

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

March 20, 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

Scott Strawbridge, Co-Chairman Northern Calif. MCA
Dan Larratt, GBA
Michael Vlaming, Industrial Contractors, UMIC, Inc.
Ken Westphal, ACCOES

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.
Judy Sargent, Pam Barrett and Joan Keith; UAS

3. Minutes of December 10, 2013

The Trustees reviewed and discussed the Minutes. It was **M/S/C** to approve the Minutes of December 10, 2013, as submitted.

4. Communications

There were no communications.

5. Delinquency Report – Mike Swanson

Chairman Swanson distributed the Delinquency Report dated March 20, 2014. The report indicates there are some contractors delinquent for the January 2014 fringe benefits payment due by February 20, 2014, but he indicated that he was pleased to report that there are no contractors 30 days or more past due.

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

- 1) Peninsula Air Conditioning
- 2) South City Refrigeration

It was noted that this was one of the best Collection reports in some time. The Trustees agreed and expressed their pleasure at the positive report.

6. Report by Legal Counsel - Dick Grosboll

A. Summary Plan Description

Mr. Grosboll reported the Summary Plan Description for the Defined Benefit Plan is being reviewed by the Administrative Office. He expects the SPD will be finalized and distributed for review at the next meeting.

B. Amendment Adopting One Year Statute of Limitations

It was recommended by Mr. Grosboll that the Trust adopt Plan Amendment Three to the U.A. Local 467 Defined Benefit Pension Plan, which establishes a one year period for a lawsuit to be filed in the event of a denied appeal or adverse action. Mr. Grosboll noted that this limitation applied primarily to benefit claim disputes. The Trustees discussed that having a speedy resolution of benefit disputes was in the best interests of the Participants and the Plan. It was determined that a one-year rule, which is a similar limitation period for negligence actions in state court, was reasonable and provided Participants with sufficient time to determine whether to file a lawsuit. It was noted that Trustees and advisors can change over time and that evidence can be misplaced or lost after time. These were additional reasons to have a one-year rule. The Trustees indicated their agreement with counsel's recommendation that a one-year limitation was reasonable.

It was **M/S/C** to adopt the amendment, as written.

C. Ronald Hill Letter

Mr. Grosboll reviewed the correspondence of March 12, 2014 by the administrative office to Plan retiree, Ronald Hill, which informed Mr. Hill of the suspension of pension benefits resulting from Mr. Hill being observed working in the Plumbing and Pipefitting Industry (and evidence that he provided confirming prior work in the Industry after his retirement), which is a violation of the rules of the Pension Plan. Once the findings are conclusive, Mr. Hill will be required to repay the Pension Plan.

Mr. Grosboll stated that Mr. Hill has a right to appeal the determination. As of the date of the meeting, Mr. Hill had not contacted the administrative office.

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

Mr. Callow distributed the portfolio appraisal as of February 28, 2014. He reported the total market value as of February 28, 2014 was \$324,380,037. This breaks down as follows: \$1,772,806 in Common Stock; \$206,022,341 in Mutual Funds; \$9,535,511 in

Real Estate Secured Notes & Bonds; \$17,952,919 in Real Estate Loans; \$7,180,135 in Real Estate Partnerships; \$10,842,290 in Venture Capital; \$62,467,297 in Private Equity; and \$8,606,738 in Cash & Equivalents.

Mr. Callow indicated that the report reflects the investments are meeting or outperforming perspective benchmarks. Certain Trustees indicated that 2013 was an excellent year for the Plan and that the Plan's yield was impressive.

8. Investment Management Report, WhiteStar Advisors - James Bishop

As Mr. Bishop was not in attendance, Mr. Saunders distributed and summarized Mr. Bishop's 2013 Fourth 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 December 31, 2013 was \$36,572,707.

The Summary was reviewed in detail and Mr. Saunders responded to questions by the Trustees. The Report is attached to these Minutes.

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

Mr. Kaufmann reported that the Plan's funding has improved significantly and that the Plan is close to being in green status. The funding percentage actually exceeds the 80% level; however, the other part of the Actuarial Funding test has not been met yet, but, hopefully, will do so soon. There was discussion regarding raising the contribution in the future. The question was raised as to how members can be informed of the Plan's improvement. Mr. Kaufmann indicated he will have more specific information at the next Trust meeting.

