

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

June 10, 2014

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 Mike Swanson 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

Mike Swanson, Chairman
Mark Burri
Chris Collins
Gary Saunders

Employer

Dan Larratt, GBA
Kenneth Westphal, ACCOES
Bill Whitney

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; WhiteStar
Judy Sargent, Pam Barrett and Joan Keith; UAS

3. Minutes of March 20, 2014

The Trustees reviewed the Minutes. It was **M/S/C** to approve the Minutes of March 20, 2014, as submitted.

4. Communications

There were no communications.

5. Delinquency Report – Mike Swanson

Chairman Swanson distributed the Delinquency Report dated June 10, 2014. The report indicates there are several contractors delinquent for the April 2014 fringe benefits payment due by May 20, 2014.

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

- 1) A H Dittmann Plumbing Co. owes March and April
- 2) A Bryant Plumbing Co. owes February, March and April
- 3) Ayooob Mechanical owes March and April

- 4) Hawk Mechanical owes February and April
- 5) Smith Whitely Refrigeration owes February and April

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

- 1) South City Refrigeration & Air Conditioning
- 2) Peninsula Air Conditioning Co.

Legal counsel reported that his office is attempting to work out a payment plan with South City and to put pressure on the owner, an order of examination with the Court has been scheduled in July. The Peninsula Air owner has indicated that the company will file for bankruptcy, but that has not been done yet.

6. Report by Legal Counsel – Dick Grosboll

A. Status of Summary Plan Description

Mr. Grosboll reported the Summary Plan Description for the Defined Benefit Plan is being finalized and he expects it will be ready for review at the September meeting.

B. File Restated Plan with IRS by January 31, 2015 – Pursuant to IRS Guidelines

Mr. Grosboll indicated this agenda item is for purposes of reminding the Trustees of this upcoming requirement. He indicated that pursuant to IRS guidelines, Plans have to be restated and submitted to the IRS every five years and that the designated period for multiemployer plans is from February 1 2014, through January 31, 2015. He indicated that the mandatory filing, which will include an IRS filing fee of approximately \$1,000 and attorneys' fees incurred, was unnecessary given that there were not that many required Plan changes since the relatively recent IRS approval. Nonetheless, it will have to be done. Legal counsel indicated that the Plan should be submitted to the Trustees for review and approval by the December Trust meeting. The Trustees concurred with that schedule.

C. Status of Ronald Hill Matter

Ms. Sargent distributed a copy of an email by Mr. Hill sent to the UAS office on June 9, 2014. Mr. Hill asserted that he had verbally communicated to a UAS employee his intention to work as an estimator and as a result, he believes his pension should not be suspended. UAS indicated that the particular UAS employee involved was diligent in noting such conversations and notices and that there was no notation in the file regarding such. The Trustees also noted that it would have been easy for Mr. Hill to have sent an e-mail or some other type of written advance notice of his anticipated work. That was not done. The Trustees discussed the situation and concluded that Mr. Hill had violated the Plan document by failing to obtain advance approval of his work in the Pipe Trades Industry and as a result, his pension benefits should have been suspended during the time he performed such work.

The Trustees discussed that interpreting the Plan literally would mean that Mr. Hill was overpaid by the Plan approximately \$80,000. It was noted that this would have an enormous financial impact on Mr. Hill. The Trustees discussed that it would be in the best interests of Mr. Hill for the Trustees to not suspend his pension benefits during the entire period of his work. The Trustees also noted that Mr. Hill would also owe funds to the Health and Welfare Plan because he should have been paying at the contractor self-pay rate rather than at the subsidized rate. After some discussion about attempting to avoid the severe impact on Mr. Hill, Mr. Grosboll made a recommendation to the Trustees that Mr. Hill be offered a compromise, which includes the suspension of three months of pension benefits and the reimbursement of health benefits subsidized by the Trust (the difference in the contractor rate vs. the subsidized rate). The latter part of the compromise would be approved at the Health and Welfare Trust meeting. There was considerable discussion about the Trustees possibly being too lenient on Mr. Hill while other Trustees agreed that the full benefit suspension would result in a significant detriment to Mr. Hill. After balancing the pros and cons, it was **M/S/C** to accept the recommendation. Mr. Grosboll will notify Mr. Hill of the Trustees' decision. Mr. Grosboll asked the Trustees if they would consider a payment plan should Mr. Hill make such a request; the Trustees agreed they would consider such a request.

D. Suggest Sending Annual Benefit Suspension Notice to Retirees

Mr. Grosboll made a recommendation that the Plan start sending an annual notice to retirees advising them of the Plan's suspension of benefits rules. The Trustees reviewed a first draft of such notice provided by Mr. Grosboll. Mr. Grosboll indicated that providing such an annual notice and requiring a signed statement by retirees at the time they retire indicating they are aware of the benefit suspension rules will be fair to the Participants and reduce the possibility of disputes over notice of such rules. The Trustees agreed that this approach was a good idea and beneficial to the Participants.

