

Hod Carriers Local 166 Pension Fund (East Bay)

***Actuarial Valuation as of
July 1, 2015***

Venuti & Associates
5050 El Camino Real, Suite 106
Los Altos, California 94022
(650) 960-5700

June 2016

VENUTI & ASSOCIATES

ACTUARIES AND BENEFITS CONSULTANTS

June 21, 2016

Board of Trustees
Hod Carriers Local 166 Pension Fund (East Bay)

Dear Trustees:

We are pleased to present our actuarial valuation report for the Hod Carriers Local 166 Pension Fund (East Bay) as of July 1, 2015. The information in this report provides the means by which we measure the Pension Fund's ability to pay the benefits promised. The actuarial report serves three main purposes:

- Measure the funded status of the Plan by comparing Pension Fund assets to actuarial liabilities.
- Determine how the funded status changed from the prior year using what is called an "experience analysis."
- Assess the Plan's long-term funding position by projecting and comparing contributions made during the year for active members to the cost of Plan benefits earned during the year.

In summary, during the year ending June 30, 2015 the Plan had an experience gain of \$1,297,348. \$458,888 of this gain is attributable to the East Bay plan and consists primarily of gains from returns on actuarial value of assets greater than expected. The remaining \$838,460 was attributable to the experience of the former Hod Carriers Local 166 South Bay Pension Plan participants for the partial year subsequent to the January 1, 2015 merger. Assumed retirement rates were updated to better reflect past and expected future experience. This change decreased actuarial liabilities by \$358,227. The Plan has as unfunded actuarial accrued liability of \$2,823,857 and an unfunded vested benefit liability on a market value basis of \$3,132,834 as of June 30, 2015.

We look forward to discussing our report with you.

Very truly yours,



David W. Venuti
President

Cc: Coleen Christophersen, Richard Grosboll

VENUTI & ASSOCIATES

ACTUARIES AND BENEFITS CONSULTANTS

SECTION 1**SECTION 2****SECTION 3****Valuation Results**

Executive Summary	1
Summary Information	2
Funded Status	4
Actuarial Experience	7
Funding Projection	13
Contribution Requirements ..	13

Comments and Certification

Comments	14
Certification	14

Supplemental Information

Participant Reconciliation	16
Active Participant Data	17
Vested Inactive Data	19
Retiree Data	20
Employment and Contribution History	21
Asset Information	22
Funding Standard Account	24
Current Liability	25
Information Required for ASC 960	26
Summary of Plan Provisions	27
History of Plan Changes	29
Actuarial Method and Assumptions	30

SECTION 1: VALUATION RESULTS

EXECUTIVE SUMMARY

Actuarial value of assets increased \$18,143,521 while market value increased by \$17,973,314. This increase includes an \$18,709,863 market value transfer of assets from the Hod Carriers South Bay Pension Plan due to the merger as of January 1, 2015. Return on actuarial value was 6.69% while return on market value was 2.14%. Return on actuarial value also includes a \$581,110 loss being recognized this year from the continued smoothing of 2008/2009 asset losses. Asset losses from 2008/2009 and net gains after 2011 will continue to be recognized under the asset smoothing method. Fair market value is \$1,011,129 less than actuarial value and this difference will flow through the asset smoothing during the next five years.

During the year the Plan had an experience gain of \$1,297,348. \$458,888 consists primarily of gains returns on actuarial value of assets greater than expected. The remaining \$838,460 is from South Bay participant experience subsequent to the January 1, 2015 merger.

Assumed retirement rates were updated to better reflect past and expected future experience. This change decreased actuarial liabilities by \$358,227.

The Plan's funded percentage is based on actuarial value of assets and actuarial accrued liability determined under the "unit credit" funding method. On this basis the funded percentage is 93.28% compared to 91.38% in the prior year. PPA requires that the "unit credit" liability be used to determine the PPA zone status. Therefore, the PPA funded percentage is also equal to 93.28%.

The minimum required contribution due for the plan year ending June 30, 2016 is \$2,200,401 before recognition of the

credit balance with interest. The credit balance in the funding standard account of \$10,573,977 as of July 1, 2015 is used to cover this amount if contributions to the Plan are less than the minimum required contribution. As a result, the minimum required contribution is \$0.

For withdrawal liability purposes, there is an unfunded vested benefit liability (using market value of assets) of \$3,132,834 so employer withdrawal liability for the plan year ending June 30, 2016 may be assessed. Details related to the withdrawal liability calculation and methodology are presented in separate correspondence.

Expected contributions are sufficient to amortize the unfunded liability over a period of 6 years on a market value basis.

The Plan was certified "green" for 2015. Details of funding projections under PPA are presented in separate correspondence.

Effective January 1, 2015, the Hod Carriers Local 166 South Bay Pension Plan was merged into the Hod Carried Local 166 Pension Fund (East Bay). The impact of the merger is detailed in the Hod Carriers Local 166 South Bay/ East Bay Pension Plan Merger Project report dated November 19, 2014 and is incorporated in this valuation report.

SECTION 1: VALUATION RESULTS

Summary Information

The following presents some of the important results of the actuarial valuation and compares this information with the prior year.

	<u>June 30, 2015 ⁽¹⁾</u>	<u>June 30, 2014</u>	<u>Change</u>
Number of Participants			
Actives			
Vested	53	23	30
Non-Vested	<u>45</u>	<u>43</u>	<u>2</u>
Total	98	66	32
Inactives			
Vested	133	52	81
Non-Vested	<u>80</u>	<u>70</u>	<u>10</u>
Total	213	122	91
Retirees and Beneficiaries	<u>231</u>	<u>132</u>	<u>99</u>
Total Participants	542	320	222

⁽¹⁾ Includes an additional 218 participants attributable to the merger with Hod Carriers Local 166 South Bay.

SECTION 1: VALUATION RESULTS

Summary Information (continued)

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>
Liabilities			
Actuarial Accrued Liability	\$42,027,679	\$23,047,241	\$18,980,438
Vested Benefit Liability	41,325,527	22,315,855	19,009,672
Assets			
Actuarial Value	\$39,203,822	\$21,060,301	\$18,143,521
Market Value	38,192,693	20,219,379	17,973,314
Funded Status			
Unfunded Actuarial Accrued Liability	\$2,823,857	\$1,986,940	\$836,917
Unfunded Vested Benefit Liability ⁽¹⁾	3,132,834	2,096,476	1,036,358
PPA Funded Percentage:			
Unit Credit Accrued Liability	\$42,027,679	\$23,047,241	\$18,980,438
Funded Percentage	93.28%	91.38%	1.90%
Normal Cost	\$160,340	\$127,565	\$32,775
Employer Contributions ⁽²⁾	\$1,037,980	\$760,701	\$277,279
Benefits Paid	\$2,393,043	\$1,694,157	\$698,886

⁽¹⁾ Based on market value of assets.⁽²⁾ Includes amounts from South Bay Plan from January 1, 2015 through June 30, 2015.

SECTION 1: VALUATION RESULTS

Funded Status

The funded status of the Plan is determined by comparing Pension Fund assets (actuarial value) to the actuarial accrued liability for benefits earned under the Plan. For purposes of determining the funded status, Pension Fund assets are determined using a smoothing technique which is designed to dampen market value volatility. Under this smoothing approach, the excess of market value earnings over the expected investment earnings is recognized in equal amounts over five years.

