

IBEW LOCAL 332 PENSION PLAN, PART B
Meeting Minutes
October 18, 2012

A meeting of the Board of Trustees of the IBEW Local 332 Defined Contribution Pension Trust Fund was held on Thursday, October 18, 2012 at the Parc 55 Wyndham in San Francisco, 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 Vasquez
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
Dan Hennessy; Alan D. Biller & Associates
Joseph P. Herrle, J.H. Herrle and Associates
Sue Campbell, Collection Attorney
Michael Vukson, Wells Fargo
Judy Sargent, Donna Lopez, Jean Sukovez, Sandy Stephenson and Debbie Wolfe,
Administrative Office

3. MINUTES

Following review, it was **M/S/C** to approve the August 23, 2012 Minutes as presented.

4. CORRESPONDENCE

The fund received a securities litigation check in the amount of \$66.16 from a November 2011 stale check relating to the Sara Lee Class Action settlement.

Ferguson Wellman sent an electronic copy of its report for the third quarter 2012, as well as a copy of its Market Letter.

The correspondence is on file with the Administrative Office.

5. FINANCIAL STATEMENT

Ms. Sukovez referenced the financial statement for July 2012 and provided an overview of the Assets, Liabilities, Income and Expenses and Schedule of Investments. It was **M/S/C** to approve the financial statement as presented.

DISBURSEMENTS AND RECIPROCITY REPORT

The Trustees reviewed disbursements beginning with Check #3476 through #3493. The Trustees also reviewed the Incoming Reciprocity Reports for August and September 2012 and the Outgoing Reciprocity Reports for July and August paid through ERTS. The Trustees also reviewed a Master List of Locals. It was **M/S/C** to approve the disbursements and the incoming and outgoing reciprocity reports as presented.

6. REPORT BY ADMINISTRATOR

A. Mandatory Distributions

The Trustees reviewed one (1) mandatory distribution for the month of October 2012. The distribution was in order. It was **M/S/C** to approve the mandatory distribution as presented. The list is attached to the Minutes.

B. Participant Notices

The Trustees reviewed two notices that were sent to the participants: 1) A notice dated September 1, 2012 relating to Plan Enhancements and Changes and 2) an Annual Notice Regarding the Expenses of the Plan dated August 2012. These were presented for information only.

C. Retirement Planning Books

The Administrator's Office requested and was granted permission to order the 2013 Ready or Not books at a cost of \$10.95 each that are sent to members with their retirement application materials.

D. IFEBP 2013 Renewal

The Trustees reviewed the IFEBP's membership renewal for calendar year 2013 which totaled \$880., an increase of \$25. from the prior year's dues. It was **M/S/C** to approve the IFEBP renewal for calendar year 2013 which will be split between all three funds.

E. Proposed Meeting Dates for 2013

The Trustees reviewed a draft list of trust meeting dates for 2013 which will be finalized at the December 2012 meeting. The Administrator's Office will work with the Investment Consultant on the 2013 Investment Manager schedule.

F. Department of Labor Re: Form 990

Ms. Sargent reported that at another Trust meeting where Alex Miller is the auditor, he reported on a new annual disclosure for 501(c)(9) Plans such as this Plan which it appears to require all contributing employers to provide their name, contact information, employer identification or tax identification number, tax status and how much the employer is contributing on an annual basis. The Administrator's Office would determine the amount contributed on an annual basis for the employer. The information from the contributing employers is to be included with the Form 990. The auditor would provide the Administrator's Office with a boilerplate letter that will be sent to all contributing

employers requesting the information. The Administrator will monitor receipt of the information from the employers. The Fund will make its best effort to obtain the information from the employers. It was acknowledged that this is both onerous and impractical requirement, particularly this first year and that the form may have to include a response that efforts are being made to obtain the information or something to that effect.

The Administrator was requested to send a copy of the notice to Mr. Daniels who will send it to the employers.

7. INVESTMENT MANAGER REPORTS

Ferguson Wellman - Mr. Hosfield joined the meeting and reviewed a handout on performance for the period of 12/31/11 – 9/30/12. He noted that there had been no employee departures for 23 years. He gave a firm overview, reviewed performance, reviewed large cap equity by sector allocation and by sector performance and reviewed the top ten holdings. Mr. Hosfield was excused. Ferguson Wellman's report is on file in the Administrative Office.

McMorgan & Company -Mr. Johnson joined the meeting and provided an overview of the recent change in McMorgan's ownership structure. Next, he reviewed asset allocation, reviewed performance, reviewed MacKay Shields' fixed income characteristics and reviewed sector mix, yield, maturity, duration and quality of the portfolio. Mr. Johnson said he did not see any big increase in the interest rates in the near future. He said interest rates and inflation should keep rates and growth low. After answering several questions from Trustees and from Legal Counsel, Mr. Johnson was excused. McMorgan's and Maintstay's reports are on file in the Administrative Office.

Wells Capital Management - Kevin Page and Jared Vasquez joined the meeting representing Wells Capital Management. The gentlemen reviewed meeting materials for the quarter ending June 30, 2012. Also, an updated performance report as of September 30, 2012 was distributed and reviewed. The portfolio, performance, an outlook on the economy, contributors and detractors to the portfolio as of August 30, 2012 were reviewed. Following their report, Mr. Page and Mr. Vasquez were excused. The reports are on file.

