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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS HEALTH & WELFARE FUND THURSDAY, AUGUST 9, 2018 MIAMI LAKES, FLORIDA

The following Trustees were present:

LABOR TRUSTEES	**MANAGEMENT TRUSTEES**
M. Schaunaman, Chairman	J. Turk, Secretary-Treasurer
J. Mullen	J. Epperson
	M. Harrison
	F. Villella

Also present were:

D. Clutts – Associated Administrators, LLC
L. DuVall – Associated Administrators, LLC
J. Hart – SEI Global Institutional Group (via teleconference)
D. McCullers – Apprenticeship Director
K. Phillips – Phillips, Richard & Rind, PA

I. CALL TO ORDER

A quorum being present, Chairman Schaunaman called the meeting to order.

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on May 31, 2018, which were circulated to the Trustees in advance of the meeting. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the minutes of the regular Board meeting held on May 31, 2018 as presented.**

III. INVESTMENT CONSULTANT'S REPORT

The Trustees welcomed Mr. John Hart from SEI Global Institutional Group to the meeting via teleconference.

Performance Report

Mr. Hart discussed SEI's Quarterly Investment Review Second Quarter 2018 dated August 9, 2018, a copy of which is attached to and made a part of these minutes as Exhibit A. Mr. Hart stated that the market value of the Fund assets in the total portfolio as of June 30, 2018, was $3,496,742. The fiscal year-to-date net return was -0.15% compared to the total index return of 0.05%. The Fund's total portfolio had a net return of 5.27% compared to the total index return of 4.45% for the period June 1, 2010 to June 30, 2018. The asset allocation was 73.3% in fixed income and 26.7% in equity. Mr. Hart discussed reviewing asset allocations and will present this at the next meeting.

The Trustees thanked Mr. Hart for his report and excused him from the meeting.

IV. ATTORNEY'S REPORT

Ms. Kathleen Phillips distributed a report titled "Trustees Report" dated August 9, 2018, a copy of which is attached to and made a part of these minutes as Exhibit B.

A. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving American Empire Builders, Florida Rigging & Crane Company, and HJ Foundation Company.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for June 2018, a copy of which is attached to and made a part of these minutes as Exhibit C. She reported total assets for the month of June 2018 were $4,286,336.40 compared to $4,888,387.61 for June 2017. She reported that for the month of June 2018, the Fund had total receipts of $588,424.30 and total expenses of $676,857.05, resulting in a deficit of $88,432.75. Ms. Clutts presented a Comparative Income Statement for the twelve months ended June 30, 2018.

B. Disbursements

Ms. Clutts presented the expense check register for June 2018, which indicated total disbursements of $676,638.81.

C. Death Benefit Claims Report

Ms. Clutts reviewed a list of death benefit claims that were paid during the period of May 2018 through August 2018.

D. Retirees Who Qualified for Free Life Insurance Report

Ms. Clutts reviewed a list of Central Pension Fund retirees who qualified for free life insurance coverage under the Health & Welfare Plan.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED** to accept the Administrative Manager's Report as presented.

VI. OTHER FUND BUSINESS

Chairman Schaunaman stated that Plan participant William Birchfield, Sr. retired in February 2018 and that Fund benefits terminated effective May 31, 2018. Mr. Birchfield contacted the Union concerning COBRA continuation of coverage for his spouse. Mr. Birchfield reported that due to a miscommunication, his spouse had not responded to the COBRA election offering in a timely manner. Mr. Schaunaman asked the Trustees if the Fund could extend the initial COBRA election period to allow the participant's spouse to elect and pay for COBRA benefits retroactively to June 1, 2018 based on the unique circumstances and on a non-precedential basis.

After discussion and on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, on an exception basis, to allow Mrs. Birchfield an opportunity to elect and pay for COBRA continuation of coverage retroactive to June 1, 2018.**

Ms. Clutts reported the following:

A. Cash Disbursements from SEI

Cash disbursements from SEI totaling $150,000 were transferred to the Fund's operating account from June 26, 2018 through July 26, 2018 to pay Fund expenses. From January through July 2018, a total of $700,000 was transferred from SEI to the Fund's operating account to pay Fund expenses.

B. Payroll Audits

The following employers were referred to Bellows Associates, P.A. for random payroll audits: ADF International, Inc.; Enterprise Construction, LLC; Equipment Inspection Services, Inc.; Florida Rigging and Crane Company; LM Heavy Civil, LLC; North American Crane & Rigging, LLC; Sevenson Environmental Services, Inc.; Midwest Steel, Inc.; and United Excavations, Inc.

VII. MEETING DATE AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, November 15, 2018 at 10:00 a.m. in Miami Lakes, Florida.

VIII. ADJOURNMENT

There being no further business to come before the Board of Trustees, the meeting was adjourned.

Respectfully submitted,

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Jonathan Turk, Fund Secretary

These Minutes were adopted on ____________________________________.

Attachments:

Exhibit A: SEI Quarterly Investment Review Second Quarter 2018, August 9, 2018
Exhibit B: Trustees Report from Fund Counsel, August 9, 2018
Exhibit C: Income and Expense Statement, June 30, 2018