

**Plumbers & Steamfitters Local 486
Severance & Annuity / 401k Fund**

Board of Trustees Meeting

September 27, 2018

PLUMBERS & STEAMFITTERS LOCAL 486
SEVERANCE & ANNUITY/401k FUND
AGENDA
SEPTEMBER 27, 2018

A. ROLL CALL

B. READING OF THE MINUTES - August 23, 2018

C. ADMINISTRATION REPORTS

1. Fund Balance Report - August 31, 2018
2. Fund Schedules - August 31, 2018
3. Fund Bills To Be Approved & Paid – September 27, 2018
4. Administrative Cash Balance - August 31, 2018
5. Summary Balance Report – August 31, 2018

D. UNFINISHED BUSINESS

1. Delinquent Contractors
2. VCP

E. NEW BUSINESS

1. Deaths: John Erdman – 9/15/2018, age 60
2. Terminations: See attached list
3. Retirement Distributions: See attached list
4. Reciprocal Distributions: See attached list
5. EPS Distributions: See attached list
6. Survivor Benefits: See attached list
7. Loans: David Rolfes – Tuition - \$12,000.00
8. Hardships: Steven Schleg – Residence Purchase - \$40,288.67
9. Segal Fee Estimate for Provider Search
10. Questions
11. Date of Next Meetings: Oct. 25, 2018 & Nov. 29, 2018 both at 10:00 AM

**Plumbers & Steamfitters Local 486
Severance & Annuity/401k Fund**

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Toll Free Telephone (888) 494-4443
www.associated-admin.com

Trustees Attending: R. Bennett, A. Gannon, III, G. Glab, T. Herbert, R. Horton, W. Welsh, J. Wontrop

Others Attending: K. Bradley, C. Chaikin, D. Jensen, R. Mogstad, D. Welch

The Trustees met on August 23, 2018 at the office of the Administrative Manager.

Chairman Wontrop called the regular meeting to order at 10:05 a.m.

- A. The Minutes of the meeting of July 26, 2018 were approved as presented.
- B. The Fund Cash Balance and Schedules, Fund Bills to Be Approved and Paid, Administrative Cash Balance, and the Summary Balance Report were accepted. Trustees receiving compensation recused themselves from the votes relating to their payments.
- C. Unfinished Business
 - 1. Ms. Bradley reported on the current delinquencies, including Bay Area Mechanical Services, South Mountain Mechanical, Stone Services and Verticon. Ms. Bradley reported although the Stone Services bond claim was received by the Funds, Stone Services was able to secure a new \$35,000 bond. She stated Verticon is currently being audited by Weyrich, Cronin & Sorra and her firm will file a Miller Act bond claim by the statutory deadline of September 30, 2018.
 - 2. Ms. Bradley stated that she sent the draft Voluntary Correction Program (VCP) application to MassMutual for review and comment. The Trustees discussed MassMutual's request for a release and waiver related to the nondiscrimination testing. The Trustees agreed that they have no intention to sign the waiver prior to IRS approval of the VCP filing, if at all. If the Plan Sponsors have to pay for the cost of the filing, instead of MassMutual, Ms. Bradley would remove the MassMutual edits of the VCP, file it and perhaps take action against MassMutual. A Motion to

file the VCP without MassMutual's involvement was approved unanimously. A Motion was made for Segal Marco Consulting to prepare a quote to perform a Request For Proposal for a new bundled investment manager/recordkeeper. Mr. Chaikin stated he would have the quote ready for the next Board Meeting, which he would be available by telephone to discuss. The Motion passed unanimously.

3. Rolf Mogstad of MassMutual discussed the notice of Amendment to the Administrative Services Agreement. He reviewed Exhibit D to the MassMutual contract regarding fees. Two fees in particular are changing effective September 1, 2018. Overnight Mailing of Check increases from \$20 to \$40. The Loan Initiation fee decreases from \$125 to \$75, however a \$40 yearly maintenance fee to be billed monthly will be instituted. The Trustees ask Mr. Mogstad to confirm there is no \$500 QDRO Review Service Fee within the 486 contract, which he mentioned, but which is not stated in the proposed Amendment.