Mr. Grosboll will work with Mr. Swanson, Mr. Saunders and UAS to finalize the notice. It was **M/S/C** to authorize sending an annual notice at a time determined by the Chair and UAS and to have retirees sign a statement at the time they retire acknowledging their awareness of the benefit suspension rules.

7. Investment Consultant Report, New Century Partners – Steven Callow

Mr. Callow distributed the portfolio appraisal as of May 31, 2014. He reported the total market value as of May 31, 2014 was \$319,055,342. This breaks down as follows: \$1,492,474 in Common Stock; \$155,977,688 in Mutual Funds; \$10,582,767 in Real Estate Secured Notes & Bonds; \$18,422,135 in Real Estate Loans; \$6,201,491 in Real Estate Partnerships; \$10,280,411 in Venture Capital; \$63,026,145 in Private Equity; and \$53,072,231 in Cash & Equivalents.

The report reflects the overall portfolio is up 2%. Mr. Callow indicated the market is gaining momentum.

8. **Investment Management Report, WhiteStar Advisors – James Bishop**

Mr. Bishop distributed and summarized the 2014 First Quarter Report. He reviewed the real estate investments and holdings, cash distributions, principal and interest payment amounts, and the market value of the real estate equity. The total estimated market value of the Fund's real estate investments as of March 31, 2014 was \$34,954,186. Mr. Bishop responded to questions of the Trustees concerning the real estate investments.

9. **Actuary/Consultant Report; Kaufmann & Goble – Sid Kaufmann and Marci Vukson**

A. Review of Actuarial Valuation

Mr. Kaufmann distributed and reviewed the Annual Certification of the Multiemployer Plan Funding Status report for the plan year 2014. The report reflected the Funded Ratio Certification for 2014 is 82.7%, as compared with 77.7% in 2013. Mr. Kaufmann indicated he expects improvement in the future, but that it will take some time for the Plan to be out of the "yellow zone." The Trustees expressed their pleasure that the Funded Ratio had exceeded the 80% level.

10. **Administrator Report, United Administrative Services – Judy Sargent**

A. Retirement Report

The Trustees reviewed the New Retiree List dated June 10, 2014, which includes seven retirees. It was **M/S/C** to approve the list as presented. The Retirement List is attached to these Minutes.

Ms. Sargent referenced the Pre-Retirement Deaths report, dated June 10, 2014, which indicated there were no pre-retirement deaths during the report period.

B. Retiree Count Report

Ms. Sargent reviewed the Retirement Count Report for 2014, which indicated there have been a total of 14 Retirements and no Disabilities year-to-date. Retirement and Disability Counts for 2013, 2012 and 2011 were also reviewed.

C. Annual Funding Notice

Ms. Sargent reviewed the Annual Funding Notice for the Defined Benefit Plan for the plan year beginning January 1, 2013 and ending December 31, 2013. The Funded Percentage for 2013 was 71.1%, as compared with 67.4% for 2012 and 75.5% for 2011.

11. Assets and Expenses

A. Financial Statements

Following review of the financial statements for February and March 2014, it was **M/S/C** to accept the financial statements as presented.

B. Payment of Bills

The Trustees reviewed the itemized bills. Following review, it was **M/S/C** to approve the payment of bills, checks 7205 - 7253, as presented.

12. Auditor's Report – Alex Miller

Mr. Miller reviewed the financial audit for the years ending December 31, 2013 and 2012. It was **M/S/C** to approve the financial audit as presented and authorize the timely filing of the Form 5500, including having the Chair and/or Co-Chair sign the Form.

13. Old Business

At the wage allocation meeting, Local Union members voted to allocate \$1.00 per hour to the Defined Benefit Plan, effective July 1, 2014 through December 2014. Effective January 1, 2015, \$1.00 per hour will be deferred to the Defined Contribution Plan.

14. New Business

A. Form 8955-SSA for Trustees' Signatures

Ms. Sargent presented the Trustees with the form 8955-SSA for their signatures. Her office will file the form with the IRS.

15. Next Meeting Date

The next meeting is scheduled for Thursday, September 18, 2014 and will be held at U.A. Local 467 Union Hall, 1519 Rollins Road, Burlingame, California.

