

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

Board of Trustees Meeting

May 23, 2019

PLUMBERS & STEAMFITTERS LOCAL 486
SEVERANCE & ANNUITY/401k FUND
AGENDA
MAY 23, 2019

A. ROLL CALL

B. READING OF THE MINUTES - April 25, 2019

C. ADMINISTRATION REPORTS

1. Fund Balance Report - April 30, 2019
2. Fund Schedules - April 30, 2019
3. Fund Bills To Be Approved & Paid – May 23, 2019
4. Administrative Cash Balance - April 30, 2019
5. Summary Balance Report – April 30, 2019

D. UNFINISHED BUSINESS

1. Delinquent Contractors
2. Segal Select Insurance – Cyber Liability

E. NEW BUSINESS

1. Deaths: Mary Neiderwemmer – 3/07/2019, age 57
James Boddie – 4/22/2019, age 80
Roseleen McDavid – 4/27/2019, age 77
Edward Zimmer Jr – 4/30/2019, age 85
Robert Diem Sr – 5/01/2019, age 75
Betty Nye – 5/17/2019, age 92
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. Loan: Len Johnson – Foreclosure - \$6,680.34
8. ERISA Budget Account
9. Questions
10. Date of Next Meetings: June 27, 2019 & July 25, 2019 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, C. Daniel, A. Gannon, G. Glab, T. Herbert, R. Horton, W. Welsh, J. Wontrop

Others Attending: K. Bradley, D. Jensen, M. Lester, R. Mogstad, D. Welch

The Trustees met on April 25, 2019 at the office of the Administrative Manager.

Chairman Wontrop called the regular meeting to order at 10:00 a.m.

- A. The Minutes of the meeting of March 28, 2019 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, M&E Sales, South Mountain and Verticon. Ms. Bradley reported Bay Area is up to date on their repayment agreement as well as delinquent contributions. Ms. Bradley stated that her firm is negotiating language for an agreed settlement of the bond claim.
 - 2. Ms. Bradley discussed the Capitol Refrigeration payroll audit. Capitol refrigeration is requesting that the \$5,000 cash escrow held by the Joint Funds be applied to the amount owed in conjunction with the recently concluded audit. Fund Counsel recommended that the request should not be considered until the employer is current with its contribution payments, but that it would be reasonable to grant the request if all of Capitol Refrigeration's payments were up-to-date. A Motion was made and unanimously approved to follow Ms. Bradley's recommendation.

D. New Business

1. Deaths: Douglas Algier – 3/24/2019, age 85
Louis Milstreed – 4/04/2019, age 81
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 attached EPS Benefits.
6. The Trustees approved the attached Survivor Benefit.
7. The Trustees approved the following loan:
John Canty II – Eviction - \$15,000.00
8. Mr. Michael Lester of Segal Select Insurance discussed Cyber Liability insurance with the Trustees. He gave an overview of different types of breaches as well as policies available. He stated this policy would be primary over other fund vendor policies. Segal received quotes from Travelers and Beazley. They recommend binding coverage with Travelers based on a broad scope of coverage, three aggregate limit structure that prevents limits from depleting each other, and a competitive premium and retention structure.

The Trustees did not make a decision at this time.

9. At the previous meeting, the Trustees discussed 401(k) contributions paid by an employer, George S. Hall, on behalf of a participant who is a Serviceman. These were mistaken contributions, and as such represented an overpayment. Per the Collective Bargaining Agreement (CBA), Tradesmen/Servicemen are not eligible for Annuity or 401(k) contributions. It was stated by the employer that the 401(k) contributions were after-tax dollars, not pre-tax. It is unclear whether the employer thought this was a Roth 401(k) plan, but it is not. Ms. Bradley stated the mistaken contributions should be returned to the employer and it would be the employer's responsibility to repay the employee. A Motion was made and passed unanimously to send a letter to the employer explaining why the

contributions are being returned, with a copy to the participant.

The Trustees verified with Mr. Jensen that the reason the contributions are being returned is due to the fact they were post-tax contributions, not pre-tax as required by the 401(k) deferral rules. Mr. Jensen stated he discussed the return of the money with Jason Neal of MassMutual. MassMutual will return the money to the 486 Joint Funds, which will in turn, return the money to George S. Hall, Inc.