Actuarial accrued liabilities are determined under a method called the Unit Credit Funding Method. Under this method, the actuarial liability represents the amount required to fully pay all pension, death and disability benefits earned to date as they come due in the future assuming plan experience is exactly equal to that anticipated by the actuarial assumptions. This means that the funded status assesses the Plan's ability to pay benefits earned to date based on the current assets in the Pension Fund. If actuarial value of assets exceeds the actuarial accrued liability the Plan is in a surplus position and is said to have an "actuarial surplus." If actuarial value of assets is less than the actuarial accrued liability, the plan has an "unfunded actuarial accrued liability." In this case, the unfunded actuarial liability must be paid for by future employer contributions, favorable plan experience, or a combination of both.

As of June 30, 2015, actuarial value of assets totaled \$39,203,822 and the actuarial accrued liability of the Plan was \$42,027,679, resulting in an unfunded actuarial accrued liability of \$2,823,857.

The vested benefit liability is the actuarial liability for vested benefits. If market value of assets is less than the vested benefit liability, the plan is said to have an unfunded vested benefit liability. Under certain conditions, an employer who withdraws from a plan with an unfunded vested benefit liability is required to pay for that employer's share of the unfunded vested benefit liability.

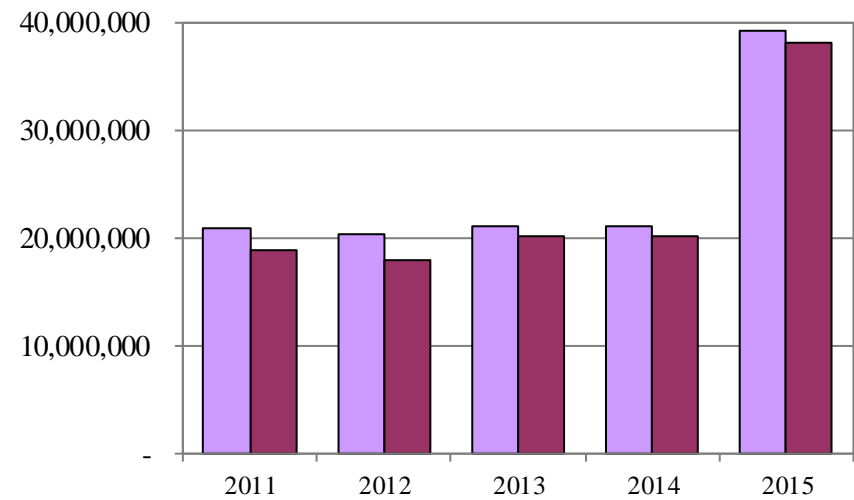
As of June 30, 2015, the vested benefit liability totaled \$41,325,527, resulting in an unfunded vested benefit liability of \$3,132,834.

SECTION 1: VALUATION RESULTS**Funded Status (continued)****Assets at June 30, 2015**

Cash and Equivalents	\$912,317
Mutual Funds	25,038,611
Common Collective Funds	8,020,070
Limited Partnerships	3,178,197
Mortgages	70,903
Cash Accounts	808,560
Contributions Receivable	140,702
Net of Other Receivables and Payables	<u>23,333</u>

Assets at Market Value	38,192,693
Smoothing Adjustment	<u>1,011,129</u>

Assets at Actuarial Value **\$39,203,822**

Asset Values

■ Actuarial Value

■ Market Value

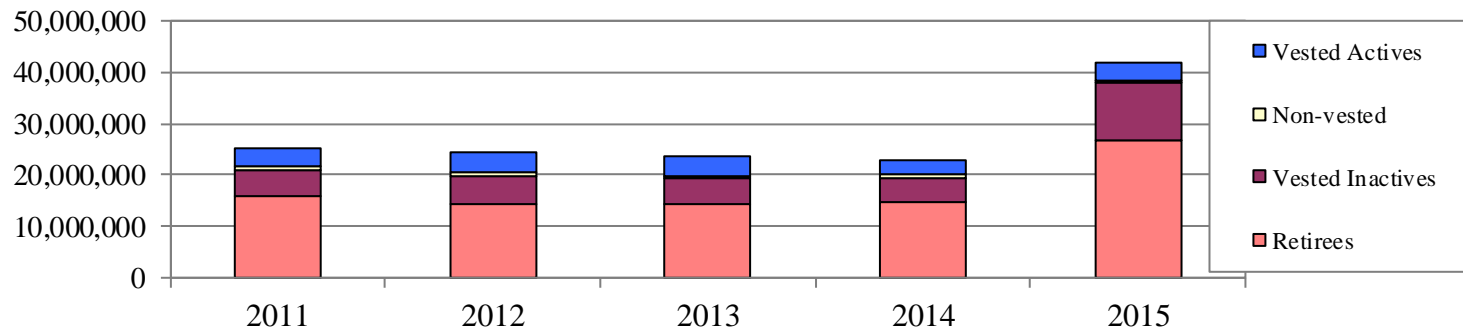
SECTION 1: VALUATION RESULTS**Funded Status (continued)****Actuarial Accrued Liability**

Retirees & Beneficiaries ⁽¹⁾	\$26,837,998	
Vested Actives	3,425,043	
Vested Inactives	<u>11,062,486</u>	
Vested Participants		\$41,325,527
Non-Vested Actives	232,398	
Non-Vested Inactives	<u>469,754</u>	
Non-Vested Participants		<u>702,152</u>

Actuarial Accrued Liability **\$42,027,679**

Funded Status

Actuarial Accrued Liability	\$42,027,679
Actuarial Value of Assets	<u>39,203,822</u>
Unfunded Actuarial Accrued Liability	\$2,823,857

Liabilities

⁽¹⁾ Includes 16 disabled participants.

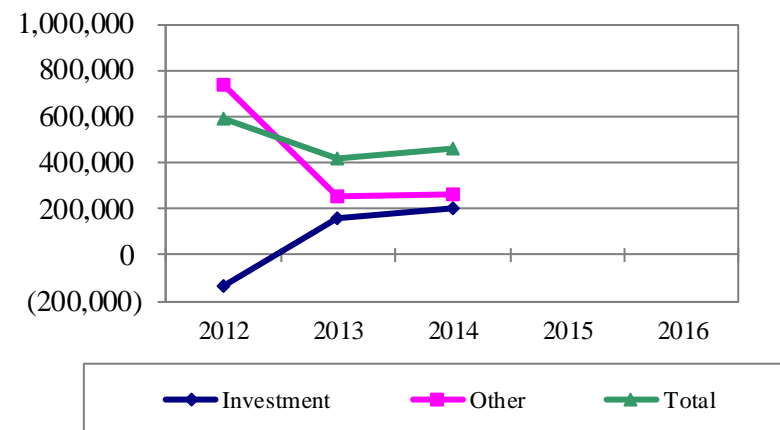
SECTION 1: VALUATION RESULTS**Actuarial Experience**

A plan's actuarial accrued liability is simply an estimate of the amount of funds required to pay benefits as they come due in the future. This estimate is based on assumptions about future events that impact the plan's funded status; events such as investment earnings on plan assets, how long retirees live, and the probability of an active member remaining in covered employment, among others. Each year the plan's funded status changes due to actual experience different from that anticipated by the actuarial assumptions. This difference is referred to as "actuarial experience."

There are two types of actuarial experience. "Actuarial gains" are generated when experience is more favorable than expected. Actuarial gains serve to improve the funded status of the plan. "Actuarial losses" occur when experience is less favorable than expected. Actuarial losses serve to lessen the funded status of the plan.

Actuarial experience is measured by performing an experience analysis. This analysis is important for two reasons. First, it tells the Trustees how and why the funded status changed from the prior year. Second, it allows the actuary to monitor whether the assumptions continue to be appropriate for valuing plan liabilities. Differences in actual experience compared to assumed are expected. However, a recurring trend of gains or losses from a particular assumption could indicate that the assumption should be modified.

During the year ending June 30, 2015, Plan experience produced a total actuarial gain of \$1,297,348. \$458,888 of this gain is attributable to the East Bay plan and consists primarily of gains from greater than expected returns on actuarial value of assets. The components of this gain are broken out below. The remaining \$838,460 was attributable to the experience of the former Hod Carriers Local 166 South Bay Pension Plan participants for the partial year subsequent to the January 1, 2015 merger. The chart below shows a three year history of actuarial gains and losses (without regard to the merger) broken out by investment gains (or losses), gains from other sources, and total. The remainder of this section details the experience related to each assumption used in the actuarial valuation excluding the demographic impact of the merger.



SECTION 1: VALUATION RESULTS**Actuarial Experience: Investment Return****Investment Return**

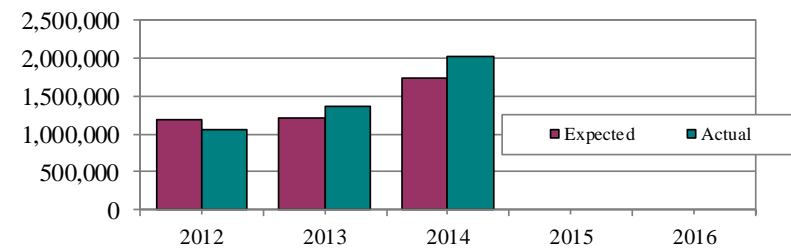
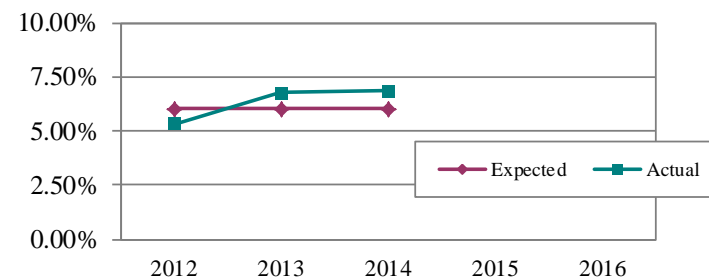
Investment experience typically has a much larger impact on plan experience than any of the other assumptions. The assumption for long-term investment return on Pension Fund assets (at Actuarial Value) is 6.00% per annum, net of investment and expected operational expenses. During the year, the investment return on an actuarial basis was greater than expected, producing an actuarial gain of \$281,657.

	<u>Dollar Amount</u>	<u>Percent</u>
Investment Income (Actuarial Value)	\$2,239,936	7.68 %
Investment Expenses	(27,675)	(0.09)
Expected Operational Expenses	<u>(181,645)</u>	<u>(0.75)</u>
Total Earned Income	\$2,030,616	6.84 %
Less Expected Income	1,748,959	6.00
Gain/(Loss)	\$281,657	0.84 %

Net market value return for the year was approximately 2.1%.

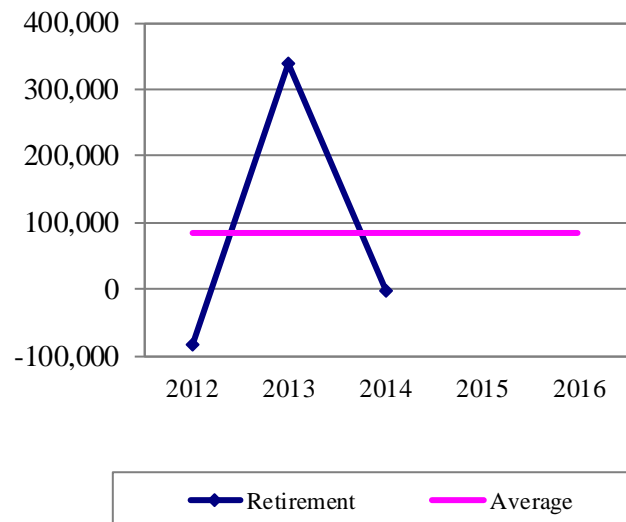
Three-Year History

Over the last three years, actual asset returns on an actuarial basis averaged \$1,487,472 or 6.30% per year, which is \$102,000 or 0.30% more than expected.

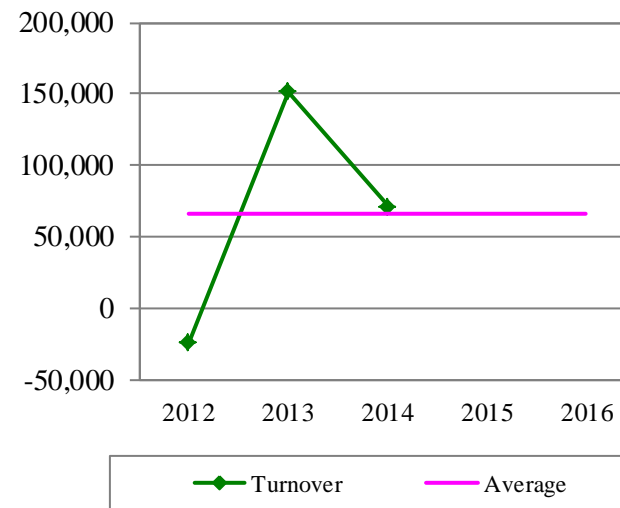
Dollar Amount**Percent**

SECTION 1: VALUATION RESULTS**Actuarial Experience: Other Assumptions****Retirement**

Participants are assumed to retire at age 62. Participants retiring after the assumed retirement age would produce a gain. There were 5 new retirements during the year, resulting in a loss of \$3,125. Over the last three years, gains from this assumption have averaged \$84,800. To better reflect past and expected future experience, this assumption has been updated to the rates shown in the Supplemental Information section of this report.

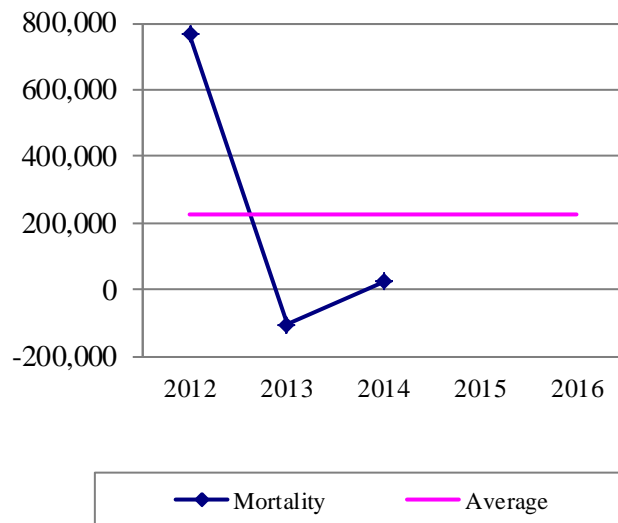
**Turnover**

A non-vested active participant who leaves covered employment and incurs a permanent break-in-service forfeits his benefits earned under the Plan. To anticipate this possibility, actuarial liabilities are discounted by rates of termination shown in the Supplemental Information section of this report. Actual turnover was more than anticipated producing a gain of \$71,357. Over the last three years, gains from this assumption have averaged approximately \$66,100 per year.