Mr. Mogstad distributed the MassMutual Strategic Plan Review and presented the executive summary and the activity for the quarter ending June 30, 2018 versus the quarter ending March 31, 2018. The total plan assets were \$248,843,236 as of June 30, 2018 and \$242,164,013 as of March 31, 2018. He reviewed the overall investment diversification of the Plan and highlighted the transition to the American Funds Target Date Funds, effective May 1, 2018. He provided an update on the communication and education calendar for 2018. He concluded his presentation by reviewing the Plan's cost and revenue disclosure.

D. New Business

1. Deaths: Clifford Stoeker – 7/28/2018, age 83
2. The Trustees approved the attached Terminated Benefits.
3. The Trustees approved the attached Retirement Benefits.
4. The Trustees approved the attached Reciprocal Benefits.
5. The Trustees approved the following loans:
Joshua Hopper – Foreclosure - \$7,938.62

6. The Trustees approved the following Hardships:
 Errol Gomez – Foreclosure - \$52,120.33
 Delno Handy – Foreclosure - \$6,361.25
7. Mr. Craig Chaikin of Segal Marco Advisors distributed and reviewed the Segal Analysis of Investment Performance for the Plan for the second quarter of 2018. He reviewed the quarterly and 1-year returns for each market sector, highlighting U.S. Equity and Private Equity markets. He noted the difference in returns on a 1 Year basis between growth and Value stocks, 22.92% vs 6.85% respectively.
8. Ms. Bradley reviewed a draft version of the updated Delinquency Policy. The Trustees had no suggested revisions to the Policy. The final version of the Policy will be approved at the Joint Funds meeting scheduled for November 12, 2018.
9. Dates of the next meetings:
 September 27, 2018 at 10:00 a.m.
 October 25, 2018 at 10:00 a.m.

Adjournment: 12:55 p.m.

Respectfully submitted,

David J. Jensen
Secretary for the Meeting

PLUMBERS & STEAMFITTERS LOCAL UNION
486 SEVERANCE & ANNUITY/401k FUND
CASH BALANCE REPORT
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2018

Receipts:	Curr. Month	Year To Date
Employer Contributions	\$757,382.29	\$6,112,511.12
401k Contributions	306,549.73	2,413,285.42
Less Reciprocals	(9,887.87)	(78,781.04)
Return of Overage	0.00	0.00
Rollovers	6,020.75	100,987.30
Investment Income - MassMutual	3,424,439.31	12,344,122.19
Interest Income - Annuity Loans	404.45	4,914.71
MassMutual Fee Credit	0.00	150,000.00
	<u>\$4,484,908.66</u>	<u>\$21,047,039.70</u>
Disbursements:		
Benefit Payments	\$1,976,239.91	\$7,961,319.61
Loan Fees	70.00	500.00
Investment Consulting	3,000.00	24,000.00
Administration	10,449.72	83,623.43
Audit Fee	0.00	5,600.00
Conference Expenses	606.96	14,944.78
Dues	0.00	875.00
Fiduciary Liability Insurance	0.00	24,798.96
Fidelity Bond	0.00	0.00
I R S Filing Fee	0.00	3,500.00
Legal Fees & Expenses	0.00	25,165.37
Meeting Expenses	0.00	0.00
Office Expenses	200.72	1,638.67
Postage	0.00	3,769.96
Printing	0.00	5,575.05
Programming	0.00	0.00
SPD Publishing	0.00	1,518.00
U.A. Reciprocal Program	0.00	590.64
Vendor Search Fees	0.00	0.00
Wire Fees	30.00	255.00
Trustee Fees - Robert Bennett	470.48	3,293.36
Total Disbursements	<u>\$1,991,067.79</u>	<u>\$8,160,967.83</u>
Increase (Decrease) In Fund Balance	<u>\$2,493,840.87</u>	<u>\$12,886,071.87</u>
Balance - December 31, 2017		<u>\$242,800,638.48</u>
Balance - August 31, 2018		<u>\$255,686,710.35</u>

