

**U.A. Local 467  
Defined Contribution 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 Contribution 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.  
Kenneth 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**

After review, it was **M/S/C** to approve the Minutes of December 10, 2013, as submitted.

**4. Communications**

A. Kaufmann and Goble – Fund Fee Recovery Check

The Fund received a check from Kaufmann & Goble in the amount of \$14,756.60 for Fund Fee Recoveries that exceeded their fee for the fourth quarter of 2013.

**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. Status of Summary Plan Description

Mr. Grosboll reported the Summary Plan Description for the Defined Contribution Plan is being reviewed by the Administrative Office. He expects that a new draft of the SPD will be distributed by the next meeting. Depending upon what occurs with respect to the Plan being converted to a different form of Plan, it may be necessary to postpone publication of the SPD until later in 2014 or early 2015.

B. Amendment Establishing One Year Statute of Limitations

It was recommended by Mr. Grosboll that the Trustees adopt the Amendment to the UA Local 467 Defined Contribution 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 primary 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 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.

C. Variable Contribution Issue/401k Plan Option

Mr. Grosboll reviewed the summary of the issues raised by the IRS for two other Plans relating to the variable contributions in the Collective Bargaining Agreement. A lengthy discussion followed regarding the different options. Rather than implement a 401k Plan effective July 1, 2014, it was decided to wait until January 1, 2015 to implement the plan. It can be shown a good faith effort to make a change was made. Mr. Grosboll discussed the issue of the bargaining parties agreeing to have specified amounts contributed to the Plan so that the Plan would meet the safe harbor provision relating to any potential discrimination in the Plan. It was noted that it would be beneficial if the Union were to designate at least a \$1.00 as part of the allocation to this Plan.

It was noted that Mr. Grosboll, Mr. Kaufmann and Ms. Sargent would be attending a special membership meeting in May to discuss the variable contribution issue as well as the 401k concept.

Mr. Grosboll reiterated his comments from the prior meeting that he was comfortable with the Plan proceeding with a 401k Plan based on the intent of the bargaining parties. The bargaining parties have determined that the manner in which employer contributions are being made now and in the future with a 401k Plan is acceptable and in the best interest of the Participants (otherwise, there might be no 401k Plan).

The Trustees also discussed the theoretical impact of a small excise tax if an employer is late on its 401k contributions. Mr. Grosboll explained the options available and how some Plans are addressing the issue. Mr. Kaufmann noted that having an excise tax be assessed in this situation could not have been the intent of the regulators and Congress, which is probably one reason why there is little enforcement. Mr. Grosboll noted that there is anecdotal evidence that there is little consistency in how this issue is being addressed by 401k Plans on the West Coast as well as throughout the country. Some employers are paying the tax and others are not. It was noted that compared to many other UA Plans, this Plan has minimal delinquencies. Thus, this is a small, remote issue in the overall scheme of things. Mr. Grosboll also indicated that the excise tax is small—5% of the “lost earnings” as a result of the late contributions. Thus, for short delinquencies, which is primarily what this Plan has had in the recent past, the excise tax is quite minimal. It was noted that some Trust Funds send letters notifying the delinquent employers of the potential issues. Mr. Grosboll indicated that he did not believe this theoretical issue should not preclude the Trustees from converting the Plan to a 401k Plan.

It was **M/S/C** to implement a 401k Plan with an effective date of January 1, 2015. Mr. Grosboll will work with the consultant and Plan office and present a draft Plan document later in 2014.

D. Status of Pending Matters/Recent Legal Development

There were no other pending matters or recent legal developments.

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

Mr. Callow distributed portfolio appraisals as of February 28, 2014. The total market value of the portfolio as of February 28, 2014 was \$53,224,804, with \$37,723,515 in Mutual Funds, \$20,500,452 in Unit Trusts, and \$838 in Cash & Equivalents.

8. Actuary/Consultant Report, Kaufmann & Goble - Sid Kaufmann and Marci Vukson

A. Participant Activity Report

Ms. Vukson distributed the Participant Activity Report dated March 20, 2014.

After review, it was **M/S/C** to accept the Participant Activity Report for the Defined Contribution Plan as presented. The report is on file with the Administrative Office.

9. **Administrator Report, UAS – Judy Sargent**

A. **Distribution Report and New Loans**

Following review of the list of Monthly Installments, New Installments, Partial Lump Sum Distributions, Lump Sum Distributions, Lump Sum Additional Interest and New Loan Reports and responding to Trustee questions, it was **M/S/C** to approve the reports as presented. The reports are attached to these Minutes.

10. **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 the itemized checks. It was **M/S/C** to accept checks 3651 – 3666, as presented, for the payment of bills.

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

Mr. Miller had no report.

12. **Old Business**

As the Trustees made a motion to amend the implementation of a 401k Plan with an effective date of January 1, 2015, there is no need for a special meeting to discuss this matter.

13. **New Business**

There was no new business.

14. **Next Meeting Date**

The next meeting is scheduled for Tuesday, June 10, 2014 and will be held at UA Local 467 Union Hall, 1519 Rollins Road, Burlingame, California.

