

**U.A. Local 467
Health & Welfare Trust Fund
Board of Trustees Meeting**

June 10, 2014

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 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

Dan Larratt, GBA

Kenneth Westphal, ACCOES

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; WhiteStar

Pam Barrett, Judy Sargent and Joan Keith; UAS

3. Minutes of March 20, 2014

The Trustees reviewed the Minutes. It was **M/S/C** to approve the Minutes of March 20, 2014, as submitted.

4. Communications

There were no communications.

5. Delinquency Report – Mike Swanson

Chairman Swanson distributed the Delinquency Report dated June 10, 2014. The report indicates there are several contractors delinquent for the April 2014 fringe benefits payment due by May 20, 2014.

The report lists five contractors 30 days or more past due, with whom he continues to work closely to ensure payment:

- 1) A H Dittmann Plumbing Co. owes March and April
- 2) A Bryant Plumbing Co. owes February, March and April

- 3) Ayoob Mechanical owes March and April
- 4) Hawk Mechanical owes February and April
- 5) Smith Whitely Refrigeration owes February and April

Contractors who have been turned over to Trust Fund attorneys for collections are:

- 1) South City Refrigeration & Air Conditioning
- 2) Peninsula Air Conditioning Co.

Legal counsel reported that his office is attempting to work out a payment plan with South City and to put pressure on the owner, an order of examination with the Court has been scheduled in July. The Peninsula Air owner has indicated that the company is filing for bankruptcy, but that has not been done yet.

6. Report by New Century Partners – Steven Callow

The Trustees reviewed the quarterly report ending May 31, 2014. Mr. Callow reported the portfolio is doing well. As of May 31, 2014, the total market value for the Health & Welfare Trust Fund portfolio was \$16,437,525, with \$9,333,743 held in Mutual Funds, \$7,103,490 held in the MetLife Stable Value Funding Contracts, and \$291 in Cash and Equivalents.

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

A. Claims Experience for 2013 and 2014

Ms. Vukson summarized the 2013 and 2014 Claims Experience Report. She reported the self-funded medical claims are up significantly, which is to be expected since many people are back to work.

B. Kaiser Renewal

Ms. Vukson reviewed the Kaiser renewal effective September 1, 2014. The renewal reflects a \$.01 cost per hour decrease, which represents an annual savings of approximately \$15,551. It was **M/S/C** to accept the renewal.

The history of Kaiser rates over the last ten years indicates a rate increase of approximately 7.7% per year.

C. Delta Dental Renewal

The Delta Dental renewal effective August 1, 2014 was reviewed. There was no rate change proposed. Members in the Delta Dental Premier plan can now participate in discounts afforded by the Delta Dental PPO plan dentists. The estimated claims impact was reviewed, reflecting a projected savings of 8.25%. It was **M/S/C** to accept the renewal.

8. Report by Administrator – Pamela Barrett

There was no report.

9. Assets and Expenses

A. Financial Statements

Following review of the financial statements for February and March 2014, it was **M/S/C** to accept the financials as presented.

B. Payments of Bills

The Trustees reviewed checks 5207 to 5281. It was **M/S/C** to accept the payment of bills as presented.

10. Report by Counsel – Dick Grosboll

A. Status of Summary Plan Description

Mr. Grosboll reported the Summary Plan Description for the Health and Welfare Plan is almost completed and is expected to be ready for final review by the Trustees during the September meeting.

B. Status of Pending Matters/Other Legal Developments

Mr. Grosboll reviewed his June 5, 2014 memorandum regarding the new requirements for the COBRA General Notice and Election Notice. A revised COBRA notice has been provided to UAS. The Trustees concurred that the COBRA notice should be updated. He also discussed the ACA fees imposed on the Plan.

11. Auditor's Report – Alex Miller

Mr. Miller distributed and reviewed the financial audit of the Health & Welfare Trust Fund for the years ended December 31, 2013 and 2012. Mr. Miller stated the report reflects a positive financial position. The Contributions received by the Trust from employers for each hour worked by participants increased to \$12.23 for the last six months of 2013, as compared with \$11.98 for the period January 1, 2012 to June 30, 2013. The 2004 loan from UA Local 467 is down to \$100,000 and is expected to be paid off in 2014. The mutual funds appreciated significantly during 2013.

Following review of the audit, it was **M/S/C** to approve the financial audit as presented, including the timely filing of the Form 5500, including having the Chair and/or Co-Chair sign the filing.

13. Old Business

A. Ronald Hill Post-Retirement Employment

The Trustees discussed that based on the Plan's practice and rules, Ronald Hill, who had worked as an estimator for a signatory contractor while being retired (without providing notice to the Plan), should be required to reimburse the Plan for the difference between the contractor self-pay rate and the subsidized rate that he paid during the time he worked. Legal counsel was directed to notify Mr. Hill.

14. New Business

There was no new business.

15. Next Meeting Date

The next meeting is scheduled for Thursday, September 18, 2014 and will be held at U.A. Local 467 Union Hall, 1519 Rollins Road, Burlingame, California.

16. Adjournment

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

Respectfully submitted,



Joan Keith
Recording Secretary