

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

March 20, 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

Scott Strawbridge, Co-Chairman Northern Calif. MC/
Dan Larratt, GBA
Michael Vlaming, Industrial Contractors, UMIC, Inc.
Kenneth 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 and Joan Keith; UAS

3. Minutes of December 10, 2013

The Trustees reviewed the Minutes. It was **M/S/C** to approve the Minutes of December 10, 2013, as submitted.

4. Communications

There were no communications.

5. Delinquency Report – Mike Swanson

Chairman Swanson distributed the Delinquency Report dated March 20, 2014. The report indicates there are some contractors delinquent for the January 2014 fringe benefits payment due by February 20, 2014, but he indicated that he was pleased to report that there are no contractors 30 days or more past due.

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

- 1) Peninsula Air Conditioning
- 2) South City Refrigeration

It was noted that this was one of the best Collection reports in some time. The Trustees agreed and expressed their pleasure at the positive report.

6. Report by New Century Partners – Steven Callow

The Trustees reviewed the quarterly report ending February 28, 2013. Mr. Callow reported the portfolio is doing well. As of November 30, 2013, the total market value for the Health & Welfare Trust Fund portfolio was \$16,184,366, with \$9,080,585 held in Mutual Funds, \$7,103,490 held in the MetLife Stable Value Funding Contracts, and \$291 in Cash and Equivalents. The Trustees indicated their approval with the investment yields for the Plan during 2013.

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

A. Annual Report

Ms. Vukson distributed the Annual Report for January 2013 - December 2013 Claims Experience. She reported the Eligibility History was 1.7% higher than the 2012 average. She also reviewed the hours and contributions for 2013. It was **M/S/C** to approve the Annual Report as presented.

B. Anthem JAA Renewal

Ms. Vukson reviewed the Blue Cross renewal. Both the California and out-of-state rates increased by 3.0%. As there was no increase in the JAA product fee, the overall increase is 2.5% and 2.6% respectively. It was **M/S/C** to accept the renewal.

8. Report by Administrator – Pamela Barrett

A. Summary Annual Report

Ms. Barrett reviewed the Summary Annual Report and noted that the report was mailed on December 15, 2013.

9. Assets and Expenses

A. Financial Statements

Following review of the financial statements for October, November and December 2013, and January 2014, it was **M/S/C** to accept the financial statements as presented.

B. Payments of Bills

The Trustees reviewed checks 5172 to 5206. 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 has been reviewed by the Administrative Office. He expects that a Restated draft of the SPD will be distributed for the next meeting.

B. Update on New Health Care Law and the Plan

Mr. Grosboll provided a summary of key changes applicable to grandfathered health plans under the Affordable Care Act. He stated that he will work with the Trust Fund office to ensure that the Plan remains in compliance.

C. Amendment to Address Dependent Children – Required by ACA

Mr. Grosboll reviewed Plan Amendment Six to the U.A. Local 467 Health and Welfare Plan, which complies with PPACA's requirement for grandfathered health plans to extend group health coverage to children until age 26, even if the child is eligible for coverage under a different group health plan. It was noted that the Trust health plans have been reviewed and deemed compliant. Mr. Grosboll responded to questions of the Trustees.

It was **M/S/C** to adopt the amendment, as written.

D. Amendment Adopting One Year Statute of Limitations Period

It was recommended by Mr. Grosboll that the Trust adopt Plan Amendment Seven to the U.A. Local 467 Health and Welfare Plan, which establishes a one year period for a lawsuit to be filed in the event of a denied appeal or adverse action. Mr. Grosboll noted that this limitation applied primarily to benefit claim disputes. The Trustees discussed that having a speedy resolution of benefit disputes was in the best interests of the Participants and the Plan. It was determined that a one-year rule, which is a similar limitation period for negligence actions in state court, was reasonable and provided Participants with sufficient time to determine whether to file a lawsuit. It was noted that Trustees and advisors can change and that evidence can be misplaced or lost after time has elapsed. These were additional reasons to have a one-year rule. The Trustees indicated their agreement with counsel's recommendation that a one-year limitation was reasonable.

It was **M/S/C** to adopt the amendment, as written.

11. Auditor's Report – Alex Miller

Mr. Miller had no report.

12. Old Business

There was no old business.

13. New Business

During the Defined Benefit Plan meeting, Mr. Grosboll reviewed the correspondence of March 12, 2014 by the administrative office to Ronald Hill, which informed him of the suspension of pension benefits and termination of retiree medical benefits. This resulted from the knowledge that he was working in the Plumbing and Pipefitting Industry, which is a violation of the rules of the Health & Welfare. Once the findings are conclusive, Mr. Hill will be required to repay Health Benefits and/or premiums paid.

14. Next Meeting Date

The next meeting is scheduled for Tuesday, June 10, 2014 and will be held at U.A. Local 467 Union Hall, 1519 Rollins Road, Burlingame, California.

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,



Joan Keith
Recording Secretary