PIMCO – Ed Sasnowski and Martin Feeney representing PIMCO joined the meeting and distributed and reviewed meeting materials. A market review, performance update, outlook, strategy, update on PIMCO and the fiscal cliff scenario were all reviewed. After answering several Trustee and questions from professionals, Mr. Sasnowski and Mr. Feeney were excused. PIMCO's report is on file.

Dodge & Cox - Steve Cassriel joined the meeting representing Dodge & Cox. He reviewed investment philosophy, stock fund overview, the current stock fund portfolio and strategy and provided an update on Dodge & Cox. Following his report, Mr. Cassriel was excused. The report is on file in the Administrative Office.

PREEF – Steve McSkimming joined the meeting representing Prudential Real Estate. He provided an update on the organization, reviewed a succession plan as a result of two key employees leaving by the end of the year including the C.O.O. and the head of transactions. It was reported that replacement personnel are already in place. After answering several Trustee questions, Mr. McSkimming was excused. The report is on file.

Franklin Templeton – Thomas Dickson joined the meeting representing Franklin Templeton. . He reviewed an overview of the platform, why the firm is invested in this fund, the investment philosophy, team and process, as well as performance as of August 31, 2012. Next, portfolio characteristics were reviewed. Mr. Dickson said they still think the interest rate globally will increase. After answering several Trustee questions and a question from the Investment Consultant, Mr. Dickson was excused. The report is on file.

Trustee Wieteska asked if the Trustees could instruct the managers not to invest in WalMart since it is non-Union. Mr. Hennessy said we don't have any influence in mutual fund investments. He said this could be done with special investment accounts such as Ferguson Wellman.

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

A. **Conflict of Interest Policy**

Legal Counsel reviewed the Fund's conflict of interest policy with the Trustees.

A conflict of interest policy defines what constitutes a conflict of interest, identifies individuals covered by the policy, facilitates disclosure of information that may help identify conflicts of interest, and specifies procedures for managing conflicts. The Trustees review the Policy on an annual basis. This was informational only

B. **Overview of Contribution Policy**

Ms. McDonough presented a PowerPoint presentation on the current contribution structure. Several Trustee and questions from professionals were answered by Legal Counsel. Legal counsel was asked to bring back a presentation on alternative structures.

9. **REPORT BY PART B CONSULTANT, WELLS FARGO – MICHAEL VUKSON**

Mr. Vukson distributed a Review of Educational Services that is provided to the Plan dated October 17, 2012. He said he provides education to the membership on the pros and cons of every investment.

Mr. Vukson reported on educational sessions with the members. He said attendance at the workshops ranges between 15 and 20 participants. Mr. Vukson said the next educational session is scheduled for November 3, 2012.

Relating to communications with the members, Mr. Vukson said he receives phone calls from members 2-3 times on average per day. He said calls increase after statements go out or if there is a problem in the economy. Mr. Vukson also reported that he also does one to one meetings with members.

Mr. Vukson said he is at the Union Hall on the first Tuesday of each month prior to the monthly meetings. He said he meets with an average of three members at these meetings.

Mr. Vukson stated that he also helps members navigate through the Kaufmann and Goble website. He reviewed the ticker symbols that are on the website, reviewed a comparison of

models, reviewed a sample postcard used for advertising the educational meetings and reviewed a seminar evaluation form.

Next, participant statements were reviewed. Mr. Vukson said the statements always include the date of the next educational session and they also include his contact information. Mr. Vukson answered several questions.

Following his presentation, Mr. Vukson thanked the Trustees for allowing him to work with the members.

10. REPORT BY ACTUARY AND CONSULTANT

A. Participant Activity Report

The Participant Activity Report was distributed and reviewed by the Trustees, including the model portfolios and where the monies were invested.

In response to a request, Ms. Vukson said they could add the number of Actives and Retired to the report on page 9. Relating to the contribution rate report, Ms. Vukson said they could calculate how many members in the \$8.80 per hour range would be eligible for the catch up.

B. ERISA Fidelity Bond Renewal

Mr. Herrle said Mr. Pfeiffer signed the ERISA Fidelity Bond Renewal Application at today's meeting. He will present the renewal proposal at the next meeting

11. REPORT BY INVESTMENT CONSULTANT

Mr. Hennessy had no report for this meeting.

12. OLD BUSINESS

A. Missing Beneficiaries With Account Balances

The Trustees reviewed a list of missing beneficiaries with account balances. The Administrator's Office cannot find beneficiaries even after doing searches for over one year and by paying for searches through PBI. Ms. Sargent said she would like to have some payouts done or she would like to move the funds to an IRA. It was noted that Social Security Numbers on file might be invalid. Mr. Kraw explained that when a beneficiary is someone other than a non-spouse, the Fund has to get the funds out within five years. He said a missing beneficiary IRA could be set up for them. This is a special thing under ERISA which satisfies the Trustees' responsibility. It was **M/S/C** to concur with Legal Counsel's recommendation to set up the special missing person's IRAs.

The names of the missing beneficiaries will also be included in Local 332's January newsletter.

13. **NEW BUSINESS**

None.

14. **NEXT TRUSTEE MEETING DATE**

The next regular meeting date will be Wednesday, December 5, 2012 at the offices of United Administrative Services.

There being no further business, the meeting was adjourned.

Respectfully submitted,


Debbie Wolfe
Recording Secretary

IBEW LOCAL 332 PART B MANDATORY DISTRIBUTIONS
October 2012

NAME	ID#	LAST DATE WORKED
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1.) Iolin, Yevgeniy	8393	Dec-00
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1.) Mr. Iolin would like a total distribution of his Part B account.