16. Adjournment

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

Respectfully submitted,



Joan Keith
Recording Secretary



**U.A. LOCAL 467 PENSION TRUST FUND
DEFINED BENEFIT PLAN
NEW RETIREE LIST
JUNE 10, 2014**

NAME	ID #	AGE	BIRTH DATE	VESTING	PENSION	OPTION	AMOUNT	RET DATE
BABA, ALAN	4981	60	11/22/1953	10.10	Early Reduced	100% J&S	\$ 446.87	03/01/14
BOWYER, GEOFFREY	4428	56	2/1/1958	36.70	Early Non-Reduced	50% J&S	\$ 8,076.19	06/01/14
DELAGNES, JON	9868	55	4/13/1959	26.90	Early Non-Reduced	100% J&S	\$ 4,889.02	05/01/14
HAGOPIAN, BRIAN	5081	60	5/13/1954	11.90	Early Reduced	SLA	\$ 175.00	03/01/14
HANSON, WILLIAM	3647	55	3/31/1959	34.80	Early Non-Reduced	100% J&S	\$ 7,254.39	04/01/14
HARAN, CHARLES	5709	71	2/24/1942	12.70	Normal	100% J&S	\$ 206.02	04/01/13
WALL, WILLIAM	9326	63	10/21/1951	14.50	Early Reduced	100% J&S	\$ 1,147.04	06/01/14

**U.A. LOCAL 467 PENSION TRUST FUND
DEFINED BENEFIT PLAN
PRE-RETIREMENT DEATHS
JUNE 10, 2014**

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

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: Alan Baba
Identification #: XXX-XX- 4981
Retirement Date: March 1, 2014
Monthly Benefit: \$ 446.87

Past Service: 0.00 Years
Total Benefit Credit: 9.58 Years
Total Vesting Credit: 10.10 Years

Type of Retirement:

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

Form of Payment:

 Life Annuity
 36 Month Guarantee
 50% Joint & Survivor
 75% Joint & Survivor
 XX 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: Geoffrey Bowyer

Identification #: XXX-XX- 4428

Retirement Date: June 1, 2014

Monthly Benefit: \$ 8,076.19

Past Service: 0.00 Years

Total Benefit Credit: 36.60 Years

Total Vesting Credit: 36.70 Years

Type of Retirement:

Form of Payment:

 Normal Retirement

 Life Annuity

 XX Early Retirement
(Non-Reduced)

 36 Month Guarantee

 Early Retirement
(Reduced)

 XX 50% Joint & Survivor

 Disability Retirement

 75% Joint & Survivor

 Pre-Retirement Death

 100% Joint & Survivor

Comments:

Dated at San Jose, California on 5/28/2014

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: Jon Delagnes
Identification #: XXX-XX- 9868
Retirement Date: May 1, 2014
Monthly Benefit: \$ 4,889.02

Past Service: 0.00 Years
Total Benefit Credit: 26.90 Years
Total Vesting Credit: 26.90 Years

Type of Retirement:

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

Form of Payment:

 Life Annuity
 36 Month Guarantee
 50% Joint & Survivor
 75% Joint & Survivor
 XX 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: Brian Hagopian
Identification #: XXX-XX- 5081
Retirement Date: March 1, 2014
Monthly Benefit: \$ 175.00

Past Service: 0.00 Years
Total Benefit Credit: 4.90 Years
Total Vesting Credit: 11.90 Years

Type of Retirement:

Form of Payment:

 Normal Retirement

XX Life Annuity

 Early Retirement
(Non-Reduced)

XX 36 Month Guarantee

XX Early Retirement
(Reduced)

 50% Joint & Survivor

 Disability Retirement

 75% Joint & Survivor

 Pre-Retirement Death

 100% Joint & Survivor

Comments:

Dated at San Jose, California on 4/9/2014

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: William Hanson
Identification #: XXX-XX- 3647
Retirement Date: April 1, 2014
Monthly Benefit: \$ 7,254.39

Past Service: 0.00 Years
Total Benefit Credit: 34.80 Years
Total Vesting Credit: 34.80 Years

Type of Retirement:

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

Form of Payment:

 Life Annuity
 36 Month Guarantee
 50% Joint & Survivor
 75% Joint & Survivor
XX 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: Charles Haran
Identification #: XXX-XX- 5709
Retirement Date: April 1, 2013
Monthly Benefit: \$ 206.02

Past Service: 0.00 Years
Total Benefit Credit: 12.70 Years
Total Vesting Credit: 12.70 Years

Type of Retirement:

Form of Payment:

XX Normal Retirement

 Life Annuity

 Early Retirement
(Non-Reduced)

 36 Month Guarantee

 Early Retirement
(Reduced)

 50% Joint & Survivor

 Disability Retirement

 75% Joint & Survivor

 Pre-Retirement Death

XX 100% Joint & Survivor

Comments:

Retirement date is 4/1/2013. Received retroactive benefit in the amount of 2,709.43.

Benefit began 5/1/2014.

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: William Wall
Identification #: XXX-XX- 9326
Retirement Date: June 1, 2014
Monthly Benefit: \$ 1,147.04

Past Service: 0.00 Years
Total Benefit Credit: 14.50 Years
Total Vesting Credit: 14.50 Years

Type of Retirement:

Form of Payment:

 Normal Retirement

 Life Annuity

 Early Retirement
(Non-Reduced)

 36 Month Guarantee

XX Early Retirement
(Reduced)

 50% Joint & Survivor

 Disability Retirement

 75% Joint & Survivor

 Pre-Retirement Death

XX 100% Joint & Survivor

Comments:

