

**U.A. Local 467
Defined Benefit Plan Trust Fund
Board of Trustees Meeting**

June 12, 2012

Minutes

1. Call to Order

The regular meeting of the Board of Trustees for the U.A. Local 467 Defined Benefit Plan Trust Fund was called to order by Chairman Gary Saunders at the U.A. Local 467 Union Hall, 1519 Rollins Road, Burlingame, California. A quorum was present.

2. Roll Call

The following Trustees were present:

Employee

Gary Saunders, Chairman
Mike Swanson
Mark Burri
Pete Dufault

Employer

Scott Strawbridge, Co-Chairman
Michael Vlaming
Ken Westphal

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; White Star Advisors
Jean Sukovez, Judy Sargent and Debbie Wolfe; United Administrative Services

3. Minutes

A. March 14, 2012 Minutes

It was **M/S/C** to approve the March 14, 2012 Minutes presented.

4. Communications

None.

5. Delinquency Report

Trustee Swanson distributed the Delinquency Report as of June 12, 2012 relating to several delinquent contractors for the payment of April fringe benefits due by May 20, 2012. He noted that five (5) contractors were 30 days or more past due and he continues to work closely with them to ensure payment. Further, he reported on one (1) contractor that was turned over to the collections attorney.

The following contractors are 30 days or more past due:

Trustee Swanson distributed the Delinquency Report as of June 12, 2012 relating to several delinquent contractors for the payment of April fringe benefits due by May 20, 2012. He noted that five (5) contractors were 30 days or more past due and he continues to work closely with them to ensure payment. Further, he reported on one (1) contractor that was turned over to the collections attorney.

The following contractors are 30 days or more past due:

- 1) Dinelli Plumbing owes March and April 2012.
- 2) Pro Plumbing owes January, February, March and April 2012. Chairman Saunders said if the employer does not pay, benefits for the owner should not be provided.
- 3) Regina Plumbing owes March and April 2012. Mr. Kaufmann said this employer could be reviewed for possible withdrawal liability; however the Trustees indicated that the amount would probably be de minimis.
- 4) Roberts Firestop owes February, March and April 2012.
- 5) Synergy Mechanical owes for July and August 2011. Mr. Grosboll reported that this employer made some payments, but has stopped making payments. He said there is a judgment.

Contractor referred for Collections:

- 1) So. City Refrigeration & Air Conditioning

6. Attorney Report (Dick Grosboll)

A. Update on DOL Fee Disclosure Requirements

Mr. Grosboll provided an overview of the final regulations under Section 408(b)(2) of the Employee Retirement Income Security Act of 1974 (ERISA) relating to requiring fee disclosures by pension plan service providers and fiduciaries managing plan assets. The final regulations are effective on July 1, 2012, and will apply to arrangements entered into after that date as well as to arrangements already in effect. Mr. Grosboll said this notice is similar to the Schedule C notices that are currently being sent to providers annually. This new notice will be sent with the Schedule C's going forward. Mr. Grosboll said after reviewing the responses from the providers, if the Administrator finds anything unusual Legal Counsel will review the response.

B. Rehabilitation Plan

Legal Counsel said the Trustees approved the Rehabilitation Plan which is needed due to the Plan's funding status. It was reported that an additional \$1.10 would be going into the Plan and another \$1.00 was added last year, which should help with

the Plan's Critical Zone Status. Mr. Grosboll said information on the Plan's status must be provided to the government annually. He said he would provide the Rehabilitation Plan for technical approval at the next meeting. Mr. Grosboll said the employer's won't have to pay a surcharge due to the additional contributions that will be contributed to the Plan.

7. Investment Consultant Report, New Century Partners (Steven Callow)

Mr. Callow distributed the U.A. Local No. 467 Pension Trust Fund Defined Benefit Plan Quarterly Presentation of Investments Reported dated May 31, 2012. He summarized his Economic/Market Commentary, and then reviewed portfolio activity during the preceding quarter including some mutual fund sales and purchases, capital contributions made to venture capital and private equity partnerships, and cash distributions received from venture capital and private equity partnerships.

As of May 31, 2012, the \$240,283,083 portfolio was allocated in investments of \$7,262,833 in Common Stocks, \$118,337,079 in Mutual Funds, \$15,482,594 in Real Estate Secured Notes & Bonds, \$16,676,239 in Real Estate Loans, \$11,360,367 in Real Estate Partnerships, \$13,278,301 in Venture Capital, \$49,991,794 in Private Equity, and \$7,893,875 In Cash & Equivalents.

Year-to-date performance spreadsheets were provided for the venture capital and private equity investments, as well as for the overall portfolio.

8. Investment Management Report, WhiteStar Advisors (James Bishop)

Mr. Bishop distributed the 2012 First Quarter Report and reported on the real estate investments and holdings, the cash distributions, principal and interest payments amounts and the market value of the real estate equity investments. The total estimated market value of the real estate portfolio on March 31, 2012 was \$43,312,959, respectively.

The Executive Summary was reviewed in detail. Mr. Bishop discussed an offer that was received on a model home totaling \$2.1 million. Chairman Saunders provided an update on the property. It was noted that the Fund might be able to add two more lots at a later date.

Discussion took place about the golf courses. Mr. Bishop discussed the winterization plan for the first three months of the year. He said the price per golf round has not been increased. He pointed out, however, that the Ritz-Carlton increased its prices by 9.5%.

It was noted that Trunk Traffic has not come back during the recession.

Relating to the office buildings, Mr. Bishop said the lease is in force through June 2014. The current tenant decided to stay and wants to continue to pay rent to use the building for sporadic meetings through this year. The current tenant does not want to buy the building. Mr. Bishop said the building was reappraised and the affordable housing will be included in the values.

Mr. Bishop said a Rewards Club was started where a fee is paid to get into the club. The E-Club was briefly discussed.

WhiteStar Advisors, LLC 2011 First Quarter Report 2012 is on file with the Administrator.

Mr. Bishop responded to questions of the Trustees.

9. Administrator Report; United Administrative Services (Judy Sargent)

A. 408(b)(2) Notices

This agenda item was discussed earlier in the meeting by Legal Counsel.

B. Annual Funding Notice

The Trustees were provided with a copy of the Annual Funding Notice for the plan year beginning January 1, 2011 and ending December 31, 2011 which was sent to all participants.

In response to a question, Mr. Swanson said he did not receive many calls about the Notice. He said it was discussed at a Union Meeting where it was a concern. He said he told the members that the Plan has a funding issue given what occurred in 2008 but it is being addressed. He also said there were some questions, including one about changing the accrual rate to fill in the hole until the fund is at 100% funding. Mr. Swanson said he told the members that this would be a last resort.

10. Approve Retirement Report

Ms. Sargent referenced the New Retiree List dated June 12, 2012. The Trustees reviewed the list. It was **M/S/C** to approve the four (4) retirements as presented. The Retirement List is attached to the Minutes.

11. Assets and Expenses

A. Financial Statements

After a review and discussion, it was **M/S/C** to accept the financial statements for December 2011 and January and February 2012 as presented.

B. Payment of Bills

The Trustees reviewed the itemized bills. Following discussion and questions about specific expenses, it was **M/S/C** to accept the payment of bills, checks 6945 through 6975 as presented.

12. Actuary/Consultant Report; Kaufmann and Goble (Sid Kaufmann)

A. Annual Certification of Plan's Funding Status

The Trustees reviewed Kaufmann and Goble's certification to the Internal Revenue Service dated March 29, 2012 relating to the Plan's Red Zone Status. This was provided for information only. Mr. Kaufmann discussed the Certification and the Plan's status and responded to Trustee questions.

13. Old Business

None.

14. New Business

A. Financial Audit (Alex Miller)

Mr. Miller distributed and reviewed the financial audit for the years ending December 31, 2011 and 2010. He said the audit was an unqualified opinion. He highlighted key elements of the report including the Assets, Liabilities, Total Benefit Obligations, Employer Contributions, the Summary of Significant Accounting Policies and Footnotes. Mr. Miller said he was waiting for information from Ocean Colony Partners in order to complete the audit. He also said he was waiting for appraisal dates, too. This information will be included in the Notes to the audit.

Following discussion, it was **M/S/C** to accept the Hemming Morse, Inc. U.A. Local No. 467 Defined Benefit Plan Independent Auditor's Report and Financial Statements for December 31, 2011 and 2010 and to authorize the timely electronic filing of the Form 5500. The Auditor confirmed that the reports would be timely filed and available for review by all Trustees.

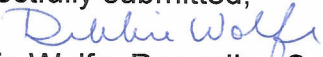
The Independent Auditor's Report and Financial Statements are on file with the Administrator's Office.

15. Next Meeting Date

The next regular meeting is scheduled on Tuesday, September 12, 2012.

16. Adjournment

There being no further business, it was **M/S/C** to adjourn the Board of Trustees Defined Benefit Plan Trust Fund meeting.

Respectfully submitted,

Debbie Wolfe, Recording Secretary

**U.A. LOCAL 467 PENSION TRUST FUND
 DEFINED BENEFIT PLAN
 NEW RETIREE LIST
 JUNE 12, 2012**

NAME	ID #	AGE	BIRTH DATE	VESTING	PENSION	OPTION	AMOUNT	RET DATE
Spaulding, Owen B	2380	57	7/6/1954	13.10	Early Reduced	SLA	\$ 1,041.66	12/01/11
Dinneen, James	7732	55	7/26/57	23.20	Disability	50% J&S	\$ 5,484.90	08/01/12
Harmsworth, Peter	5674	60	6/2/1952	14.40	Early Reduced	50% J&S	\$ 2,947.19	06/01/12
Thompson, Lyle	3068	60	10/9/1951	33.70	Early Non-Reduced	100% J&S	\$ 8,195.34	06/01/12

The Application for pension under Retirement Plan #2 of the following named employee has been checked and found to be in order. The employee is entitled to a monthly pension in the amount stated.

Local Union Number: 467
Name of Retiree: Owen Spaulding
Identification #: XXX-XX- 2380
Retirement Date: December 1, 2011
Monthly Benefit: \$ 1,041.66

Past Service: 0.00 Years
Total Benefit Credit: 12.90 Years
Total Vesting Credit: 13.10 Years

Type of Retirement:

Form of Payment:

 Normal Retirement

XX Life Annuity

 Early Retirement
(Non-Reduced)

XX 36 Month Guarantee

XX Early Retirement
(Reduced)

 Disability Retirement

 50% Joint & Survivor

 Pre-Retirement Death

 75% Joint & Survivor

 100% Joint & Survivor

Comments:

The Application for pension under Retirement Plan #2 of the following named employee has been checked and found to be in order. The employee is entitled to a monthly pension in the amount stated.

Local Union Number: 467
Name of Retiree: James R. Dinneen
Identification #: XXX-XX- 7732
Retirement Date: August 1, 2012
Monthly Benefit: \$ 5,484.90

Past Service: 0.00 Years
Total Benefit Credit: 23.20 Years
Total Vesting Credit: 23.20 Years

 Normal Retirement
 Early Retirement
 (Non-Reduced)
 Early Retirement
 (Reduced)
XX Disability Retirement
 Pre-Retirement Death

 Life Annuity
 36 Month Guarantee
XX 50% Joint & Survivor
 75% Joint & Survivor
 100% Joint & Survivor

Comments:

The Application for pension under Retirement Plan #2 of the following named employee has been checked and found to be in order. The employee is entitled to a monthly pension in the amount stated.

Local Union Number: 467
Name of Retiree: Peter Harmsworth
Identification #: XXX-XX- 5674
Retirement Date: June 1, 2012
Monthly Benefit: \$ 2,947.19

Past Service: 0.00 Years
Total Benefit Credit: 14.40 Years
Total Vesting Credit: 14.40 Years

Type of Retirement:

Form of Payment:

 Normal Retirement
 Early Retirement
 (Non-Reduced)
 XX Early Retirement
 (Reduced)
 Disability Retirement
 Pre-Retirement Death

 Life Annuity
 36 Month Guarantee
 XX 50% Joint & Survivor
 75% Joint & Survivor
 100% Joint & Survivor

Comments:

The Application for pension under Retirement Plan #2 of the following named employee has been checked and found to be in order. The employee is entitled to a monthly pension in the amount stated.

Local Union Number: 467
Name of Retiree: Lyle W. Thompson
Identification #: XXX-XX- 3068
Retirement Date: June 1, 2012
Monthly Benefit: \$ 8,195.34

Past Service: 0.00 Years
Total Benefit Credit: 33.80 Years
Total Vesting Credit: 33.70 Years

Type of Retirement:

Form of Payment:

 Normal Retirement
 XX Early Retirement
 (Non-Reduced)
 Early Retirement
 (Reduced)
 Disability Retirement
 Pre-Retirement Death

 Life Annuity
 36 Month Guarantee
 50% Joint & Survivor
 75% Joint & Survivor
 XX 100% Joint & Survivor

Comments:

**U.A. LOCAL 467 PENSION TRUST FUND
DEFINED BENEFIT PLAN
EX-SPOUSES
JUNE 12, 2012**

#	EX-SPOUSE'S NAME	ID #	MEMBER'S NAME	ID #	PENSION	OPTION	AMOUNT	RET DATE	DATE PAID
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NONE

U.A. LOCAL 467 PENSION TRUST FUND
DEFINED BENEFIT PLAN
PRE-RETIREMENT DEATHS
JUNE 12, 2012

#	NAME	ID #	AGE	BIRTH DATE	VESTING	DATE OF DEATH	OPTION	AMOUNT	DATE PAID
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NONE