15. **Adjournment**

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

Respectfully submitted,



Joan Keith  
Recording Secretary

**U.A. LOCAL 467 PENSION TRUST FUND  
DEFINED CONTRIBUTION PLAN  
MONTHLY INSTALLMENTS  
March 20, 2014**

NAME	ID#	GROSS	FIT	SIT	AMOUNT	DATE PAID
Donnelly, Barry W.	9387	\$ 800.00	\$ 160.00	-	\$ 640.00	01/01/14
		\$ 800.00	\$ 160.00	-	\$ 640.00	02/01/14
		\$ 800.00	\$ 160.00	-	\$ 640.00	03/01/14
Harris, Huey R.	7616	\$ 625.00	\$ 125.00	-	\$ 500.00	01/01/14
		\$ 625.00	\$ 125.00	-	\$ 500.00	02/01/14
		\$ 625.00	\$ 125.00	-	\$ 500.00	03/01/14
Pettet, Jerry	8914	\$ 1,000.00	\$ 200.00	-	\$ 800.00	01/01/14
		\$ 1,000.00	\$ 200.00	-	\$ 800.00	02/01/14
		\$ 1,000.00	\$ 200.00	-	\$ 800.00	03/01/14
Ronning, Pedar	5710	\$ 457.33	\$ 91.47	-	\$ 365.86	01/01/14
		\$ 4.78	-	-	\$ 4.78	02/01/14
Spencer, Alvin	9822	\$ 500.00	\$ -	-	\$ 500.00	01/01/14
		\$ 500.00	\$ -	-	\$ 500.00	02/01/14
		\$ 500.00	\$ -	-	\$ 500.00	03/01/14

**U.A. LOCAL 467 PENSION TRUST FUND  
DEFINED CONTRIBUTION PLAN  
NEW INSTALLMENTS  
March 20, 2014**

<b>NAME</b>	<b>ID#</b>	<b>GROSS</b>	<b>FIT</b>	<b>SIT</b>	<b>AMOUNT</b>	<b>DATE PAID</b>
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NONE

**U.A. LOCAL 467 PENSION TRUST FUND**  
**DEFINED CONTRIBUTION PLAN**  
**PARTIAL LUMP SUM DISTRIBUTIONS**  
**March 20, 2014**

<b>NAME</b>	<b>ID#</b>	<b>GROSS</b>	<b>FIT</b>	<b>SIT</b>	<b>AMOUNT</b>	<b>DATE PAID</b>
Barber, Thomas	8478	\$ 10,000.00	\$ 2,000.00	\$	\$ 8,000.00	01/01/14
Griffin, Matt	8813	\$ 3,370.35	\$ 674.07	\$	\$ 2,696.28	01/01/14
Saunders, Gary	7158	\$ 4,000.00	\$ 800.00	\$ 100.00	\$ 3,100.00	12/06/13
Saunders, Gary	7158	\$ 40,000.00	\$ 8,000.00	\$ 2,000.00	\$ 30,000.00	01/03/14

**U.A. LOCAL 467 PENSION TRUST FUND  
DEFINED CONTRIBUTION PLAN  
LUMP SUM DISTRIBUTIONS**

**March 20, 2014**

<b>NAME</b>	<b>ID#</b>	<b>GROSS</b>	<b>FIT</b>	<b>SIT</b>	<b>AMOUNT</b>	<b>DATE PAID</b>	<b>RO</b>
Beisheim, David	4999	\$ 302,847.48		\$	302,847.48	03/01/14	X
Guida, Michael	0159	\$ 6,000.00	\$ 1,200.00	\$ -	4,800.00	03/01/14	
Lopez, Miguel	2577	\$ 24,681.60	\$ 4,936.32	\$ -	19,745.28	02/01/14	
Lovi, Bob	5308	\$ 154,145.15		\$	154,145.15	03/05/14	X
Mems, Charles	0770	\$ 91,080.21	\$ 18,216.04	\$ 4,098.61	68,765.56	03/01/14	



**U.A. LOCAL 467 PENSION TRUST FUND**  
**DEFINED CONTRIBUTION PLAN**  
**NEW LOANS**  
**MARCH 20, 2014**

NAME	ID #	LOAN PROCEEDS	INTEREST RATE	TERMS	DATE DISBURSED	PAYMENT AMOUNT	FIRST PAY DATE
Balthazar, Richard	3898	7,000.00	3.25%	5	2/10/2014	\$ 126.56	3/1/2014
Corvi, Joseph	0334	50,000.00	3.25%	30	2/25/2014	\$ 217.60	4/1/2014
Mercado, Ruben	8610	50,000.00	3.25%	5	12/13/2013	\$ 904.00	1/1/2014
Mini, Tony	2946	26,200.00	3.25%	5	11/18/2013	\$ 473.70	1/1/2014
Odfina, Rene	4990	13,500.00	3.25%	5	3/4/2014	\$ 244.08	4/1/2014
Stewart, Steven	5763	10,000.00	3.25%	5	2/20/2014	\$ 180.80	4/1/2014