STATEMENT OF REHABILITATION PLAN FOR 2019

I. Introduction

As required under the Employee Retirement Income Security Act ("ERISA") as amended by the Pension Protection Act of 2006 ("PPA"), on March 27, 2009, the actuary of the Building Material Drivers Union Local 436 Pension Plan (the "Fund") first certified that the Fund was in Critical Status for the Plan Year beginning January 1, 2009.

In subsequent annual certifications through 2014 the actuary certified that the Fund was still in Critical Status. However, since 2015 it has been certified to be in a Critical and Declining Status, a status added by the Multiemployer Pension Reform Act.

Once the Fund was certified to be in Critical Status, the Board of Trustees sent a Notice of Critical Status, to interested parties informing them, in part, that (1) the Fund was in Critical Status for the 2009 Plan Year; (2) that certain adjustable benefits might be reduced or removed (3) that employers participating in the Fund ("Employers") would be obligated to pay a 5% contribution surcharge to the Fund during the initial Critical year, and (4) that the 5% surcharge would increase to 10% in subsequent years.

The 5% contribution surcharge became effective with respect to contributions owed for work performed on and after May 28, 2009. It will continue until the earliest of (1) the date the Fund emerges from Critical Status; (2) the date the Employer enters into a new collective bargaining agreement ("CBA") with Teamsters Union Local 436 (the "Union") based on this Rehabilitation Plan and the attached Schedules, as amended from time to time; or (3) the date the Default Schedule described below becomes effective with respect to the Employer as a result of the bargaining parties failing to agree on the Schedule to be applied.

Under ERISA, the Fund generally will be considered to have emerged from Critical Status when the Fund actuary certifies that the Fund is not projected to have an accumulated funding deficiency for a Plan Year or any of the next nine Plan Years, using specified actuarial assumptions and that the criteria that caused its Critical Status has been corrected.

The Fund must emerge from Critical Status by the end of its Rehabilitation Period. The Fund's Rehabilitation Period will begin on January 1, 2012 and will end ten years later on December 31, 2021.

If it is projected that the Fund will not emerge from Critical by the end of its Rehabilitation Period, it must take "all reasonable measures" which enable it to emerge at a later date or which forestall its possible insolvency.

In the absence of guidance and direction from the Internal Revenue Service in this regard, the Plan's Board of Trustees believes that its actions to date constitute "all reasonable measures". Currently, all active employers have adopted this Rehabilitation Plan for the duration of their most recent collective bargaining agreement. On this basis it is believed that the Fund is making scheduled progress in meeting the requirements of its Rehabilitation Plan as discussed in IRC §432(b)(3)(A)(ii).

The 2009 Rehabilitation Plan, and the attached Schedules which implement it, were based on Fund information as of January 1, 2009 and on reasonable assumptions about how the Fund's assets and liabilities will change in the coming years, particularly as a result of changes in the Fund's investment returns, which are dependent on financial markets.

More specifically, the assumptions used for these projections were the same as those used in the January 1, 2009 actuarial valuation of the Fund. In addition, based on the advice of the Board of Trustees an assumption regarding the future level of work was added. This assumption is not necessary to perform the annual actuarial valuation.

The Building Material Drivers Union Local 436 Pension Plan 2009 Rehabilitation Plan and the Schedules which implement it will apply to all Collective Bargaining Agreements adopted after its effective date November 16, 2009. As required under law, each year after it was adopted; this Rehabilitation Plan will be reviewed. If necessary, the Schedules implementing it will be revised to make sure that adequate progress is being made in achieving its goals.

Any revised Schedules will not affect any Collective Bargaining Agreement that has previously been negotiated under the Rehabilitation Plan unless specified in such agreement. The Board of Trustees has the sole discretion to amend and construe this Rehabilitation Plan, including the Schedules.

II. The Rehabilitation Plan

The Building Material Drivers Union Local 436 Pension Plan 2009 Rehabilitation Plan was adopted by its Board of Trustees at its November 16, 2009 Board meeting. It gives bargaining parties three choices of benefit levels with three corresponding contribution levels. It also includes a Default Option.

The Default Option is triggered if the Union and an Employer cannot reach an agreement regarding the benefit level and contribution rate that will apply prospectively to the Employer's participating Employees. The Default Schedule becomes effective on the earlier of the date that the Secretary of

Labor declares that the bargaining is at an impasse or 180 days after the expiration of the collective bargaining agreement.

The general intent of the Building Material Drivers Union Local 436 Pension Plan 2009 Rehabilitation Plan is to remove all adjustable benefits permitted under law, to provide the bargaining parties with three choices of accrual rates for benefits earned under a new CBA, and to require annual increases in the contribution rates for the next five years to a level that results in the Fund exiting from Critical Status by the end of its Rehabilitation Period, if the underlying assumptions are met or exceeded in aggregate.

The adjustable benefits that will be removed are as follows:

> Payment of a minimum of sixty months regardless of whether the participant is still alive (Instead benefits will only be paid while the participant is alive.).
>
> Payment of disability benefits unless a participant already qualifies for these benefits before a new CBA is adopted.
>
> Payment of a $5,000 lump sum death benefit for death after retirement for active participants not retired as of the effective date of the Rehabilitation plan or who have not retired before a new CBA is adopted.
>
> Early retirement before age 62. Early retirement will only be allowed between age 62 and age 65.

For current members of the bargaining unit, benefit accrual rates and contribution rates (including the 5%/10% surcharge) will remain unchanged and no adjustable benefits will be removed until a new CBA that reflects the requirements of this Rehabilitation Plan is adopted or the Default Option becomes operative.

The three benefit levels in Options A, B, and C that comprise the Rehabilitation Plan are the same in that the same adjustable benefits will be removed from all of them. They differ only in the level of future benefit accruals that will be earned under each of them relative to the benefit accruals before the implementation of this Rehabilitation Plan. The options are as follows:

Option A	100% of benefit before Rehabilitation Plan
Option B	50% of benefit before Rehabilitation Plan
Option C	0% of benefit before Rehabilitation Plan, i.e. benefits are frozen

The Default Option also removes the same adjustable benefits mentioned above. However, the PPA also requires that any monthly benefit accrual rate that exceeds 1% of annual contributions must be reduced to that level.

For participants that are not part of the bargaining unit, (vested terminated participants and participants receiving normal retirement or disability retirement benefits) adjustable benefits will be removed after they have been given the required thirty day notice. The adjustable benefits that will be removed depend on the participant's status in the Plan as follows:

Vested Terminated	Sixty month guarantee Restricted early retirement $5,000 Death Benefit
Non-Disability Retirement	No changes
Disability Retirement	No changes

III. Schedules

The benefit schedules that implement this 2018 Rehabilitation Plan and which must be provided to the bargaining parties by December 24, 2019 are attached as Table 1 of this document.

CERTIFICATION CONFIRMING ADOPTION OF REHABILITATION PLAN FOR THE BUILDING MATERIAL DRIVERS UNION LOCAL 436 PENSION PLAN FOR THE 2019 PLAN YEAR

Whereas, pursuant to Section 305 of the Employee Retirement Income Security Act ("ERISA") as amended by the Pension Protection Act of 2006 ("PPA"), the Building Material Drivers Union Local 436 Pension Plan ("Fund") was certified to be in Critical Status for the Plan Year beginning January 1, 2019.

Whereas, the PPA requires pension plans in Critical Status and Critical and Declining Status to adopt a Rehabilitation Plan aimed at restoring the financial health of the plan.

Now Therefore, this is to confirm that the Trustees of the Building Material Drivers Union Local 436 Pension Plan adopted the Rehabilitation Plan effective November 25, 2019.

Da[redacted]

TABLE 1
BUILDING MATERIAL DRIVERS UNION LOCAL 436 PENSION PLAN
2016 REHABILITATION PLAN SCHEDULES

	DESCRIPTION OF BENEFITS		FUTURE HOURLY CONTRIBUTION RATES										FACTOR TO APPLY TO CURRENT RATE[3]
	FUTURE ACCRUAL RATE[1]	ADJUSTABLE BENEFITS REMOVED											
		FULL SERVICE(32 Years) MONTHLY BENEFIT		$2,700	$2,500	$2,300	$2,100	$1,750	$1,525	$1,302	$1,002	$318	
OPTION A and DEFAULT	100%	-60 Month Guarantee	Current	$5 55	$5 30	$5 05	$4 80	$4 30	$4 05	$3 60	$3 10	$1 96	1 0000
		-Disability Benefit	First Rate	$6 45	$6 16	$5 87	$5 58	$5 00	$4 71	$4 18	$3 60	$2 28	1 1622
		-$5,000 Death Benefit	Second Rate	$7 35	$7 02	$6 69	$6 36	$5 70	$5 37	$4 76	$4 10	$2 60	1 3243
		-Early Retirement	Third Rate	$8 25	$7 88	$7 51	$7 14	$6 40	$6 03	$5 34	$4 60	$2 92	1 4865
		-1% of contribution accrual	Fourth Rate	$9 15	$8 74	$8 33	$7 92	$7 10	$6 69	$5 92	$5 10	$3 24	1 6486
		if current accrual is larger[2]	Fifth Rate	$10 05	$9 60	$9 15	$8 70	$7 80	$7 35	$6 50	$5 60	$3 56	1 8108
			ANNUAL INCREASE	$0 90	$0 86	$0 82	$0 78	$0 70	$0 66	$0 58	$0 50	$0 32	
			% ANNUAL INCREASE	16 22%	16 22%	16 22%	16 22%	16 22%	16 22%	16 22%	16 22%	16 22%	16 22%
OPTION B	50%	-60 Month Guarantee	Current	$5 55	$5 30	$5 05	$4 80	$4 30	$4 05	$3 60	$3 10		1 0000
		-Disability Benefit	First Rate	$6 25	$5 97	$5 69	$5 41	$4 84	$4 56	$4 05	$3 49		1 1261
		-$5,000 Death Benefit	Second Rate	$6 95	$6 64	$6 33	$6 02	$5 38	$5 07	$4 50	$3 88		1 2523
		-Early Retirement	Third Rate	$7 65	$7 31	$6 97	$6 63	$5 92	$5 58	$4 95	$4 27		1 3784
			Fourth Rate	$8 35	$7 98	$7 61	$7 24	$6 46	$6 09	$5 40	$4 66		1 5045
			Fifth Rate	$9 05	$8 65	$8 25	$7 85	$7 00	$6 60	$5 85	$5 05		1 6306
			ANNUAL INCREASE	$0 70	$0 67	$0 64	$0 61	$0 54	$0 51	$0 45	$0 39		
			% ANNUAL INCREASE	12 61%	12 61%	12 61%	12 61%	12 61%	12 61%	12 61%	12 61%		12 61%
OPTION C	0% (FREEZE)	-60 Month Guarantee	Current	$5 55	$5 30	$5 05	$4 80	$4 30	$4 05	$3 60	$3 10		1 0000
		-Disability Benefit	First Rate	$6 05	$5 78	$5 50	$5 23	$4 69	$4 41	$3 92	$3 38		1 0901
		-$5,000 Death Benefit	Second Rate	$6 55	$6 26	$5 95	$5 66	$5 08	$4 77	$4 24	$3 66		1 1802
		-Early Retirement	Third Rate	$7 05	$6 74	$6 40	$6 09	$5 47	$5 13	$4 56	$3 94		1 2703
			Fourth Rate	$7 55	$7 22	$6 85	$6 52	$5 86	$5 49	$4 88	$4 22		1 3604
			Fifth Rate	$8 05	$7 70	$7 30	$6 95	$6 25	$5 85	$5 20	$4 50		1 4505
			ANNUAL INCREASE	$0 50	$0 48	$0 45	$0 43	$0 39	$0 36	$0 32	$0 28		
			% ANNUAL INCREASE	9 01%	9 01%	9 01%	9 01%	9 01%	9 01%	9 01%	9 01%		9 01%

