

**IBEW LOCAL 332 PENSION PLAN, PART B**  
**Meeting Minutes**  
**January 26, 2012**

A meeting of the Board of Trustees of the IBEW Local 332 Defined Contribution Pension Trust Fund was held on Thursday, January 26, 2012 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

Gerald Pfeiffer  
Pete Reyes, Jr.  
Larry Valdez  
Alan Wieteska

Management Trustees

Tom Barrow  
Vic Castello  
Tim Daniels  
Bill Pfeiffer

Also in Attendance:

George Kraw and Katherine McDonough, Kraw & Kraw  
Sid Kaufmann and Marci Vukson, Kaufmann and Goble  
Michael Ashman and Dan Hennessy, Alan D. Biller & Associates  
Joseph P. Herrle, J.H. Herrle and Associates  
Sue Campbell, Collection Attorney  
Judy Sargent, Donna Lopez, Jean Sukovez, Sandy Stephenson and Debbie Wolfe,  
Administrative Office

**3. MINUTES**

Following review of the Minutes, it was **M/S/C** to approve the December 1, 2011 Minutes as presented.

**4. CORRESPONDENCE**

The Trustees reviewed the following correspondence:

- A. Trustee Appointment – The Trustees reviewed a letter from Alan Wieteska, President of IBEW Local 332 appointing Larry Vasquez as a Labor Trustee replacing Rick Bratthauer.
- B. Payroll Audit List – 2012. The Trustees reviewed a preliminary list of employers scheduled for audit in 2012 by Steve Whetzel. It was noted that Giacalone Electric is out of business. Mr. Kraw questioned whether an exit audit was completed on this employer. If an exit audit has not been completed, Giacalone Electric should be added to the list.
- C. Ferguson Wellman sent a copy of its 4<sup>th</sup> Quarter 2011 Performance Report.

- D. Prudential sent a copy of a News Release dated January 25, 2012 which announced several changes to its senior leadership team. Mr. Ashman said the only significant change was Terry McHugh who was appointed senior portfolio manager to replace Roger Pratt and lead PRISA II, the company's U.S. value-added open-end commingled strategy. No action was required.

All correspondence is on file in the Administrative Office.

5. **DISBURSEMENTS AND RECIPROCITY REPORT**

The Trustees reviewed disbursements for checks 3392 - 3411. The Trustees also reviewed the Outgoing Reciprocity Report paid through ERTS for October and November 2011. It was **M/S/C** to approve the disbursement report and the Outgoing Reciprocity Report for the months of October and November 2011.

6. **FINANCIAL STATEMENTS**

The Trustees reviewed the October and November 2011 financial statements. There were no questions. It was **M/S/C** to accept the financial statements as presented.

7. **REPORT BY INVESTMENT CONSULTANT – ALAN BILLER & ASSOCIATES**

As follow up to discussions at prior meetings, Mr. Hennessy reviewed a report on the Growth Fund of America, a company that has been on the Watch List for some time and the results of their search for a replacement.

The mandate is for a large-cap growth equity fund for the Defined Contribution Plan. Mr. Hennessy explained how 2,757 funds reported performance through Sept. 30, 2011. He reviewed the screening process. Mr. Hennessy said 26 funds passed the initial screening and nine funds were finally considered. After all of the evaluation was completed, Mr. Hennessy said his firm concluded that MainStay Large Cap Growth was most worthy of the Trustees' consideration.

Mr. Hennessy said they could replace the Growth Fund of America and assets would be mapped into a new fund. If that change is made, members would be sent a notice informing them of this change. It was also noted that the Trustees could add another fund in the same category.

At this point, Kaufmann and Goble distributed its Participant Activity Report. There are 3,177 total participants in the Plan, 2,300 members have nothing but the default plan and 800 members are in the self-directed plan. It was reported that there are 186 individual accounts in the Growth Fund of America. Lengthy discussion followed. Following discussion, it was **M/S/C** to add the MainStay MLAIX Fund to the self-directed options and to replace the Growth Fund of America with the MainStay MLAIX Fund in the model portfolios as soon as administratively possible. On June 30, 2012, any existing monies in the Growth Fund of America will be mapped over to the

MainStay Fund, and any standing directives involving investments in the Growth Fund of America will be redirected to the MainStay Fund. .