10. Mr. Jensen presented a letter from FM Sylvan Inc. The employer is requesting a refund of \$8,857.72 (for all Funds) which they overpaid for the month of January 2019. They correctly paid Journeyman wages on 916 hours but also incorrectly paid additional monies on the same hours. A Motion was made and unanimously approved to refund the overpayment.
11. Mr. Mogstad distributed the MassMutual Strategic Plan Review and presented the executive summary and the activity for the quarter ending March 31, 2019 versus the quarter ending December 31, 2018. The total plan assets were \$251,346,151 as of March 31, 2019 and \$222,996,087 as of December 31, 2018. He reviewed the overall investment diversification of the Plan and highlighted the Target Date Funds, which comprise 47.3% of the total portfolio. He provided an update on the communication and education calendar for 2019. Mr. Mogstad noted that MassMutual would be moving to a paperless statement system. Participants must opt-in to receive paper statements. The statement that includes the Annual Cost Disclosure will continue to be mailed to participants. He discussed the financial wellness initiative with the Trustees, including an amendment to the administrative services agreement which would permit MassMutual to have access to participant data by virtue of a link on the "Map My Finances" website to life insurance, disability insurance, or other individual products which would be marketed to the participants if the amendment were signed. He concluded his presentation by reviewing the Plan's cost and revenue disclosure. The Trustees did not sign the amendment and agreed that they did not intend to permit sharing of participant data with MassMutual for the purpose of selling individual insurance or other products to the participants.

12.Dates of the next meetings:

May 23, 2019 at 10:00 a.m.

June 27, 2019 at 10:00 a.m.

Adjournment: 12:30 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 FOUR MONTHS ENDED APRIL 30, 2019

Receipts:	<u>Curr. Month</u>	<u>Year To Date</u>
Employer Contributions	\$837,528.97	\$2,953,123.95
401k Contributions	398,868.94	1,263,253.58
Less Reciprocals	(17,577.90)	(63,575.81)
Return of Overage	0.00	0.00
Rollovers	6,828.12	11,638.50
Investment Income - MassMutual	6,800,751.01	35,193,957.46
Interest Income - Annuity Loans	187.21	2,566.82
MassMutual Fee Credit	0.00	150,000.00
	<u>\$8,026,586.35</u>	<u>\$39,510,964.50</u>
Disbursements:		
Benefit Payments	\$1,626,703.35	\$4,530,861.31
Loan Fees	216.64	1,034.91
Investment Consulting	3,000.00	12,000.00
Administration	11,286.12	42,495.36
Audit Fee	0.00	1,300.00
Conference Expenses	2,050.00	9,580.75
Dues	0.00	0.00
Fiduciary Liability Insurance	0.00	23,992.70
Fidelity Bond	0.00	0.00
I R S Filing Fee	0.00	0.00
Legal Fees & Expenses	14,006.93	22,926.33
Meeting Expenses	0.00	0.00
Office Expenses	0.00	1,109.01
Postage	0.00	2.94
Printing	0.00	0.00
Programming	0.00	0.00
SPD Publishing	0.00	0.00
U.A. Reciprocal Program	394.76	394.76
Vendor Search Fees	0.00	0.00
Wire Fees	30.00	135.00
Trustee Fees - Robert Bennett	2,894.88	4,824.80
Total Disbursements	<u>\$1,660,582.68</u>	<u>\$4,650,657.87</u>
Increase (Decrease) In Fund Balance	<u>\$6,366,003.67</u>	<u>\$34,860,306.63</u>
Balance - December 31, 2018		<u>\$224,079,052.57</u>
Balance - April 30, 2019		<u>\$258,939,359.20</u>

FUND BALANCE CONSISTING OF:

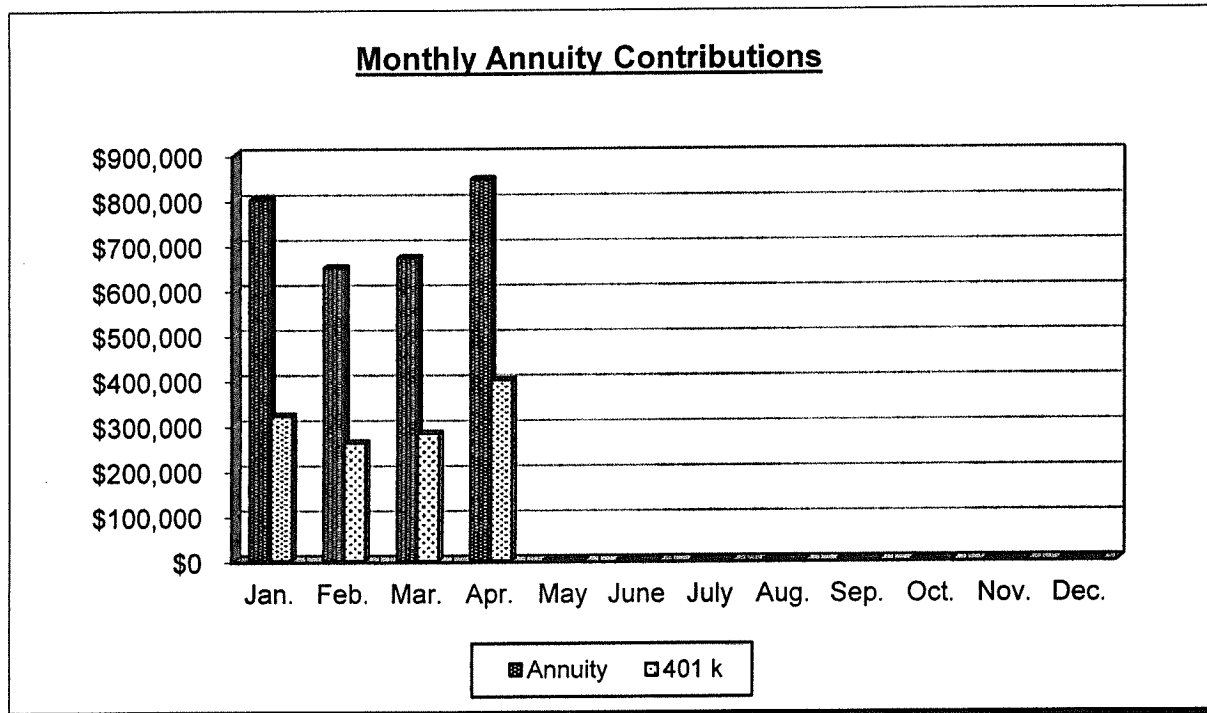
Bank of America Checking	0.02%	\$48,251.19
MassMutual Investments	99.90%	258,672,779.91
Annuity Loans Receivable	0.08%	218,328.10
	<u>100.00%</u>	<u>\$258,939,359.20</u>

UNAUDITED FINANCIAL REPORT

PLUMBERS & STEAMFITTERS LOCAL UNION
486 SEVERANCE & ANNUITY/401k FUND
SCHEDULES
FOR THE FOUR MONTHS ENDED APRIL 30, 2019

Contributions:

	<u>Month</u>	<u>Year To Date</u>
Nov. 2018 & Prior Hours	\$2,530.79	\$265,613.68
Dec. 2018 Hours	6,346.39	984,004.84
Jan. 2019 Hours	6,834.73	960,534.25
Feb. 2019 Hours	144,269.08	934,618.22
Mar. 2019 Hours	1,083,245.04	1,083,245.04
	<u>\$1,243,226.03</u>	<u>\$4,228,016.03</u>



PLUMBERS & STEAMFITTERS LOCAL UNION 486
SEVERANCE & ANNUITY/401k FUND
BILLS AND DISBURSEMENTS TO BE APPROVED AND PAID
May 23, 2019

