

IBEW LOCAL 332 PENSION PLAN, PART B
Meeting Minutes
April 25, 2013

A meeting of the Board of Trustees of the IBEW Local 332 Defined Contribution Pension Trust Fund was held on Thursday, April 25, 2013 at the offices of United Administrative Services in San Jose, California.

1. CALL TO ORDER

The meeting was called to order by Gerald Pfeiffer.

2. ROLL CALL

Union Trustees

Management Trustees

Union Trustees

Management Trustees

Gerald Pfeiffer
Larry Vasquez

Tom Barrow
Vic Castello
Tim Daniels
Bill Pfeiffer

Also in Attendance:

Katherine McDonough, Kraw & Kraw
Marci Vukson, Kaufmann and Goble
Joe Herrle, J.H. Herrle & Associates, Inc.
Michael Ashman, Alan D. Biller & Associates, Inc.
Alex Miller, Hemming Morse, Inc.
Donna Rios, Sandy Stephenson and Debbie Wolfe, Administrative Office

3. MINUTES

Following review of the Minutes, it was **M/S/C** to approve the March 28, 2013 Minutes as presented.

4. CORRESPONDENCE

- A. Ferguson Wellman sent a copy of its performance as of March 31, 2012, as well as a letter dated April 2, 2013 about its 2013 Tax and Estate Planning Snapshot for Individuals and a reminder that Ferguson Wellman provides Class Action Lawsuit recoveries for institutions and for individuals.

The correspondence is on file with the Administrative Office.

5. DISBURSEMENTS AND RECIPROCITY REPORT

The Trustees reviewed disbursements beginning with Check #3548 through #3558. The Trustees reviewed the Outgoing Reciprocity Reports paid through ERTS, as well as the Incoming Reciprocity Reports. The Trustees also reviewed a Master List of Locals. It was **M/S/C** to approve the disbursements and the reciprocity reports as presented.

6. FINANCIAL STATEMENT

Ms. Stephenson referenced the financial statement for February 2013. It was **M/S/C** to approve the financial statement as presented.

7. REPORT BY AUDITOR

Alex Miller from Hemming Morse reviewed the financial audit for the years ending December 31, 2012 and 2011 in detail. He said it was a clean "unqualified" opinion. Total assets for 2012 were \$374,571,401 as compared to \$341,436,030 in 2011. Liabilities totaled \$374,133,011 in 2012 as compared to \$341,215,257 in 2011. Mr. Miller said the fund had a very good year as far as investment income which increased from \$(6,915,078) in 2011 to \$32,075,792 in 2012.

Next, the Notes to the financial statement were reviewed.

It was **M/S/C** to accept the financial audit as of December 31, 2012 as presented.

8. REPORT BY INVESTMENT CONSULTANT

No report for this meeting.

9. REPORT BY ADMINISTRATOR

A. Mandatory Distributions

None for this meeting.

10. REPORT BY KRAW & KRAW, ATTORNEYS

A. Ninth Circuit Decision – *Tibble v. Edison International*

Ms. McDonough discussed an opinion from the Ninth Circuit which rules that Trustees breach their fiduciary duty when selecting mutual funds for the participant directed line-up based solely on the 12b-1 fee rebates. She reviewed *Tibble v. Edison International*.

Ms. McDonough said Legal Counsel recommended the following actions:

- 1) Review Plan language regarding payment of administrative expenses.
- 2) Request that the Investment Consultant review the current portfolio line-up and
- 3) Request that the Investment Consultant provide analysis each time he/she recommends a change to the self-directed line-up, and have such analysis reflected in the Minutes.

Ms. Vukson said she would come back with fees in detail at the next meeting about why the funds in the line-up were more advantageous. Mr. Ashman said he could show the Trustees the share classes invested in and can show the Trustees lesser fees and why we are invested in those funds.

The Trustees concurred with Legal Counsel's recommendations. It was **M/S/C** to direct Kaufmann and Goble to do an analysis on the funds one time per year and at any time a new fund is brought in to the line-up.

B. Profit Sharing Plan

It was reported that a Profit Sharing Plan will be established effective with July 2013 hours. The mandatory contribution will be \$2.80. It was reported that Kaufmann and Goble will need to run testing for highly compensated Foremen. A \$0, \$2, \$4 or \$6 per hour contribution will be offered to the members who will be able to change their contribution amount two times per year or when dispatched. Open Enrollment will be done in November effective with January hours and in May effective with July hours.

It was reported that the new Plan won't need Hardship or loan provision language at the beginning, but it can be added at any time. Distribution options will remain the same.

11. REPORT BY ACTUARY AND CONSULTANT

A. Participant Activity Report

Ms. Vukson distributed and reviewed the Participant Activity Report dated April 25, 2013. The report is on file in the Administrative Office.

12. OLD BUSINESS

Mr. Pfeiffer provided a brief review of the recent allocation meeting. He reported that Ms. McDonough did a good job in discussing the Plan changing to a profit sharing plan.

13. NEW BUSINESS

None.

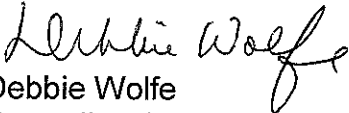
14. NEXT TRUSTEE MEETING DATE

A. Next Meeting Date

The next regular meeting is scheduled on Wednesday, May 29, 2013 at the offices of United Administrative Services in San Jose, California.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Debbie Wolfe
Recording Secretary