**8. REPORT BY ADMINISTRATOR**

A. Mandatory Distributions

The Trustees reviewed two mandatory distribution for the month of January 2012. It was **M/S/C** to approve the distribution as presented.

B. Liquidated Damages Memo

The Trustees reviewed a memo from the Administrator's office to the Trustees regarding the collection of liquidated damages and also noted the Trust Fund's charges for liquidated damages of 10% or \$60., whichever is greater, when an employer becomes delinquent. The memo reviews the costs resulting from delinquencies and reconfirms that the liquidated damages amount is a reasonable approximation of the actual costs. These costs are reviewed on an annual basis. It was **M/S/C** to approve the Liquidated Damages memo as presented.

C. Summary Annual Report

The Trustees reviewed a copy of the Summary Annual Report for the year ending December 31, 2010 that was mailed to all participants.

D. Educational Meetings for 2012

As follow-up to discussion at the last meeting, Ms. Lopez reported that she worked with Mr. Vukson to schedule two educational meetings during 2012. The dates will be: Thursday, March 8<sup>th</sup> from 6:00 – 7:30 p.m. and Saturday, October 13<sup>th</sup> from 9:00 a.m. to 10:30 a.m. at the Union Hall.

E. Qualified Default Investment Alternative Notice

The Trustees reviewed a copy of the Qualified default Investment Alternative (QDIA) Notice that was mailed to all participants. It was noted that Kaufmann and Goble prepared the notice.

**9. REPORT BY KRAW & KRAW, ATTORNEYS**

A. Prevailing Wage Compliance for Defined Contribution Plans

Mr. Kraw provided an updated on prevailing wage compliance. He said he would keep the Trustees apprised of future changes.

B. Missing Beneficiaries

The list of missing beneficiaries will be placed in the next issue of the Union's newsletter. If that is unsuccessful, Legal Counsel's office will work with the Fund Office to find other solutions, including setting up Individual Retirement Accounts. In response to a question, it was reported that the addresses for about twenty (20) beneficiaries are still missing.

C. New Trustee Education

Mr. Kraw reported that his office provides new trustee education to all new Trustees who are interested at no charge to the Fund. During a new Trustee orientation session, Mr. Kraw said his office discusses specific plan governing documents (trust agreement and plan document); written plan policies (expense reimbursement policy, collection policy, investment policy and guidelines); the Employee Retirement Income Security Act ("ERISA") and general fiduciary obligations.

10. REPORTS BY CONSULTANTS

A. Fiduciary Liability Insurance Renewal Proposal

The Trustees reviewed the Fiduciary Liability Insurance renewal proposal from Travelers Casualty & Surety Company for the period of January 15, 2012/2013. Mr. Herrle reviewed two coverage enhancements that were added at no additional cost to the Trust including 1) HIPAA Endorsement-F-9004 and Section 502( c) Penalties Endorsement – F-3676. Mr. Herrle recommended approval. Following review, it was **M/S/C** to renew the Fiduciary Liability Insurance Policy with Travelers Casualty & Surety Company effective January 15, 2012 for another annual term with a \$10 million insurance limit and an annual premium of \$115,860 for both insured pension plans combined.

B. Participant Activity Report

Ms. Vukson distributed and reviewed the Participant Activity Report dated January 26, 2012 for the period ending December 31, 2012.

Lengthy discussion took place about possibly reducing the current actuarial rate. No decision was made by the Trustees.

C. Amendment to Consultant's Agreement

Mr. Herrle said he added a paragraph to his firm's Consulting Agreement via an Amendment about expenses for the Annual Meeting. He explained that language was added to the Amendment stating that the Trustees can determine how much he should pay for his expenses related to the Annual Meeting. Mr.

IBEW LOCAL 332 PART B MANDATORY DISTRIBUTIONS

January 2012

NAME ID# LAST DATE WORKED

- 1.) Barrientos, David 1158 Dec-86
- 2.) Szameitat, Kurt 8227 Jan-79

- 1.) Mr. Barrientos would like a total distribution of his Part B account.
- 2.) Mr. Szameitat would like a total distribution of his Part B account.