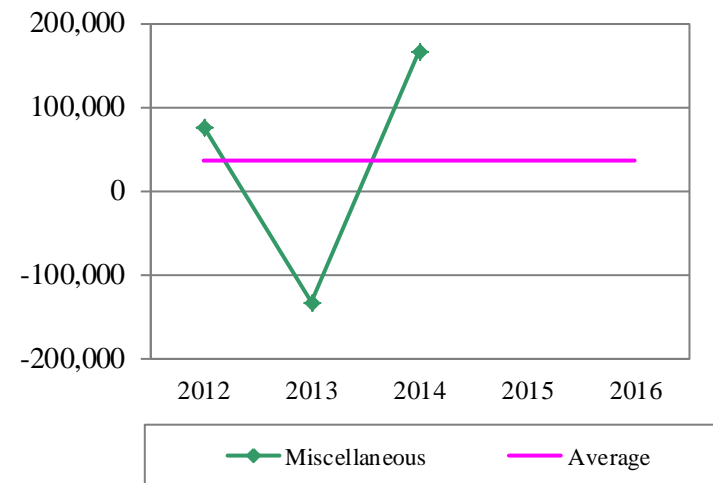


SECTION 1: VALUATION RESULTS**Actuarial Experience: Other Assumptions (continued)****Mortality**

Mortality is generally assumed to be in accordance with the 1983 Group Annuity Mortality Table for Males and Females. During the year, there were 10 deaths and the mortality gain was \$24,107. Over the last three years, gains from this assumption have averaged approximately \$227,900 per year.

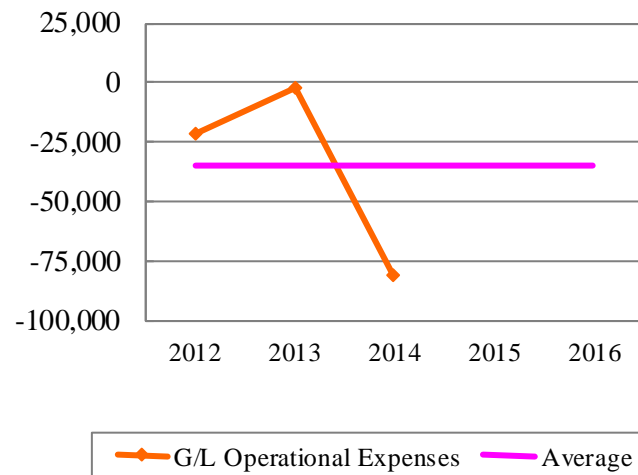
**New Entrants, Disability, and Miscellaneous**

New entrants, disability, and benefit payments produced a gain of \$165,773. Over the last three years, gains from these sources have averaged approximately \$35,800 per year.



SECTION 1: VALUATION RESULTS**Actuarial Experience: Summary****Operational Expenses**

Operational expenses are assumed to be 0.75% of Pension fund assets or \$181,645 for the year ending June 30, 2015. Actual operational expenses totaled \$262,526 resulting in a loss of \$80,881. Over the last three years, losses from this assumption have averaged approximately \$35,000 per year. Operational expenses were larger than expected due to the merger of the Hod Carriers Local 166 South Bay Pension Plan effective January 1, 2015.



The following summarizes the actuarial experience for the year.

Source

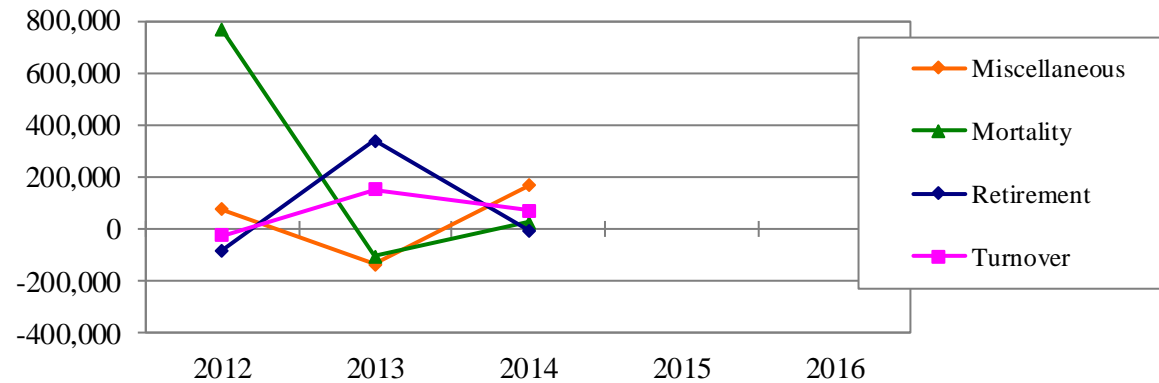
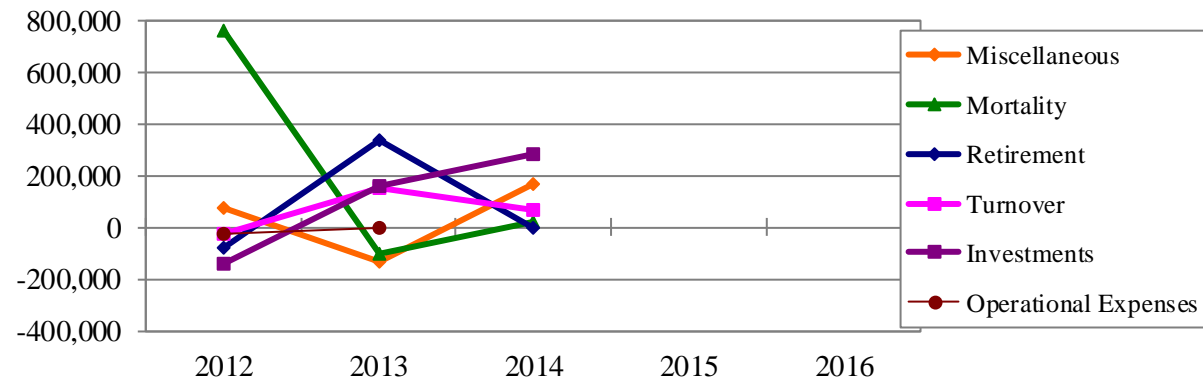
Net Investment Income	\$281,657
Operational Expenses	(80,881)
Retirement	(3,125)
Turnover	71,357
Mortality	24,107
Miscellaneous	<u>165,773</u>

Total East Bay Gain/(Loss) \$458,888

Gain/(Loss) from South Bay \$838,460

Total Gain/(Loss) Post Merger \$1,297,348

Differences in actual Plan experience compared to assumed are to be expected. However, a recurring trend of gains or losses from a particular assumption could indicate that the assumptions should be modified. A three-year history of non-investment actuarial gains and losses and a three-year history of all gains and losses including investment returns are shown on the next page. This information excludes the South Bay gain.

SECTION 1: VALUATION RESULTS**Non-Investment Experience****Experience from All Sources**

SECTION 1: VALUATION RESULTS

Funding Projection and Contribution Requirements**Funding Projection**

The money to pay for plan benefits and operational expenses is provided by contributions to the plan and investment earnings on pension fund assets. Contributions to the Pension Fund are based on negotiated contribution rates which range between \$4.21 and \$9.77 per hour (as of the valuation date) and the hours worked during the year by active participants. During the year the average contribution rate was \$9.58 per hour. Contributions totaled \$1,037,980 with 108,404 contributory hours worked.

The cost of plan benefits earned during the year by active participants is called the “future service cost” or “normal cost”. In the funding projection, projected contributions are first applied to pay for the normal cost. The remainder is available to amortize (meaning to pay for) the unfunded actuarial accrued liability.

Based on 108,400 hours worked, funding is projected as follows:

Contributions	\$1,038,500
Future Service Cost	<u>165,080</u>
Available/(Deficit)	\$873,420

Based on this projection and the other assumptions employed, the unfunded actuarial accrued liability is projected to be fully amortized in approximately 6 years on a market value basis.

Contribution Requirements

Federal statutory funding standards govern both the annual contribution amount required to meet minimum funding standards and the maximum contribution which is deductible for tax purposes by contributing employers. Based on these rules, the minimum required contribution due for the plan year ending June 30, 2016 is \$2,200,401 before recognition of the credit balance with interest. The credit balance in the funding standard account of \$10,573,977 as of July 1, 2015 is used to cover this amount if contributions to the Plan are less than the minimum required contribution. As a result, the minimum required contribution is \$0.

The maximum deductible contribution is \$44,484,102.

Projected contributions fall within this range. Details on these calculations are shown in the Supplemental Information section of this report.

SECTION 2: COMMENTS AND CERTIFICATION

Comments

During the year the Plan had an experience gain of \$1,297,348. \$458,888 consists primarily of gains returns on actuarial value of assets greater than expected. The remaining \$838,460 is from South Bay participant experience subsequent to the January 1, 2015 merger. The Plan's long-term ability to pay the benefits promised depends primarily on the ability of Pension Fund assets to earn the assumed rate of return over the long term.

Assumed retirement rates were updated to better reflect past and expected future experience. This change decreased actuarial liabilities by \$358,227.

The Pension Protection Act of 2006 (PPA) became effective for this Plan on June 1, 2008. In accordance with Internal Revenue Code section 432(b), the Plan was certified to be in the "green" zone for the 2015 plan year. Details of funding projections under the Pension Protection Act of 2006 are presented in separate correspondence.

Effective January 1, 2015, the Local 166 South Bay Pension Plan was merged into the Hod Carried Local 166 Pension Fund (East Bay). The impact of the merger is detailed in the Hod Carriers Local 166 South Bay/ East Bay Pension Plan Merger Project report dated November 19, 2014 and is also incorporated into this valuation.

Certification

This is to certify that our valuation of the Plan as of June 30, 2015 has been performed in accordance with generally accepted actuarial principles and practices. In preparing this report, we have relied on financial information contained in the Plan audit report and on participant census information supplied by the Plan administrator. We did not audit the participant census information. However, we reviewed the data for reasonableness and internal consistency and found no reason to doubt its substantial accuracy.

To the best of our knowledge, the information supplied in this report is complete and accurate. Each prescribed assumption was applied in accordance with applicable laws and regulations. In our opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer our best estimate of anticipated experience under the plan.

This report has been prepared for the Board of Trustees of the Hod Carriers Local 166 Pension Fund (East Bay) to provide information on the Plan's funded status, to review the experience under the Plan, and to assess the Plan's long-term funding position. Given the ongoing and long-term nature which is the intent of the Board of Trustees, we believe the funded status measure in this report is appropriate for assessing the need for and the amount of future contributions.

SECTION 2: COMMENTS AND CERTIFICATION

Certification (continued)

We have determined that the contributions to the Plan under the applicable collective bargaining agreements are sufficient to meet the minimum required and maximum deductible contribution amounts and that contributions are sufficient to pay down the Plan's unfunded actuarial liability over a reasonable period of time.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in Plan provisions or applicable law. Due to the nature of this assignment, we did not perform an analysis of the potential range of such measurements.

The funded status measures presented in this report are for long-term planning and are not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligations. In preparation of this report and the actuarial findings contained herein, we are not aware of any conflict of interest between any relevant parties. We are not aware of any events subsequent to the date of this valuation that would have a material effect on the actuarial findings presented herein.

This report has been prepared exclusively for the Trustees of the Hod Carriers Local 166 Pension Fund (East Bay) for the purposes stated herein and should not be relied upon for any other purposes. This report reflects the merger of the Hod Carriers Local 166 South Bay Pension Plan into the Plan effective January 1, 2015.

We, David W. Venuti and Nancy Teague Lee, are members of the American Academy of Actuaries and meet the Qualifications of the American Academy of Actuaries to render the actuarial opinions contained herein.



_____, A.C.A., M.A.A.A

Nancy Teague Lee
Consulting Actuary
Enrolled Actuary No. 14-07500



_____, F.C.A., M.A.A.A

David W. Venuti
President and Actuary
Enrolled Actuary No. 14-03959

SECTION 3

Supplemental Information

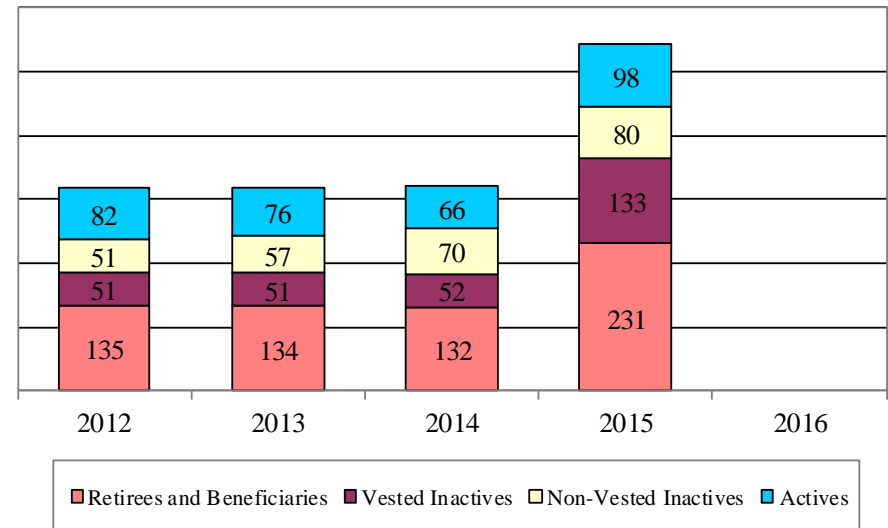
SECTION 3: SUPPLEMENTAL INFORMATION**Participant Reconciliation**

Active at June 30, 2014	66
Non-Vested Termination	(14)
Vested Termination	(8)
Retired/Disabled	(2)
New Active	9
Re-Entered Covered Employment	23
South Bay Additions	25
Data Adjustment	(1)
Active at June 30, 2015	98

Non-Vested Inactive at June 30, 2014	70
Non-Vested Terminations	14
Re-Entered Covered Employment	(18)
Forfeited	0
South Bay Additions	21
Data Adjustment	(7)
Non-Vested Inactive at June 30, 2015	80

Retired at June 30, 2014	132
New Retiree	5
New Beneficiary/Alternate Payee	4
New Disabled	0
Died / Expired	(10)
South Bay Additions	99
Data Adjustment	<u>1</u>
Retired at June 30, 2015	231

Vested Inactive at June 30, 2014	52
Vested Termination	8
Re-Entered Covered Employment	(5)
Retired	(3)
Died	0
South Bay Additions	81
Data Adjustment	<u>0</u>
Vested Inactive at June 30, 2015	133

Participant Count

SECTION 3: SUPPLEMENTAL INFORMATION**Active Participant Data**

Hours Worked ⁽¹⁾	Number
300 to 399	8
400 to 499	4
500 to 599	14
600 to 699	8
700 to 799	10
800 to 899	10
900 to 999	10
1,000 to 1,099	10
1,100 to 1,199	8
1,200 to 1,299	5
1,300 to 1,399	1
1,400 to 1,499	4
1,500 to 1,599	3
1,600 to 1,699	1
1,700 to 1,799	1
1,800 to 1,899	0
1,900 to 1,999	0
2,000 or more	1
Total	98

Avg. Hrs. Worked
During Year

878

Benefit Earned ⁽¹⁾	Number
Under \$10	8
10 to 19	6
20 to 29	13
30 to 39	19
40 to 49	12
50 to 59	14
60 to 69	15
70 to 79	4
80 to 89	3
90 to 99	3
100 to 109	0
110 to 119	0
120 to 129	1
130 to 139	0
140 to 149	0
150 or more	0
Total	98

Average Benefit
Earned in Year

\$43.57

Accrued Benefit	Number
Under \$100	12
100 to 199	29
200 to 299	10
300 to 399	5
400 to 499	4
500 to 599	6
600 to 699	2
700 to 799	3
800 to 899	2
900 to 999	3
1,000 to 1,099	2
1,100 to 1,199	5
1,200 to 1,299	3
1,300 to 1,399	0
1,400 to 1,499	4
1,500 to 1,599	0
1,600 to 1,699	0
1,700 to 1,799	1
1,800 to 1,899	1
1,900 or more	6
Total	98

Average Accrued Benefit

\$646.90

⁽¹⁾ Includes hours and benefits earned from January 1, 2015 through June 30, 2015 for former South Bay Plan participants.

SECTION 3: SUPPLEMENTAL INFORMATION**Active Participant Data (continued)**

	Vesting Service										
Age ⁽¹⁾	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 or over	Total
Under 20	0	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	1	0	0	0	0	0	0	0	1
25 to 29	0	2	1	0	0	0	0	0	0	0	3
30 to 34	1	5	3	0	0	0	0	0	0	0	9
35 to 39	0	11	6	1	1	0	1	0	0	0	20
40 to 44	1	16	4	5	2	1	0	0	0	0	29
45 to 49	0	4	1	4	3	3	0	0	0	0	15
50 to 54	0	3	4	2	0	1	1	0	0	0	11
55 to 59	0	2	0	0	1	0	1	1	0	0	5
60 to 64	0	0	0	1	0	1	1	0	1	0	4
65 to 69	0	0	1	0	0	0	0	0	0	0	1
70 or over	0	0	0	0	0	0	0	0	0	0	0
Total	2	43	21	13	7	6	4	1	1	0	98

Average Age: 43.90 years

Average Vesting Credit: 4.55 years

⁽¹⁾ Ages include assumed age for 10 records with no reported date of birth.

SECTION 3: SUPPLEMENTAL INFORMATION

Vested Inactive Data

Accrued Benefit	Number
Under \$100	5
100 to 199	3
200 to 299	5
300 to 399	11
400 to 499	13
500 to 599	7
600 to 699	11
700 to 799	11
800 to 899	6
900 to 999	9
1,000 to 1,099	4
1,100 to 1,199	6
1,200 to 1,299	4
1,300 to 1,399	4
1,400 to 1,499	11
1,500 to 1,599	2
1,600 to 1,699	1
1,700 to 1,799	2
1,800 to 1,899	1
1,900 or more	17
Total	133

Age ⁽¹⁾	Number
Under 20	0
20 to 24	2
25 to 29	0
30 to 34	4
35 to 39	13
40 to 44	12
45 to 49	15
50 to 54	26
55 to 59	31
60 to 64	17
65 to 69	6
70 or over	7
Total	133

Average Age 52.87

Average Accrued Benefit \$1,014.88

⁽¹⁾ Ages include assumed age for 2 records with no reported date of birth.

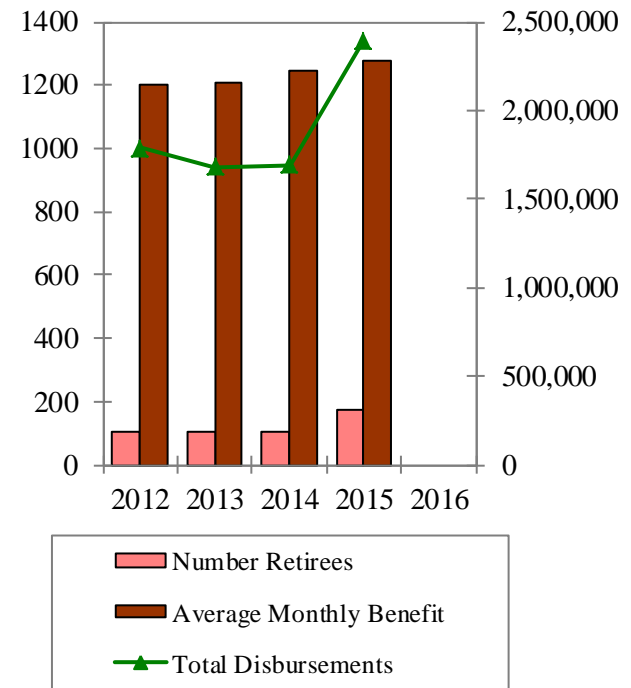
SECTION 3: SUPPLEMENTAL INFORMATION**Retiree Data**

Benefit ⁽¹⁾	Number
Under \$100	10
100 to 199	9
200 to 299	8
300 to 399	9
400 to 499	11
500 to 599	7
600 to 699	4
700 to 799	9
800 to 899	5
900 to 999	6
1,000 to 1,099	12
1,100 to 1,199	7
1,200 to 1,299	7
1,300 to 1,399	5
1,400 to 1,499	6
1,500 to 1,599	3
1,600 to 1,699	5
1,700 to 1,799	9
1,800 to 1,899	3
1,900 or more	39
Total	174

Age ⁽¹⁾	Number
Under 55	2
55 to 59	13
60 to 64	27
65 to 69	32
70 to 74	22
75 to 79	24
80 to 84	26
85 to 89	20
90 or over	8
Total	174

Average Age: 73.49 years
 New Retirees: 60.71 years

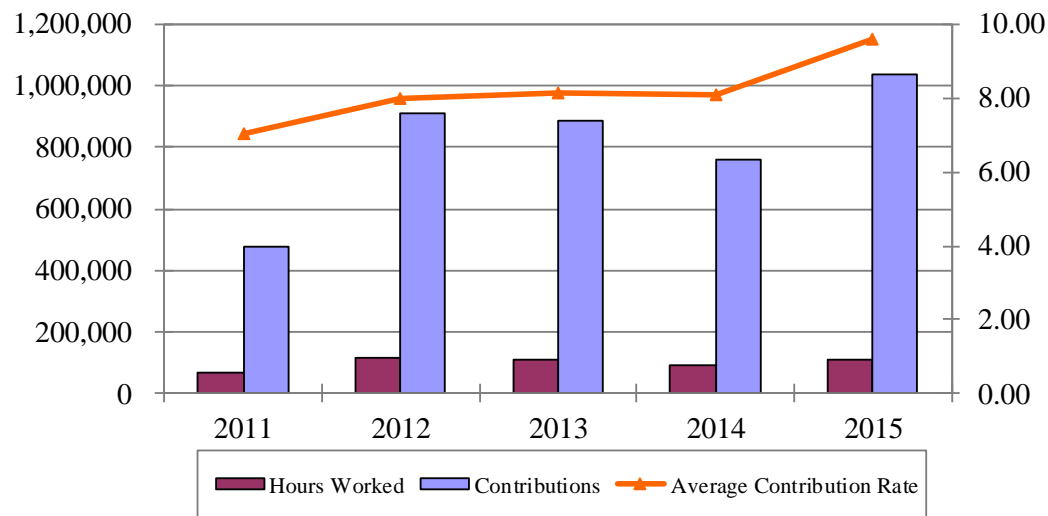
Average Benefit: \$1,278
 New Retirees: \$1,632



⁽¹⁾ Excludes 47 beneficiaries and 10 alternate payees who are included in plan liabilities.

SECTION 3: SUPPLEMENTAL INFORMATION**Employment & Contribution History**

<u>June 30</u>	<u>Hours Worked</u>	<u>Contributions⁽¹⁾</u>	<u>Avg. Contribution Rate</u>
2003	104,122	435,141	4.18
2004	82,888	419,809	5.06
2005	97,817	508,986	5.20
2006	102,012	561,593	5.51
2007	104,521	569,142	5.45
2008	109,840	663,908	6.04
2009	99,102	582,147	5.87
2010	88,838	636,635	7.17
2011	68,284	479,909	7.03
2012	114,050	913,593	8.01
2013	108,968	884,534	8.12
2014	93,916	760,701	8.10
2015	108,404	1,037,980	9.58



⁽¹⁾ Total contributions; 2013 contributions were revised due to a revision in the 6/30/2013 assets.