FUND BALANCE CONSISTING OF:

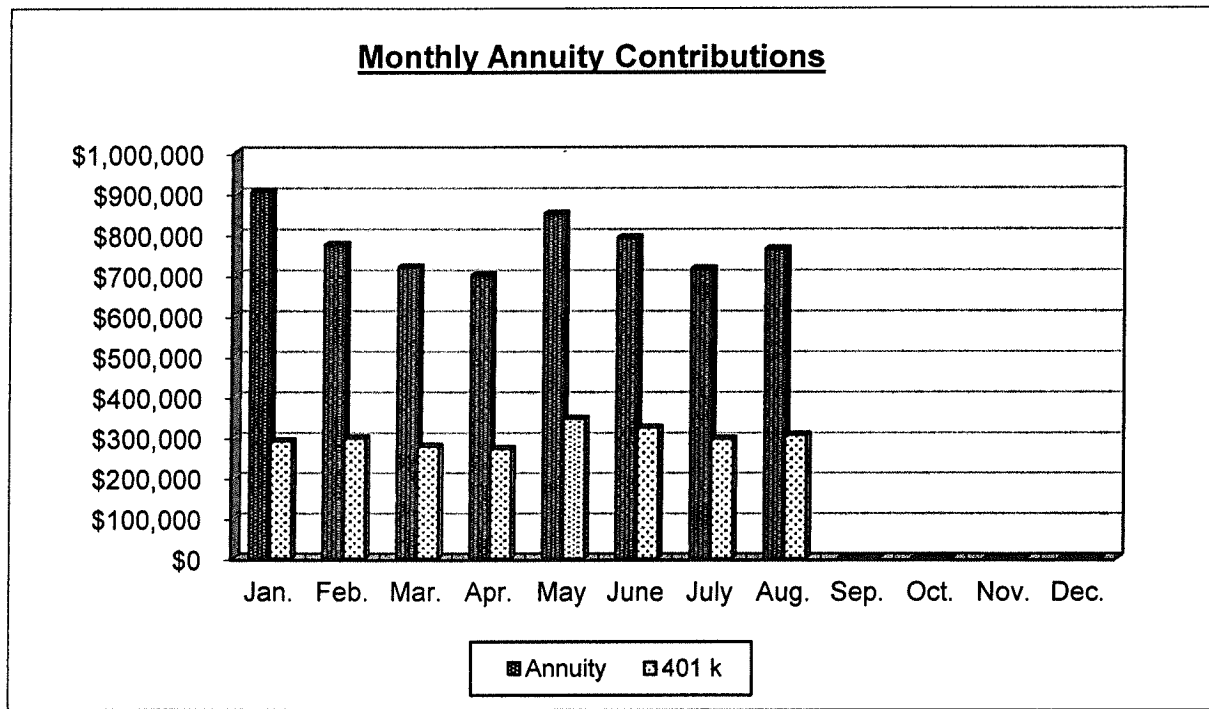
Bank of America Checking	0.04%	\$101,688.13
MassMutual Investments	99.89%	255,392,844.20
Annuity Loans Receivable	0.08%	192,178.02
	<u>100.00%</u>	<u>\$255,686,710.35</u>

UNAUDITED FINANCIAL REPORT

PLUMBERS & STEAMFITTERS LOCAL UNION
486 SEVERANCE & ANNUITY/401k FUND
SCHEDULES
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2018

Contributions:

	Month	Year To Date
Nov. 2017 & Prior Hours	\$6,902.66	\$144,816.91
Dec. 2017 Hours	0.00	1,129,820.28
Jan. 2018 Hours	0.00	1,048,845.11
Feb. 2018 Hours	907.42	1,015,502.08
Mar. 2018 Hours	0.00	1,083,363.24
Apr. 2018 Hours	4,090.08	1,063,282.28
May 2018 Hours	7,654.32	1,127,908.03
June 2018 Hours	57,557.82	1,020,405.44
July 2018 Hours	992,840.47	992,840.47
	\$1,069,952.77	\$8,626,783.84



PLUMBERS & STEAMFITTERS LOCAL UNION 486
SEVERANCE & ANNUITY/401k FUND
BILLS AND DISBURSEMENTS TO BE APPROVED AND PAID
September 27, 2018

1.	Plumbers & Steamfitters Joint Funds Administration @ 20% Plus Direct Costs - August 2018	9,316.99
2.	Trustees Checks R. Bennett @ \$470.48 - Trustees Meeting - September 27, 2018	470.48
3.	Associated Administrators, LLC Lunch - September 27, 2018	Blank
4.	Reciprocity Administration Services, Inc. UARS Monthly Fee - July, August and September	309.99
5.	Segal Marco Advisors Investment Consulting - August 2018	3,000.00
6.	Weyrich, Cronin & Sorra, LLC Progress Billing #3 for the audit of year-end financial statements July 30, 2018	1,000.00
7.	Doyle Printing & Offset Co. 401k Wage Agreement Forms	699.60
8.	Reciprocal Transfers Plumbers Local 5 Annuity Fund - August 2018 Steamfitters & Pipefitters Local 489 Annuity Fund - August 2018 Steamfitters & Pipefitters Local 602 Annuity Fund - August 2018	Blank Blank Blank

Accounting for July 2018 Checks

Associated Administrators, LLC	
Lunch - August 23, 2018	216.81
Refreshments - August 23, 2018	21.47
Refreshments - March 2018	25.07
Lunch - March 2018 (adjustment)	10.00
Reciprocal Transfers	
Plumbers & Steamfitters Local 10 Annuity Fund - July 2018	404.84
Plumbers Local 5 Annuity Fund - July 2018	949.28
Steamfitters & Pipefitters Local 489 Annuity Fund - July 2018	2,055.61
Steamfitters & Pipefitters Local 602 Annuity Fund - July 2018	6,478.14

PLUMBERS & STEAMFITTERS LOCAL 486
M.C.A. of MD JOINT ADMINISTRATION
ADMINISTRATION CASH REPORT
FOR THE EIGHT MONTHS ENDED AUGUST 31, 2018

		<u>Y T D</u> <u>Budget</u>	<u>Current</u> <u>Month</u>	<u>Year To Date</u>	
Balance - January 1, 2018					\$14,470.88
Receipts:					
Medical Fund	54%	\$199,352	25,243.95	\$203,072.34	
Pension Fund	19%	81,901	10,818.91	86,524.95	
Annuity Fund	20%	79,007	10,449.72	83,623.43	
Credit Union	1%	3,773	464.13	3,765.16	
Training Fund	4%	15,090	1,856.54	15,060.64	
Dues Fund	1%	3,773	464.13	3,765.16	
Industry Fund	1%	3,773	464.14	3,765.16	
		<u>\$386,669</u>	<u>\$49,761.52</u>		<u>399,576.84</u>
					<u>\$414,047.72</u>
Expenses:					
Administration		\$364,967	45,620.92	\$364,967.32	
Audit		2,467	0.00	3,200.00	
Meeting Expenses		0	0.00	0.00	
Office		0	0.00	0.00	
Printing		1,333	182.05	382.21	
Postage		1,333	0.00	530.23	
Postage - Medical		5,000	644.96	4,462.35	
Rent		0	0.00	0.00	
Bank Service Charges		899	0.00	0.00	
Programming		0	0.00	0.00	
Record Destruction		0	0.00	0.00	
Employer Audits		10,667	0.00	24,960.65	
Total Expenses		<u>\$386,666</u>	<u>\$46,447.93</u>	<u>\$398,502.76</u>	
Interest Income		<u>0</u>	<u>0.00</u>	<u>0.00</u>	
Net Expenses		<u>\$386,666</u>	<u>\$46,447.93</u>		<u>398,502.76</u>
Balance - August 31, 2018					<u>\$15,544.96</u>

UNAUDITED FINANCIAL REPORT

PLUMBERS & STEAMFITTERS LOCAL 486
SEVERANCE AND ANNUITY/401K FUND
SUMMARY BALANCE REPORT
AUGUST 31, 2018

Source	Beginning Balance	Contributions	Loan Activity	Forfeiture Allocation	Transfers	Withdrawals	Forfeiture Withdrawals	Expenses	Other Activity	Investment Income	Ending Balance
Employer	\$ 41,899,369.56	\$ -	\$ -	\$ -	\$ -	\$ (920,023.50)	\$ -	\$ -	\$ 7,489.32	\$ 580,076.02	\$ 41,566,911.40
Rollover	\$ 1,229,991.32	\$ 6,020.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,235.60	\$ 1,248,247.67
Deferred Salary	\$ 72,809,159.30	\$ 297,001.09	\$ -	\$ -	\$ -	\$ (181,351.86)	\$ -	\$ (70.00)	\$ 6,648.72	\$ 1,067,847.13	\$ 73,999,234.38
Restored Withdrawal	\$ 3,305.76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86.77	\$ 3,392.53
EPS	\$ 135,200,032.05	\$ 704,684.06	\$ (499.72)	\$ -	\$ -	\$ (938,773.44)	\$ -	\$ -	\$ 50,364.30	\$ 1,759,327.10	\$ 136,775,134.35
Money Purchase Pension	\$ 739,815.24	\$ -	\$ -	\$ -	\$ -	\$ (593.45)	\$ -	\$ -	\$ -	\$ 4,866.69	\$ 744,088.48
Grand Total	\$ 251,881,673.23	\$ 1,007,705.90	\$ (499.72)	\$ -	\$ -	\$ (2,040,742.25)	\$ -	\$ (70.00)	\$ 64,502.34	\$ 3,424,439.31	\$ 254,337,008.81

PLUMBERS & STEAMFITTERS LOCAL UNION
486 SEVERANCE & ANNUITY/401k FUND
DELINQUENT CONTRACTORS
AS OF AUGUST 31, 2018

<u>Delinquent Contractors:</u>	<u>Work Month</u>	<u>Amount</u>	<u>Date Received</u>
1. Bay Area Mechanical Services	Jun-18	\$4,373.15	9/7/2018
Bay Area Mechanical Services	Jul-18		
2. Dominion Mechanical	Jul-18	\$14,622.64	9/5/2018
3. M&E Sales Inc	Jul-18		
4. McClure Company	Jul-18		
5. R.H. Lapp & Sons	Jul-18		
6. South Mountain Mechanical	Jul-18		
7. Statewide Mechanical, Inc.	Jul-18	\$2,048.99	9/10/2018
8. Stone Services, Inc.	Jul-18		
9. Verticon, Inc.	Mar-18		
Verticon, Inc.	Apr-18		
Verticon, Inc.	May-18		
Verticon, Inc.	Jun-18		
Verticon, Inc.	Jul-18		

Plumbers & Steamfitters Local 486
Severance & Annuity/401(k) Fund
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ANNUITY BENEFITS TO BE APPROVED SEPTEMBER 27, 2018

TERMINATED BENEFITS

xxx-xx-8074	DANIEL BECK, JR	ROLLOVER	\$ 4,577.03
xxx-xx-6983	SCOTT BROMWELL	ROLLOVER	\$ 231,575.73
xxx-xx-1790	CHRISTIAN CROUCHER	ROLLOVER	\$ 204,378.51
xxx-xx-6414	JEFFERY GILBERT	LUMP SUM	\$ 16,910.47
xxx-xx-5952	RICHARD ROBEY	ROLLOVER	\$ 117,327.03
xxx-xx-8849	EDWARD TAYLOR	ROLLOVER	\$ 35,928.38
xxx-xx-9905	ERIC WILLIAMSON	LUMP SUM	\$ 4,157.03
xxx-xx-1780	ZACH WITKOWSKI	ROLLOVER	\$ 30,835.19

RETIRED DISTRIBUTION

xxx-xx-8089	CARL ADKINS	ROLLOVER	\$ 604,838.57
xxx-xx-6283	ROGER BOOKS	ROLLOVER	\$ 345,204.89
xxx-xx-3251	RUSSELL ELLISON	ROLLOVER	\$ 16,620.91
xxx-xx-1050	JOSEPH HEINLEIN	ROLLOVER	\$ 324,589.31
xxx-xx-3765	MARC MILLER	ROLLOVER	\$ 330,425.45
xxx-xx-5495	GREGORY NASS	ROLLOVER/LUMP SUM	\$ 105,159.88

RECIPROCAL DISTRIBUTIONS

xxx-xx-2761	EDWIN HANDLER	LUMP SUM	\$ 4,004.45
xxx-xx-1050	SHAWN HILTON	ROLLOVER	\$ 1,849.93

EPS DISTRIBUTIONS

xxx-xx-2750	JAMES BRYANT	LUMP SUM	\$ 2,634.16
xxx-xx-8926	KEVIN CARSON	ROLLOVER	\$ 10,023.81

EPS DISTRIBUTIONS (Unemployment/Hardship)

xxx-xx-3917	ANTHONY PROPST	LUMP SUM	\$ 22,693.16
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SURVIVOR BENEFIT

xxx-xx-3497	<u>MICHELE MARTIN</u>	ROLLOVER	\$ 973,325.01
	(Spouse to Deceased Participant – JOHN MARTIN, III)		
xxx-xx-1529	<u>KELLY SPURRIER</u>	LUMP SUM	\$ 80,116.30
	(Daughter to Deceased Participant – DAVID SPURRIER)		

Plumbers & Steamfitters Local 486

Severance & Annuity/401(k) Fund

911 Ridgebrook Road

Sparks, Maryland 21152-9451

Toll Free Telephone (888) 494-4443

www.associated-admin.com

APPLICATION FOR ANNUITY LOAN

1. Name Rolfes David Lawrence Date of Birth: 9/22/74
Last First Middle

2. Address 10 Madeline Ave. Balt MD 21206
Number Street City State Zip Code

Phone: 443-683-7510 5154 -0459 Amount To Borrow: \$12,000.00

3. Purpose of Loan (Check One) - Annuity Loan checks are made payable to whom the monies are owed and not to the Participant directly.

☐ A. Out-of-pocket expense for sickness or injury for yourself and/or your dependents of at least \$500.00 which was not reimbursed by benefits payable from the Plumbers & Steamfitters Local 486 Medical Fund or total disability beyond the 26 week maximum accident and sickness benefits. (Attach proof of expense such as doctors' bills, hospital bills, etc.)

☐ B. Funeral expenses on the death of your spouse, child, parent, sibling or any person dependent upon you for support. (Attach copies of bills and copy of death certificate.)

☒ C. Education expenses for yourself, your spouse or your dependent child at an accredited education or vocational school or institution or to maintain your dependent child at a school for physically or mentally handicapped children; check appropriate boxes.
(Attach copies of the bills from the school, college, etc.)

☒ tuition

☐ room and board

Name and address of educational institution:

SEP 19 2018

The Catholic High School of Baltimore AA LLC
2800 Edison Hwy. Baltimore, MD. 21213

Full Name of Student Amber G. Milake 15

Relationship to employee step daughter

☐ D. Eviction & foreclosure expenses - amount necessary to prevent the eviction from the participant's principal residence or foreclosure on the mortgage of that residence.
(EVICTON: Attach court proof of the eviction or letter from Landlord signed and notarized. Also submit copy of the lease agreement).

(FORECLOSURE: Attach foreclosure proof from Mortgage Company or submit court documents).

E. Quarterly Medical Fund Self-Payment

David Welch

✓

APPLICATION FOR HARDSHIP WITHDRAWAL

Plumber & Steamfitters Local 486 Severance and Annuity/401k Plan

911 Ridgebrook Road
Sparks, Maryland 21152-9451
888-494-4443

1. Name Steven Lamar Schleg 8541
First Middle Last Soc. Sec. No.

2. Address 207 Denbury Dr Baltimore MD 21222
Number Street City State Zip Code

Telephone Number 443-827-8007 Date of Birth: 01/26/82

Amount of Withdrawal \$ 40,288.67

(Please note: Hardship Withdrawal Checks are made payable the establishment to whom the monies are owed and not to the Participant.)

3. Purpose of Hardship Withdrawal (Check One)

- ☐ A. Out-of-pocket expense for medical care (not covered by other insurance) incurred by you, a spouse, a dependent child or a parent you claim as a dependent on your federal tax return. Expenses must be at least \$500.00 which was not reimbursed by benefits payable from the Plumbers & Steamfitters Local 486 Medical Fund or total disability beyond the 26 week maximum accident and sickness benefits. **(Attach proof of expense such as doctors' bills, hospital bills, etc.)**
- ☐ B. Quarterly Medical Fund Self Payment
- ☒ C. **Cost directly related to the purchase of your principal residence (Attach copies of documents supporting the Purchase)**
- ☐ D. Expenses incurred in connection with the payment of tuition and/or room and board at an accredited educational institution **(Attach copy of invoices)**
- ☐ E. Eviction & Foreclosure expenses - amount necessary to prevent the eviction from the participant's principal residence or foreclosure on the mortgage of that residence. **(Attach Court proof of Eviction or Foreclosure. ** If no court papers for Eviction, a letter from Landlord stating Eviction process with copy of your Lease.** Foreclosure - Notice from Mortgage Company Must be submitted.)**
- ☐ F. Funeral expenses incurred due to the death of your spouse, child, parent or dependent, **(Attach a copy of the death certificate)**
- ☐ G. Expenses for repair of damage of your principal residence that would qualify for a casualty deduction under IRC Section 165

9/19/18
(Date)

x Steve Schleg
(Employee's Signature)

Dawn Welch



5990 Greenwood Plaza Boulevard, Suite 118 Greenwood Village, CO 80111
T 303.714.9956 M 513.255.5330 www.segalmarco.com

Craig Chaikin, CFA
Vice President
cchaikin@segalmarco.com

September 20, 2018

Board of Trustees
Plumbers and Steamfitters Local 486 Severance and Annuity/401(k)
911 Ridgebrook Road
Sparks, Maryland 21152

Re: Segal Marco Advisors Vendor Search Consulting Services

Dear Trustees:

As a follow up to our last meeting, the following is our proposal to assist the Board in conducting a full vendor search and evaluation. It describes the services that we will provide through the process and encompasses all of the required services that are needed to support a participant directed plan, i.e., investments, administration, communications, education and custodial trustee services.

The Segal Marco Advisors team assigned to the project specializes in the vendor selection, evaluation and implementation of participant choice plan programs. We are able to effectively connect vendors' investment offerings, participant communication materials and ongoing recordkeeping capabilities because:

- We have substantial practical experience in all aspects of plan implementation, i.e., plan design, compliance, investment and recordkeeping vendor selection;
- We offer an independent, unbiased, experienced analysis of the services available in the marketplace;
- Expertise in writing Request for Proposals (RFP);
- Assistance in contract negotiations and the development of performance and quality guarantees; and,
- Maintain a dedicated team that specializes in assisting Plans in selecting, evaluating and implementing participant choice plans.

The following is a description of our search services and related fees:

PHASE I: Preliminary Work

Our goal for this phase of the project is to determine the exact needs of the Plan regarding its overall provision of retirement benefits and identification of key issues surrounding the administration and asset management preferences.

The following is a list of services that we will provide:

- Meet with the Board, counsel and Associated Administrators to discuss plan provisions, administrative concerns, current processing requirements and advisory services. This detailed information is necessary background for inclusion within the Request For Proposal (RFP);

- Determine goals and objectives, development of a timeline of scheduled events, and assign responsibilities;
- Re-evaluate current investment options, determine funds to be either retained or replaced and opportunities to reduce management fees, and
- Identify the vendors to be included in the RFP process.