It was noted that the members will be having an opportunity to allocate funds as of July 1, 2014. There was discussion about additional contributions being made to the Plan.

Mr. Kaufmann and Mr. Grosboll both indicated that the increase in the Plan's Funding Status, based on the increased work levels and improved investment returns, means that the Plan is showing progress under the Funding Rehabilitation Plan. The Trustees agreed.

There was discussion about whether the Pension Protection Act ("PPA"), which expires at the end of 2014, will be extended. It was noted that any Plan that was not in the green zone would continue to have to follow the PPA requirements even after the expiration of the PPA. It was noted that this is one reason it would be beneficial to get into the green zone as soon as possible. Discussion took place about whether the PPA would be extended. It was noted that some multiemployer plans, particularly with those in severe financial condition, are lobbying Congress to extend the PPA and to even provide Plan's Boards of Trustees with more options than are currently permitted.

Given the problems with Congress working together, there was skepticism about whether the PPA would be extended.

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

A. **Retirement Report**

The Trustees reviewed the New Retiree List dated March 20, 2014, which included 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 Ex-Spouses report as well as the Pre-Retirement Deaths report, both dated March 20, 2014. The former listed one member; the latter 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 seven Retirements and no Disabilities year-to-date. Retirement and Disability Counts for 2013, 2012 and 2011 were also reviewed.

11. **Assets and Expenses**

A. **Financial Statements**

Following review of the financial statements for October, November and December 2013, and January 2014, it was **M/S/C** to accept the financial statements as presented.

B. **Payment of Bills**

The Trustees reviewed and discussed the itemized bills. Following review, it was **M/S/C** to approve the payment of bills, checks 7182 - 7204, as presented.

12. **Auditor's Report – Alex Miller**

Mr. Miller had no report.

13. **Old Business**

There was no old business.

14. **New Business**

There was no new business.

15. Next Meeting Date

The next meeting is scheduled for Tuesday, June 10, 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
PRE-RETIREMENT DEATHS
March 20, 2013**

| # | NAME | ID # | AGE | BIRTH DATE | VESTING | DATE OF DEATH | OPTION | AMOUNT | DATE PAID |
|---|------|------|-----|------------|---------|---------------|--------|--------|-----------|
|---|------|------|-----|------------|---------|---------------|--------|--------|-----------|

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: Thomas Barber
Identification #: XXX-XX- 8478
Retirement Date: November 1, 2013
Monthly Benefit: \$ 3,432.62

Past Service: 0.00 Years
Total Benefit Credit: 25.00 Years
Total Vesting Credit: 25.00 Years

Type of Retirement:

Form of Payment:

 Normal Retirement

XX Life Annuity

XX Early Retirement
(Non-Reduced)

XX 36 Month Guarantee

 Early Retirement
(Reduced)

 50% Joint & Survivor

 Disability Retirement

 75% Joint & Survivor

 Pre-Retirement Death

 100% Joint & Survivor

Comments:

Dated at San Jose, California on 12/19/2013

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 Participant: Thomas Barber
Name of Ex-spouse: Suzan Barber
Identification #: XXX-XX-8178
Retirement Date: November 1, 2013
Monthly Benefit: \$ 1,278.57

Past Service: 0.00 Years
Total Benefit Credit: 12.12 Years*
Total Vesting Credit: 12.12 Years*

Type of Retirement:

 Normal Retirement
 Early Retirement
 (Non-Reduced)
 Early Retirement
 (Reduced)
 Disability Retirement
 Pre-Retirement Death
 XX Ex-Spousal Benefit (QDRO)

Form of Payment:

 Life Annuity
 36 Month Guarantee
 50% Survivor Benefit
 75% Survivor Benefit
 XX 100% Survivor Benefit

Comments:

*The years is the number of years of credit [participant] earned during the marriage.

Dated at San Jose, California on .

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: Wayne Cardellini
Identification #: XXX-XX- 5914
Retirement Date: June 1, 2007
Monthly Benefit: \$ 219.31

Past Service: 0.00 Years
Total Benefit Credit: 12.75 Years
Total Vesting Credit: 12.75 Years

Type of Retirement:

XX Normal Retirement
 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:

Mr. Cardellini will also receive a lump sum benefit in the amount of \$18,270.97 to pay him back to his Normal Retirement Date of June 1, 2007.

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: Joseph Cassidy
Identification #: XXX-XX- 5824
Retirement Date: January 1, 2014
Monthly Benefit: \$ 7,275.10

Past Service: 0.00 Years
Total Benefit Credit: 30.70 Years
Total Vesting Credit: 31.00 Years

Type of Retirement:

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

Form of Payment:

XX Life Annuity
XX 36 Month Guarantee
 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: Michael Guida
Identification #: XXX-XX- 0159
Retirement Date: March 1, 2014
Monthly Benefit: \$ 8,229.30

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

Type of Retirement:

Form of Payment:

 Normal Retirement

XX Life Annuity

XX Early Retirement
(Non-Reduced)

XX 36 Month Guarantee

 Early Retirement
(Reduced)

 50% Joint & Survivor

 Disability Retirement

 75% Joint & Survivor

 Pre-Retirement Death

 100% Joint & Survivor

Comments:

Dated at San Jose, California on 2/5/2014

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: Miguel A. Lopez
Identification #: XXX-XX- 2577
Retirement Date: February 1, 2014
Monthly Benefit: \$ 3,158.10

Past Service: 0.00 Years
Total Benefit Credit: 14.20 Years
Total Vesting Credit: 14.30 Years

Type of Retirement:

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

Form of Payment:

 XX Life Annuity
 XX 36 Month Guarantee
 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: Bob Lovi
Identification #: XXX-XX- 5308
Retirement Date: February 1, 2014
Monthly Benefit: \$ 6,478.00

Past Service: 0.00 Years
Total Benefit Credit: 26.89 Years
Total Vesting Credit: 26.30 Years

Type of Retirement:

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

Form of Payment:

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

Comments:

Dated at San Jose, California on 2/19/2014

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: Michael Parker
Identification #: XXX-XX- 4183
Retirement Date: January 1, 2014
Monthly Benefit: \$ 3,363.75

Past Service: 0.00 Years
Total Benefit Credit: 18.10 Years
Total Vesting Credit: 18.60 Years

Type of Retirement:

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

Form of Payment:

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

Comments:

UA Local 467 Retirement Count Report
2014

| Commencement Date As Of: | Normal Retirement | Early Reduced | Early Non-Reduced | Disability |
|---|----------------------|---------------|-------------------|------------|
| 1st Qtr 2014 | 1 | 2 | 4 | 0 |
| 2nd Qtr 2014 | | | | |
| 3rd Qtr 2014 | | | | |
| 4th Qtr 2014 | | | | |
| 2014 TOTAL | 1 | 2 | 4 | 0 |
| 2014 RETIREMENTS YTD TOTAL = <input type="text" value="7"/> | | | | |
| 2014 DISABILITIES YTD TOTAL = <input type="text" value="0"/> | | | | |
| 2013 YTD TOTAL = <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="14"/> <input type="text" value="3"/> | | | | |
| 2013 RETIREMENTS YTD TOTAL = <input type="text" value="22"/> | | | | |
| 2013 DISABILITIES YTD TOTAL = <input type="text" value="3"/> | | | | |
| 2012 YTD TOTAL = <input type="text" value="1"/> <input type="text" value="6"/> <input type="text" value="14"/> <input type="text" value="1"/> | | | | |
| 2012 RETIREMENTS YTD TOTAL = <input type="text" value="21"/> | | | | |
| 2012 DISABILITIES YTD TOTAL = <input type="text" value="1"/> | | | | |
| 2011 YTD TOTAL = <input type="text" value="6"/> <input type="text" value="12"/> <input type="text" value="14"/> <input type="text" value="4"/> | | | | |
| 2011 RETIREMENTS YTD TOTAL = <input type="text" value="32"/> | | | | |
| 2011 DISABILITIES YTD TOTAL = <input type="text" value="4"/> | | | | |