SECTION 3: SUPPLEMENTAL INFORMATION

	Asset Information			
	<u>Market Value of Assets</u>		<u>Actuarial Value of Assets</u>	
	<u>Actual</u>	<u>Expected at 6.00%</u>	<u>Actual</u>	<u>Expected at 6.00%</u>
Value of Assets at Beginning of Year	\$20,219,379	\$20,219,379	\$21,060,301	\$21,060,301
Non-Investment Cash Flows During Year				
Employer Contributions	1,037,980	1,037,980	1,037,980	1,037,980
Benefit Payments	(2,393,043)	(2,393,043)	(2,393,043)	(2,393,043)
South Bay Transfer	<u>18,709,863</u>	<u>18,709,863</u>	<u>17,548,850</u>	<u>17,548,850</u>
Total Cash Flow	\$17,354,800	\$17,354,800	\$16,193,787	\$16,193,787
Net Investment Income				
Investment Income	908,715			
Investment Expenses	(27,675)			
Operational Expenses	<u>(262,526)</u>			
Total	\$618,514	\$1,732,827	\$1,732,827	\$1,748,959
Recognized Excess Return during year from				
2009			(581,110)	
2011			383,138	
2012			(82,039)	
2013			453,654	
2014			266,126	
2015			<u>(222,863)</u>	
Total Recognized Excess During Year			\$216,907	
Total Recognized Investment Income	618,514	1,732,827	1,949,734	1,748,959
Value of Assets at End of Year	\$38,192,693	\$39,307,006	\$39,203,822	\$39,003,047
Annualized Rate of Return	2.14%	6.00%	6.69%	6.00%

SECTION 3: SUPPLEMENTAL INFORMATION

Asset Information (continued)

<u>June 30</u>	<u>Excess Investment Income (Deficit)</u>	<u>Amount Recognized in:</u>	
		<u>Current Year</u>	<u>Future Years</u>
2009	(\$5,811,099)	(\$581,110)	(\$1,743,329)
2011	1,915,677	383,138	-
2012	(410,193)	(82,039)	(82,038)
2013	2,268,272	453,654	907,309
2014	1,330,632	266,126	798,380
<u>2015</u>	<u>(1,114,313)</u>	<u>(222,863)</u>	<u>(891,450)</u>
Total	(\$1,821,024)	\$216,907	(\$1,011,129)
Assets at Market Value			\$38,192,693
Amount to Be Recognized in Future Years			<u>\$1,011,129</u>
Total Assets at Actuarial Value			\$39,203,822

SECTION 3: SUPPLEMENTAL INFORMATION**Funding Standard Account Reconciliation**

	<u>July 1, 2015 - June 30, 2016</u>	<u>July 1, 2014 - June 30, 2015</u> Hod East Bay	<u>Jan 1, 2015 - June 30, 2015</u> Hod South Bay
Beginning of year Credit Balance	\$10,573,977	\$7,486,119	\$3,316,221
Charges			
Beginning of year funding deficiency	0	0	0
Normal Cost	160,340	127,565	19,937
Amortization of Charges	3,295,951	2,296,983	594,694
Interest	<u>207,377</u>	<u>145,473</u>	<u>18,439</u>
Total Charges	\$3,663,668	\$2,570,021	\$633,070
Credits			
Employer Contribution	TBD	1,037,980	0
Amortization of Credits	1,380,441	882,418	412,551
Interest	<u>717,265</u>	<u>529,915</u>	<u>111,863</u>
Total Credits	\$2,097,706	\$2,450,313	\$524,414
End of Year Credit Balance (Without Current Year Contribution)	\$9,008,015	\$7,366,411	\$3,207,566
(Beginning of year Credit Balance - Charges + Credits)			

SECTION 3: SUPPLEMENTAL INFORMATION

RPA '94 Current Liability

	<u>July 1, 2015</u>	<u>July 1, 2014</u>
Retirees and Beneficiaries	\$35,231,586	\$18,702,858
Vested Inactive Participants	18,302,091	7,670,429
Active Participants		
Vested	6,041,454	4,806,611
Non-vested	<u>468,969</u>	<u>485,066</u>
Total Actives	<u>6,510,423</u>	<u>5,291,677</u>
Total Current Liability	\$60,044,100	\$31,664,964
Market Value of Assets	\$38,192,693	\$20,219,379
Current Liability Funded Percentage	63.6%	63.9%
Expected Increase in Current Liability	\$338,843	\$243,695
Expected Release from Current Liability	3,352,109	1,806,234
Expected Plan Disbursements	3,352,109	1,806,234
Current Liability Interest Rate	3.34%	3.59%

SECTION 3: SUPPLEMENTAL INFORMATION

Information Required for ASC 960**Reconciliation of Actuarial Present Value
of Accumulated Plan Benefits**

Actuarial Present Value of Accumulated Plan Benefits at June 30, 2014	\$23,047,241
Benefits Accumulated and Actuarial Experience During the Year	\$529,883
Increase for interest	1,312,089
Benefits Paid	(2,393,043)
Merger with Hod South Bay	<u>19,531,509</u>
Net Increase/(Decrease)	<u>18,980,438</u>
Actuarial Present Value of Accumulated Plan Benefits at June 30, 2015	\$42,027,679

**Actuarial Present Value of Vested and
Non-Vested Accumulated Plan Benefits**

Vested Benefits	
Participants Currently Receiving Benefits	\$26,837,998
Other participants	<u>14,487,529</u>
Vested Benefits	\$41,325,527
Non-Vested Benefits	<u>702,152</u>
Actuarial Present Value of Accumulated Plan Benefits at June 30, 2015	\$42,027,679

SECTION 3: SUPPLEMENTAL INFORMATION

Summary of Plan Provisions

Plan Type: Qualified defined benefit plan.

Plan Effective Date: July 1, 1967.

Plan Year: July 1 – June 30.

Monthly Regular Retirement Benefit: \$75 per month for each Plan Year on and after July 1, 2007 in which 1,250 hours are worked adjusted for hours worked over 1,250 up to 2,000, plus \$90 per month for each Plan Year in which 1,250 hours are worked from July 1, 1978 through June 30, 2007, plus 2% of contributions made on the employee's behalf from July 1, 1967 through June 30, 1978, plus \$11.50 per month for years prior to July 1, 1967. South Bay Mason Tenders entered the plan July 1, 2009. The monthly benefit amount is reduced proportionately to reflect the lower contribution rate. Benefits accrued in the South Bay Plan as of December 31, 2014 by former South Bay participants will be payable from the Plan and will be added to any benefits accrued on and after January 1, 2015.

Normal Form of Benefit: Life Annuity with 60 months guaranteed.

Normal Retirement Age: Age 62 and vested or Age 65 and attainment of the 5th anniversary of participation in the plan.

Early Retirement Age: Age 55 and vested. Accrued benefits as of December 31, 2012 from the South Bay Plan are payable at age 53 with 10 years of credited service (with at least ½ year of future service credit) or 5 years of credited service after January 1, 1998.

Early Retirement Benefit: Accrued benefit reduced by 1/2 of 1% for each month preceding age 62. Accrued benefits as of December 31, 2012 from the South Bay Plan are reduced 1/2 of 1% for each month preceding age 61 and 1/4 of 1% for each month between ages 61 and 62. South Bay Plan benefits accrued as of December 31, 2012 are unreduced if the participant has 25 years of credited service and is active (250 hours in a year) in 1998 or later.

Disability Retirement: Under age 62 with at least 10 Benefit Credits and Vested Credits, eligible for Social Security Disability and unable to engage in any occupation.

Disability Retirement Benefit: 2/3 of accrued benefit until Normal Retirement Age. At Normal Retirement Age benefit increases to the accrued benefit without reduction.

Vesting Credit: 0.1 years for 300 – 399 hours plus 0.1 years for each additional 100 hours. One year of vesting credit is earned for each Plan Year in which 1,000 or more covered hours are worked. Five vesting credits are required to be fully vested. Vesting service as of December 31, 2014 in the South Bay Plan is counted as vesting credit in the Plan.

Benefit Credit: One year of benefit credit is earned for each Plan Year in which 1,250 covered hours are worked. Partial credit is given for hours over 300 up to 2,000 resulting in Benefit Credits ranging from 0.1 to 1.6 in a given year.

SECTION 3: SUPPLEMENTAL INFORMATION

Summary of Plan Provisions (continued)

Participation: First day of the month following the 12-consecutive month period during which a participant worked at least 1,000 covered hours. Active participants in the South Bay Plan as of January 1, 2015 entered the Plan immediately.

Break-in-Service: Fewer than 300 covered hours in a Plan year.

Permanent Break-in-Service: Five consecutive one-year breaks-in-service.

Pre-Retirement Death Eligibility: Vested.

Pre-Retirement Death Benefit: Upon the death of a vested married participant, the survivor portion of the joint and 50% survivor annuity commencing at the later of the participant's death or when the participant would have attained earliest retirement. Unmarried participant's beneficiary is entitled to cash death benefit equal to \$1,000 times the number of future service benefit credits or 60 payments of their accrued benefit if greater.

Post-Retirement Death Benefit: Survivor benefit, if any, based on the form of payment in effect at time of death.

Optional Forms: 50% Joint & Survivor, 66-2/3% Joint & Survivor, 75% Joint & Survivor, 100% Joint & Survivor, and 5 and 10 Year Certain & Life.

Plan Provisions Excluded from Measurement: None.

SECTION 3: SUPPLEMENTAL INFORMATION

History of Plan Changes

January 1, 2015: The Hod Carriers Local 166 South Bay Pension Plan was merged into the Plan.

July 1, 2005: Accrual rate lowered from \$95 per month to \$75 per month.

July 1, 1999: Participants who worked at least 300 hours in Covered Employment during the Plan Year ending June 30, 1999 received a 10% increase to their accrued benefit.

July 1, 1997: Participants who worked at least 300 hours in Covered Employment during the Plan Year ending June 30, 1997 received a 4% increase to their accrued benefit. Retirees and beneficiaries in pay status on June 30, 1997 received a 1.5% increase in their monthly pension payment.

July 1, 1993: Participants who worked at least 300 hours in Covered Employment during the Plan Year ending June 30, 1993 received a 6% increase to their accrued benefit.

July 1, 1992: Participants who worked at least 300 hours in Covered Employment during the Plan Year ending June 30, 1992 received a 12% increase to their accrued benefit. Retirees and beneficiaries in pay status on June 30, 1992 received a 6% increase in their monthly pension payment.

July 1, 1991: Participants who worked at least 300 hours in Covered Employment during the Plan Year ending June 30, 1991 received an 18% increase to their accrued benefit.

July 1, 1990: Participants who worked at least 300 hours in Covered Employment during the Plan Year ending June 30, 1990 received a 5% increase to their accrued benefit.

July 1, 1989: Participants who worked at least 300 hours in Covered Employment during the Plan Year ending June 30, 1989 received a 10% increase to their accrued benefit. Retirees and beneficiaries in pay status on June 30, 1989 received a 10% increase in their monthly pension payment.

July 1, 1988: Participants who worked at least 300 hours in Covered Employment during the Plan Year ending June 30, 1988 received a 10% increase to their accrued benefit. Retirees and beneficiaries in pay status on June 30, 1988 received a 10% increase in their monthly pension payment.

January 1, 1988: Retirees and beneficiaries in pay status on December 31, 1987 received a 15% increase in their monthly pension payment.

July 1, 1987: Participants who worked at least 300 hours in Covered Employment during the Plan Year ending June 30, 1987 received a 15% increase to their accrued benefit.

SECTION 3: SUPPLEMENTAL INFORMATION

Actuarial Method and Assumptions

Actuarial Cost Method: Unit Credit Cost Method.

Actuarial Assumptions:

Interest Discount Rate: For funding: 6.00% compounded annually.

For current liability: 3.34% compounded annually.

Investment Yield: 6.00% compounded annually, net of expenses, and 0.75% for operational expenses.

Mortality: For funding: Healthy participants: 1983 Group Annuity Mortality Table for Males and Females. Disabled participants: Disabled Life Mortality per Rev. Rul 96-7.

For current liability: RP-2000 (separate for annuitants and nonannuitants) projected forward to valuation year plus 7 years for annuitants and 15 years for nonannuitants. Disabled participants: Disabled Life Mortality per Rev. Rul 96-7.

No future mortality improvement is assumed.

Retirement:

Actives <u>Age</u>	Probability of Retiring <u>within One Year</u>
55-60	5%
61	10%
62	40%
63-64	20%
65-66	50%
67+	100%

SECTION 3: SUPPLEMENTAL INFORMATION

Actuarial Method and Assumptions (continued)

Disability Incidence:	Disablement: 1975 Social Security Disablement Rates.																		
Employment:	Future benefit accruals are based on actual hours worked in the prior plan year.																		
Marital Status:	80% of non-retired participants are assumed to be married. Wife is assumed to be three years younger than the husband.																		
Termination Before Retirement:	Sample rates are shown below:																		
	<table> <tr> <th><u>Age</u></th><th><u>Withdrawal Rate</u></th></tr> <tr> <td>20</td><td>7.94%</td></tr> <tr> <td>25</td><td>7.72</td></tr> <tr> <td>30</td><td>7.22</td></tr> <tr> <td>35</td><td>6.28</td></tr> <tr> <td>40</td><td>5.15</td></tr> <tr> <td>45</td><td>3.98</td></tr> <tr> <td>50</td><td>2.56</td></tr> <tr> <td>55</td><td>0.94</td></tr> </table>	<u>Age</u>	<u>Withdrawal Rate</u>	20	7.94%	25	7.72	30	7.22	35	6.28	40	5.15	45	3.98	50	2.56	55	0.94
<u>Age</u>	<u>Withdrawal Rate</u>																		
20	7.94%																		
25	7.72																		
30	7.22																		
35	6.28																		
40	5.15																		
45	3.98																		
50	2.56																		
55	0.94																		
Form of Payment:	It is assumed that all participants elect a life annuity with 60 months guaranteed.																		
Unknown Data:	Participants with unreported data, such as missing birthdates, are assumed to have the same characteristics as similar participants. If not specified, participants are assumed to be male.																		
Withdrawal Liability:	The present value of vested benefits for withdrawal liability determination uses an interest rate of 6.00% along with all other valuation assumptions. Assets used to determine the unfunded amount of vested benefit liability is the market value.																		

SECTION 3: SUPPLEMENTAL INFORMATION

Actuarial Method and Assumptions (continued)**Asset Valuation Method:**

Adjusted market value. Difference between actual investment return and expected return on the market value is recognized over a five-year period (10 years for the June 30, 2009 loss in accordance with PRA 2010). Actuarial value may not be less than 80%, or more than 120% of market value.

Changes in Actuarial Assumptions:

Retirement rates were updated from 100% of actives retiring at age 62 to the rates shown above to better reflect prior and future expected experience.