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EXECUTIVE DIRECTOR
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October 29, 2020

Mr. Steve Corbeille
 Finance Director/Treasurer
 City of Manitowoc
 900 Quay Street
 Manitowoc, WI 54220

RE: REVIEW OF CONTRIBUTIONS REPORTED TO THE CENTRAL STATES, SOUTHEAST AND SOUTHWEST AREAS HEALTH AND WELFARE FUND

ACCOUNT NO.: 5001950-0200/0201

Dear Mr. Corbeille:

This letter is to confirm our conversation on October 29, 2020, at which time we discussed the results of our review of contributions reported to the Health and Welfare Fund for the period of 2016 through 2018.

The preliminary review adjustments are as follows:

<u>Reason</u>	<u>H & W Amount</u>
Early Termination	\$ 375.70
FMLA	9,915.90
General Misreporting	375.70
Late Activation	42,840.15
Non-Reporting-DPW Employees	<u>52,960.20</u>
 Total Principal	 \$ 106,467.65
 Retroactive Interest (Estimated through 11/27/20)	 <u>\$ 16,538.83</u>
 Total Preliminary Review Adjustments	 <u>\$ 123,006.48</u>

Explanations of the adjustments are as follows:

- Early Termination – employees who continued to receive compensation subsequent to being reported as terminated.
- FMLA – employees who were off work due to an FMLA qualified event but were not properly reported.
- General Misreporting – employees who were working (or received compensation) but were improperly reported as inactive.

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- Late Activation – employees who were not properly reported after meeting the required waiting periods as stated in the collective bargaining agreements. Additionally, in order to verify eligibility under ACA guidelines for part-time employees, an average of 30 hours per week during a respective 12-month measurement/stability period was used for both bargaining units.
- Non-Reporting – DPW Employees – eligible employees who were working in the Department of Public Works (“DPW”) who met the required waiting period but were never reported.

Please review the enclosed schedule which details the amount of the adjustments by employee and the corresponding weeks. If you should note any discrepancies, please provide documentation to support your position by November 27, 2020. The adjustments and related interest, less any disputes for which sufficient documentation is provided, will appear on your account summary. Once the adjustments have been resolved and processed, retroactive interest will be charged in accordance with the Trust Agreement and will continue to accrue until full payment is received.

Finally, to increase efficiency, our review procedures included various sampling techniques and in some cases, results were based upon your representation. Although these techniques provided satisfactory results, they did not verify that all required contributions were recorded for every eligible employee. Therefore, the Fund may retroactively bill your account for contributions relating to the periods included in the review if supporting evidence is subsequently produced.

Thank you for your cooperation during our review. If you should have any questions regarding this matter, please contact Doug Gregg at (847) 232-5755 or me at (847) 939-2326.

Sincerely,



Christopher Koziol
Supervisor
Field Audit Division

CK:bw

Enclosures

cc: Evan Peters, Division Manager, Contributions Receivable
Kathleen McDaniel, City Attorney, City of Manitowoc