PHASE II: Development of Request for Proposal ("RFP")

- Develop a comprehensive RFP based on the requirements needed to support a full service turnkey service provider;
- Develop a summary of the Plan's significant plan provisions, retirement plan objectives, participant demographics, investment fund assets, eligibility and any other unique plan features;
- Define the expected investment strategy, funds to be either retained or replaced;
- Review the draft RFP with the Board, counsel and Associated Administrators, and make revisions based on input and dialogue;
- E-mail RFP to selected vendors; and,
- Respond and answer all prospective provider questions regarding the RFP.

PHASE III: Evaluation of Proposals

- Establish evaluation criteria and response rating system;
- We will be responsible for receiving proposals and reviewing each proposal;
- Provide an analysis of the vendors' responses, including costs, review provider reports and provide a summary of our analysis for the Board;
- We will meet with you to present the analysis and select a finalist vendor group as necessary.

PHASE IV: Selection of Provider

- Contact finalists and coordinate presentation dates/schedules;
- Assist in the selection of the final investment options;
- Attend finalists presentations; and
- Assist in contacting finalist references for past experiences.

PHASE V: Contractual Review and Negotiations

Once a vendor has been selected, it is essential that all service contracts and agreements be in accordance with the terms of the proposal. Our services in this process would include:

- Review service contracts, trust agreements, service standards; and
- Conduct final fee negotiations, and fund selections.

PHASE VI: Implementation/Conversion Project Management (optional)

If in the event a decision is made to make a change from MassMutual, Segal Marco Advisors will act as the primary liaison to ensure a smooth and accurate plan installation, implementation and enrollment process.

During the implementation/conversion period we will discuss procedures and communications regarding enrollments and plan education. In summary, our role in this process would be to fully monitor the implementation and conversion process.

Specifically, our services in this area would include:

- Identifying the roles of all responsible parties;
- Coordinating the conversion from the current recordkeeper to the new recordkeeping system;
- Coordinating conference calls with the new service provider and Associated Administrators;
- Work with the selected provider to develop a detailed project schedule identifying all required tasks with corresponding due dates for completion;
- Monitoring the schedule throughout the course of the implementation and make appropriate recommendations as needed; and
- Reviewing and evaluating the communication and education programs to support the Plan and conversion.

The following is an illustration of our fees for the service described in this letter:

Professional Fees

PHASE I: Preliminary Work

PHASE II: Development of Request for Proposal

PHASE III: Evaluation of Proposals

- Develop vendor comparison matrix and selection criteria
- Evaluate **four** proposals, administrative services and investment services
- Fee to evaluate additional vendors of **\$5,500** per vendor

PHASE IV: Selection of Provider

- Interview, negotiate and participate in presentations
- Vendor site visits - hourly time charges, plus travel expenses (optional service)

PHASE V: Contractual Review and Negotiations

<i>PHASE VI: Implementation/Conversion Project Management (optional)</i>	\$10,000
<i>TOTAL SEARCH PROJECT (excluding conversion)</i>	\$20,000

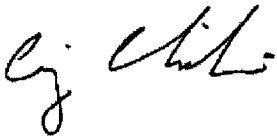
Please note that we work with our client from the initial planning stage through implementation, which is normally 6 to 9 months. During this time we are fully available to assist the Board on all aspects of the transition including the coordination of the communication process.

Given all of the issues that are associated with the implementation of a participant directed plan, we believe that it is imperative that the initial process is conducted with the highest level of expertise and implemented correctly the first time.

We appreciate the opportunity to provide our vendor search services to the Board and look forward to working with you on this assignment. If the services and fees described in this letter meet with your approval, please sign and return a copy of this letter, which will serve as our contract to conduct a full service vendor search and implementation project for the participant choice plan.

In the meantime, upon your review of this letter, if you should have any questions or need additional information regarding our vendor search and evaluation services and related fees, please feel free to contact me.

Sincerely,



Craig Chaikin, CFA
Vice President

Accepted and Agreed to on Behalf of:

The Board of Trustees of the Plumbers and Steamfitters Local 486 Severance and Annuity/401(k)

Signature

Date

Signature

Date