

**UA Local 467
Health & Welfare Trust Fund
Board of Trustees Meeting**

March 23, 2015

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

Employer

Scott Strawbridge, Co-Chairman Northern Calif MCA
Dan Larratt, Daniel Larratt Plumbing Inc
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
James Bishop, WhiteStar Advisors
Alex Miller; Hemming Morse, Inc
Judy Sargent, Pam Barrett, Sandy Stephenson and Joan Keith, UAS

3. Minutes of December 9, 2014

The Trustees reviewed the Minutes. It was **M/S/C** to approve the Minutes of December 9, 2014, as submitted.

4. Delinquency Report – Mike Swanson

Chairman Swanson distributed the Delinquency Report dated March 23, 2015. The report indicates there are several contractors delinquent for their January 2015 fringe benefits payment due February 20, 2015.

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

- 1) Keyco Construction owes December 2014.
- 2) Northern Refrigeration owes December 2014 and January 2015.
- 3) Pro at Pro Plumbing owes December 2014 and January 2015.
- 4) Robert's Firestop owes December 2014 and January 2015.

Trust counsel provided an update on the three matters in which it is involved, as follows:

- 1) A. Bryant Plumbing Co. – Bryant has made the final payment.
- 2) South City Refrigeration & Air Conditioning – Payment plan is current.
- 3) Peninsula Air Conditioning Co. – A Default Judgment has been requested of the Court.

5. **Report by New Century Partners – Steven Callow**

The Trustees reviewed the quarterly report ending February 28, 2015. As of February 28, 2015, the total market value for the Health & Welfare Trust Fund portfolio was \$17,533,179, with \$10,419,589 held in Mutual Funds, \$7,113,544 held in the MetLife Stable Value Funding Contracts, and \$46 in Cash and Equivalents.

6. **Report by Kaufmann & Goble – Marci Vukson and Sid Kaufmann**

A. **Annual Report**

Ms. Vukson distributed the Annual Report for January 1, 2014 through December 31, 2014. She reported the Eligibility History was 1.9% higher than the 2013 average. She also reviewed Additions to Net Assets, Deductions from Net Assets, Summary of Experience and Projections, and General Health Care and Economic Trends. Ms. Vukson responded to numerous questions of the Trustees. The Trustees complimented and thanked Ms. Vukson on the thoroughness of the Annual Report.

B. **Claims Experience for 2014**

Ms. Vukson summarized the 2014 Claims Experience Report.

C. **VSP Renewal**

Ms. Vukson reviewed the Vision Service Plan renewal, effective June 1, 2015, which reflects a 3.01% rate increase. There was discussion that the fee remains competitive. After review and general agreement that the Trustees and Participants continue to like VSP, it was **M/S/C** to approve the renewal.

7. **Report by Administrator – Pamela Barrett**

Ms. Barrett reviewed Employee Appeal #03202015A. The participant requested that his self pay premiums be refunded by the Plan due to hardship for the time period October 2009 – July 2011. After discussion, it was **M/S/C** to deny the appeal based on Plan rules. Legal counsel noted that the Participant had set forth no lawful grounds under which the Trustees could grant the appeal.

8. **Assets and Expenses**

A. **Financial Statements**

The Trustees reviewed the financial statements for October, November and December 2014, and January 2015. It was **M/S/C** to accept the financials as presented.

B. **Payments of Bills**

The Trustees reviewed checks 5391 to 5445. It was noted that there were no unique bills. It was **M/S/C** to accept the payment of bills as presented.

9. **Report by Counsel – Dick Grosboll**

A. **Summary Plan Description Distributed**

Mr. Grosboll was pleased to inform the Trustees that the Summary Plan Description and Plan Document for the Health and Welfare Plan has been published. He and UAS distributed a booklet to each Trustee. It was noted that the booklet was restated as of January 1, 2015. Mr. Grosboll expressed his thanks to UAS and Kaufmann & Goble for their help on the booklet.

B. **Affordable Care Act – Shared Responsibility and Reporting**

Mr. Grosboll distributed a summary of the ACA shared responsibility and minimum essential coverage reporting requirements that was prepared by his colleague, Lois Chang. He summarized the memo and answered questions.

C. **Memo re: Revised Summary of Benefit Coverage**

Mr. Grosboll reviewed the new proposed rules on Summary of Benefit Coverage (“SBC”) requirement, noting that the SBC will have to be revised.

D. **Status of Pending Matters/Recent Developments**

Mr. Grosboll discussed the stop loss carrier’s policy on coverage of bone marrow transplant and its potential effects. He explained that a dispute has developed between HCC Life Insurance Company, the stop loss carrier, and the Plan concerning reimbursement for a bone marrow transplant. The stop-loss carrier refused to reimburse the Plan for the cost of the bone marrow transplant because of a Plan exclusion for organ transplants. The position of the Plan is that a bone marrow transplant is not an organ transplant. The Trustees indicated their support of the Plan’s position. Legal counsel indicated that he is working with UAS on gathering information and providing a response. He will provide an update on this issue at the next Trust meeting.

10. **New Business**

A. **Pacific Coast Trane – Overpayment of Fringe Benefit Payments**

Mr. Swanson explained that due to a member having overstated his hours worked, Pacific Coast Trane is requesting overpayment of fringe benefits. If the upcoming hearing finds overpayment to be in order, it is **M/S/C** to authorize UAS to pay overpayment of fringe benefits.

B. **Local 38 Reciprocity**

Mr. Grosboll referenced the letter from the Chairman of the U.A. Reciprocity Committee written to all UAS business managers, dated January 28, 2015, regarding the Local 38 Funds' decision to pull out of the U.A. Reciprocity Agreements, effective February 1, 2015, and the resulting dispute. After discussion, it was **M/S/C** to approve an amendment to the HRA policy relating to travelers working in the territory of U.A. Local 38.

Legal counsel summarized the current situation with the fact that the UA Local 38 Trust Funds have withdrawn from the UA Reciprocity Agreement and requested that Plans such as the UA Local 467 Trust funds sign a separate agreement with the Local 38 Funds. There was considerable discussion about the reciprocity status and the potential impact on the Participants. It was agreed that because the arbitration between the UA 38 Trust Funds and the UA International was still pending, no action should be taken at this time. It was acknowledged that there was too much uncertainty and many questions.

C. **Health Care for Domestic Partners**

There was a discussion regarding the provision of health care for domestic partners. Mr. Grosboll indicated that he thought the Plan was in compliance.

11. **Next Meeting Date**

The next meeting is scheduled for Tuesday, June 9, 2015 and will be held at U.A. Local 467 Union Hall, 1519 Rollins Road, Burlingame, California.

12. **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