 31, 2012 and for February 28, 2013. Mr. Callow reported that the portfolio was doing well. As of February 28, 2013, the total market value for the Health & Welfare Trust Fund portfolio was \$14,194,572, with \$7,159,622 held in Mutual Funds, \$7,034,660 was held in the MetLife Stable Value Funding Contract and \$290 in Cash and Equivalents.

8. Report by Kaufmann & Goble

A. Claims Experience 2012 and 2011

Ms. Vukson distributed and summarized the 2012 and 2011 Claims Experience Report which was for information only.

B. Annual Report

Ms. Vukson distributed an Annual Report for, January 2012 – December 2012 Claims Experience Report for information. She reported the Eligibility History was 8.9%, higher than the 2011 average under additions to net assets. She also reviewed the hours and contributions for 2012. The hours were 1,239,258 on a prorated basis. Contributions including self payments and employer premiums were \$16,800,048 which was a 26% increase over the prior year. It was **M/S/C** to approve the Annual Report as presented.

C. Status of Pharmacy Benefit Manager Proposals

Mr. Kaufmann said they will review Pharmacy Benefits at the next meeting and that a sub-committee will be set up to further follow-up with this topic and the bidding process to replace Envision. A lengthy discussion took place regarding the CRX Plan including the potential issues and theoretical risks. Certain Trustees voiced their support of CRX given the huge anticipated savings to the Participants. One Trustee noted that using CRX had worked out for numerous plans, including some public plans. Both Legal Counsel and the Consultant are in agreement to move forward with the CRX Plan.

D. Fee Increase

Ms. Vukson presented the Actuarial and Consulting Services for 2013 Engagement Letter for a fee increase. Kaufmann and Gobles changes for services will be fixed as a monthly retainer in the amount of \$6,250 for 2013 and \$6,500 for 2014. After discussion regarding the reasonableness of the fees and that the Trustees continue to be pleased with the Consultant's services, it was **M/S/C** to approve the increase in Kaufmann and Goble's retainer as presented.

9. Report by Administrator

A. Summary Annual Report

The Report covered the calendar year for 2011 and was sent out to all members as required on an annual basis.

10. Assets and Expenses

A. Financial Statements

Following review of the October, November and December 2012 financial statements, it was **M/S/C** to accept the financial statements as presented. Trustee Saunders discussed the realized and unrealized gains on the investments section. He will work with the Auditor to categorize this topic more appropriately.

B. Payments of Bills

The Trustees reviewed and discussed the itemized bills. It was **M/S/C** to accept the payment of bills, checks 4948 to 5006 as presented.

11. Old Business

Trustee Saunders inquired whether the Summary of Benefits and Coverage, that was discussed at the prior meeting, had been sent. Legal Counsel, the Consultant and the Administrator will ensure that it is sent soon.

12. New Business

A. Request for Proposal (RFP) for Third Party Administrator

Chairman Swanson asked that an RFP be prepared for Third Party Administrative Services. It was noted that no RFP had been sent for years and that determining the reasonableness of the fees and services was a good idea. It was **M/S/C** to approve this request.

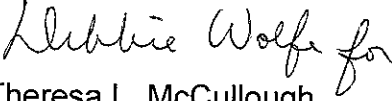
13. Next Meeting Date

The next regular meeting is scheduled on Tuesday, June 11, 2013 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,


Theresa L. McCullough
Recording Secretary