1. Plumbers & Steamfitters Joint Funds	
Administration @ 20% Plus Direct Costs - April 2019	10,073.70
2. Trustees Checks	
R. Bennett @ \$482.48 - Trustees Meeting - May 23, 2019	482.48
3. Associated Administrators, LLC	
Lunch - May 23, 2019	Blank
4. Conference Expenses	
G. Glab - IPS-EPIC 2019 Hotel, Food and Travel Expenses	2,460.61
5. Segal Marco Advisors	
Investment Consulting - April 2019	3,000.00
6. National Coordinating Committee for Multiemployer Plans	
Associate Affiliate Dues - June 1, 2019 - May 31, 2020	875.00
7. Reciprocal Transfers	
Plumbers Local 5 Annuity Fund - March 2019	Blank
Steamfitters & Pipefitters Local 489 Annuity Fund - March 2019	Blank
Steamfitters & Pipefitters Local 602 Annuity Fund - March 2019	Blank

Accounting for April 2019 Checks

Reciprocal Transfers	
Plumbers Local 5 Annuity Fund - March 2019	7,113.50
Steamfitters & Pipefitters Local 489 Annuity Fund - March 2019	495.64
Steamfitters & Pipefitters Local 602 Annuity Fund - March 2019	9,968.76
Associated Administrators, LLC	
Lunch - April 25, 2019	285.00

PLUMBERS & STEAMFITTERS LOCAL 486
M.C.A. of MD JOINT ADMINISTRATION
ADMINISTRATION CASH REPORT
FOR THE FOUR MONTHS ENDED APRIL 30, 2019

		<u>Y T D</u> <u>Budget</u>	<u>Current</u> <u>Month</u>	<u>Year To Date</u>	
Balance - Janaury 1, 2019					\$13,475.94
Receipts:					
Medical Fund	54%	\$121,850	31,005.38	\$117,589.30	
Pension Fund	19%	43,279	11,646.03	43,914.51	
Annuity Fund	20%	41,872	11,286.12	42,495.36	
Credit Union	1%	1,927	473.42	1,914.22	
Training Fund	4%	7,708	1,893.67	7,656.86	
Dues Fund	1%	1,927	473.42	1,914.22	
Industry Fund	1%	1,927	473.42	1,914.22	
		<u>\$220,490</u>	<u>\$57,251</u>		<u>217,398.69</u>
					<u>\$230,874.63</u>
Expenses:					
Administration		\$204,786	51,196.50	\$204,786.00	
Audit		1,217	0.00	400.00	
Meeting Expenses		0	0.00	0.00	
Office		0	0.00	0.00	
Printing		667	0.00	226.34	
Postage		667	0.00	126.73	
Postage - Medical		2,333	918.88	2,845.00	
Rent		0	0.00	0.00	
Bank Service Charges		821	0.00	0.00	
Programming		0	0.00	0.00	
Record Destruction		0	0.00	0.00	
Employer Audits		10,000	1,822.50	14,455.55	
Total Expenses		<u>\$220,491</u>	<u>\$53,937.88</u>	<u>\$222,839.62</u>	
Interest Income		0	0.00	0.00	
Net Expenses		<u>\$220,491</u>	<u>\$53,937.88</u>		<u>222,839.62</u>
Balance - April 30, 2019					<u>\$8,035.01</u>

UNAUDITED FINANCIAL REPORT

PLUMBERS & STEAMFITTERS LOCAL 486
SEVERANCE AND ANNUITY/401K FUND
SUMMARY BALANCE REPORT
APRIL 30, 2019

Source	Beginning Balance	Contributions	Loan Activity	Forfeiture Allocation	Transfers	Withdrawals	Forfeiture Withdrawals	Expenses	Other Activity	Investment Income	Ending Balance
Employer	\$ 38,955,993.08	\$ -	\$ (6,680.34)	\$ -	\$ -	\$ (365,738.00)	\$ -	\$ (124.99)	\$ -	\$ 978,239.06	\$ 39,561,688.81
Rollover	\$ 1,075,848.51	\$ 6,828.12	\$ -	\$ -	\$ -	\$ (22,519.00)	\$ -	\$ -	\$ 21,008.95	\$ 26,299.26	\$ 1,107,465.84
Deferred Salary	\$ 73,329,080.57	\$ 291,581.63	\$ -	\$ -	\$ -	\$ (792,551.28)	\$ -	\$ (91.65)	\$ 20,035.55	\$ 2,019,387.40	\$ 74,867,442.22
Restored Withdrawal	\$ 3,304.18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122.65	\$ 3,426.83
EPS	\$ 137,249,319.29	\$ 651,562.99	\$ (13,937.92)	\$ -	\$ -	\$ (513,895.07)	\$ -	\$ -	\$ 26,955.50	\$ 3,758,733.30	\$ 141,158,738.09
Money Purchase Pension	\$ 736,427.72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,969.34	\$ 754,397.06
Grand Total	\$ 251,349,973.35	\$ 949,972.74	\$ (20,618.26)	\$ -	\$ -	\$ (1,694,703.35)	\$ -	\$ (216.64)	\$ 68,000.00	\$ 6,800,751.01	\$ 257,453,158.85

PLUMBERS & STEAMFITTERS LOCAL UNION
486 SEVERANCE & ANNUITY/401k FUND
DELINQUENT CONTRACTORS
AS OF APRIL 30, 2019

<u>Delinquent Contractors:</u>	<u>Work Month</u>	<u>Amount</u>	<u>Date Received</u>
1. Bay Area Mechanical Services	Mar-19		
2. Capitol Refrigeration, Inc.	Feb-19	\$4,303.18	5/3/2019
Capitol Refrigeration, Inc.	Mar-19		
3. Day & Zimmerman NPS, Inc.	Mar-19		
4. M&E Sales, Inc	Jan-19		
M&E Sales, Inc	Feb-19		
M&E Sales, Inc	Mar-19		
5. South Mountain Mechanical	Jan-19	\$3,468.49	5/6/2019
South Mountain Mechanical	Feb-19		
South Mountain Mechanical	Mar-19		
6. Verticon, Inc.	Mar-18	In Litigation	
Verticon, Inc.	Apr-18	In Litigation	
Verticon, Inc.	May-18	In Litigation	
Verticon, Inc.	Jun-18	In Litigation	
Verticon, Inc.	Jul-18	In Litigation	



333 West 34th Street New York, NY 10001-2402
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MEMORANDUM

To: David Jensen
Account Executive

From: Michael Lester, RPLU
Insurance Broker

Date: April 25, 2019

Re: Plumbers & Steamfitters Local 486 Pension Fund, Medical Fund, Severance & Annuity Fund, and Training Fund
Cyber Liability Insurance

Thank you for the opportunity to present cyber liability quotes for the Trustees' considerations.

While we received favorable quotes from both Beazley and Travelers, we recommend binding coverage with Travelers based on a broad scope of coverage, three aggregate limit structure that prevents limits from depleting each other, and a competitive premium and retention structure.

We can support binding any of the three limit options, but recommend consideration be given to binding one of the higher limit options based on the increasing frequency and severity of cyber breaches and favorable market conditions.

Our recommendation is based on our analysis of the responses from the carriers that provided quotes as summarized below.

Carrier	Premium	Limit(s) of Liability	Response
Travelers	\$3,272	\$1-million Response Coverage Expenses \$2-million First & Third Party Coverages 100,000 Notifications	RECOMMENDED OPTION — Key decision variables: broad scope of coverage, competitive premium and retention structure, and admitted status.
	\$3,773	\$1-million Response Coverage Expenses \$3-million First & Third Party Coverages 100,000 Notifications	
Beazley	\$2,580	\$1-million First Party Coverages \$1-million Third Party Coverages 50,000 Notifications	ALTERNATIVE OPTIONS
	\$3,060	\$1-million First Party Coverages \$2-million Third Party Coverages 50,000 Notifications	
	\$3,680	\$1-million First Party Coverages \$1-million Third Party Coverages 100,000 Notifications	
	\$4,370	\$1-million First Party Coverages \$2-million Third Party Coverages 100,000 Notifications	
	\$6,710 + \$201.30 Surplus Lines Tax	\$1-million First Party Coverages \$3-million Third Party Coverages 100,000 Notifications	

Additional information is available in the attached sections outlined on the next page for your review. Please advise us of the Trustees' decision at the earliest convenience. If you have any questions, please contact us:

- Broker: Michael Lester, RPLU
 Broker
 212-251-5257
mlester@segalsi.com
- Lead Regional Consultant: Matthew Jackson, RPLU
 Senior Vice President

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ANNUITY BENEFITS TO BE APPROVED MAY 23, 2019

TERMINATED BENEFITS

xxx-xx-7376	TERRU ANDRADE	LUMP SUM	\$ 2,989.40
xxx-xx-7031	RICHARD LEDFORD	ROLLOVER	\$ 68,203.90
xxx-xx-6994	JUSTIN ROPKA	LUMP SUM	\$ 101,869.22
xxx-xx-6834	RICHARD SMITH	ROLLOVER	\$ 189,550.92
xxx-xx-0821	MICHAEL WILKINS	LUMP SUM	\$ 9,528.32

RETIRED DISTRIBUTION

xxx-xx-4011	RICHARD DIMLER	LUMP SUM	\$ 160,000.00
xxx-xx-5704	C STEVEN GEORGE	ROLLOVER	\$ 451,743.96
xxx-xx-6664	ROBERT GRANT	LUMP SUM	\$ 1,013.77
xxx-xx-1621	STEPHEN LOWE	LUMP SUM	\$ 3,249.27

RECIPROCAL DISTRIBUTIONS

xxx-xx-8551	JOHN CAREY	ROLLOVER	\$ 4,403.01
xxx-xx-9240	JOHN DOBIE	ROLLOVER	\$ 929.22
xxx-xx-7257	DERELL EURE	LUMP SUM	\$ 19,331.90
xxx-xx-6932	DONALD HILLIS	LUMP SUM	\$ 4,214.43

EPS DISTRIBUTIONS (59 ½)

xxx-xx-6541	JOHN SHANAHAN	LUMP SUM	\$ 5,550.00
xxx-xx-8183	MICHAEL WALTZ	LUMP SUM	\$ 50,000.00

SURVIVOR BENEFIT

xxx-xx-1725	MELISSA POE	LUMP SUM	\$ 133.01
(Spouse to Deceased Participant – ROBERT POE)			
xxx-xx-9566	SUZI SIPES	LUMP SUM	\$ 6,608.41
(Spouse to Deceased Participant – RICHARD RADLE)			

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AA LLC
APR 11 2019

APPLICATION FOR ANNUITY LOAN

1. Name Johnson Len G Date of Birth: 12-8-60
Last First Middle
2. Address 618 Boxelder Dr. Edgewood, MD 21040
Number Street City State Zip Code
Phone: 410-671-7158 3130 Amount To Borrow: 6,680.34
410-671-7158

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.
(Must 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. **(Must 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.
(Must Attach copies of all invoices for payment from the school, college, etc.)

☐ tuition ☐ room and board
Name and address of educational institution:

Full Name of Student _____ Age _____

Relationship to employee _____

☒ D. Eviction & foreclosure expenses - amount necessary to prevent the eviction from the participant's principal residence or foreclosure on the mortgage of that residence.
(EVICTION: Must Attach court proof of the eviction or letter from Landlord signed and notarized detailing eviction amount and date. Must Also submit copy of the signed lease agreement).
(FORECLOSURE: Must Attach Foreclosure proof from Mortgage Company or submit court papers.

☐ E. Quarterly Medical Fund Self-Payment

4/15/19
W. P. Riley Jr.

ERISA Budget Account

Post Date	Activity	Amount
01/12/18	Beginning Balance	\$19.40
01/12/18	4th Quarter 2017 Credit	\$128,640.07
04/13/18	1st Quarter 2018 Credit	\$130,191.89
06/05/18	Plumbers & Steamfitters Local 486	(\$150,000.00)
10/11/18	2nd Quarter 2018 Credit	\$75,348.92
10/11/18	3rd Quarter 2018 Credit	\$76,766.90
12/18/18	Plumbers & Steamfitters Local 486	(\$16,000.00)
	Investment Income	\$2,363.48
12/31/18	Ending Balance	\$247,330.66
 12/31/18	 Beginning Balance	 \$247,330.66
01/17/19	4th Quarter 2018 Credit	\$69,288.29
02/01/19	Plumbers & Steamfitters Local 486	(\$150,000.00)
04/15/19	1st Quarter 2019 Credit	\$76,521.38
	Investment Income	\$1,271.49
04/26/19	Ending Balance	\$244,411.82