1 As a % of January 1, 2009 accrual rate
2 The reduction to 1% of contributions only applies to the Default Option and only if the monthly accrual rate is larger than 1% of annual contributions
3 If a contribution rate is not shown in this table multiply that current contribution rate times the factors shown in this column

Classic Values, Innovative Advice

Building Material Drivers Local 436 Pension Fund

Actuarial Valuation Report as of January 1, 2019

Produced by Cheiron

May 2020

www.cheiron.us 1.877.CHEIRON (243.4766)

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CHEIRON

Classic Values, Innovative Advice

May 20, 2020

Board of Trustees
Building Material Drivers Local 436 Pension Fund
6051 Carey Drive
Valley View, OH 44125

Dear Trustees:

At your request, we have prepared this report to present the results of the annual Actuarial Valuation of the Building Material Drivers Local 436 Pension Fund (the "Plan"). This report presents the results as of January 1, 2019. It contains information on the plan's assets and liabilities and also discloses contribution levels, including the minimum required amount as mandated by Federal law.

Please pay attention to the Foreword in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions used. In the Summary section, we discuss the long-term funded status and emerging issues facing the Trustees of the Plan. Future valuation reports may differ significantly from the current valuation presented in this valuation report due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This report was prepared exclusively for the Plan for the purposes described herein. Other users of this valuation report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Sincerely,
Cheiron

[redacted]

Consulting Actuary　　　　　Consulting Actuary

FOREWORD

Cheiron has performed the Actuarial Valuation of the Building Material Drivers Local 436 Pension Fund as of January 1, 2019. The purpose of this report is to:

1) Measure and disclose, as of the valuation date, the financial condition of the Plan;
2) Provide specific information and documentation required by the Federal Government and the Auditors of the Plan;
3) Determine whether negotiated contributions support the current level of benefits and whether they fall within the acceptable range of contributions under the Plan for the 2019 plan year; and
4) Compare assets with the value of vested benefits to determine allocable plan Withdrawal Liability, if any.

An actuarial valuation establishes and analyzes plan assets, liabilities, and contributions on a consistent basis and traces their progress from one year to the next. It includes measurement of the Plan's investment performance as well as an analysis of actuarial liability gains and losses. The valuation report is organized as follows:

Section I Summary presents key valuation results and compares this year's results to last year's results. It also provides the historical summary and future outlook of the Plan.

Section II Assets contains exhibits relating to the valuation of assets.

Section III Liabilities shows the various measures of liabilities.

Section IV Costs and contributions develop the minimum and maximum contributions.

Section V Withdrawal Liability shows the development of the UVB (Unfunded Vested Benefits) as of January 1, 2019 that would be allocated to employers that withdraw before December 31, 2019.

Section VI FASB ASC Topic No. 960 Disclosure provides information required by the Plan's Auditor.

The appendices to this report contain a summary of the Plan's:

- membership at the valuation date,
- major plan provisions, and
- actuarial methods and assumptions used in the valuation.

In preparing our report, we relied on information (some oral and some written) supplied by the Plan Administrator and the Plan Auditor. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standards of Practice No. 23.

The actuarial assumptions, taken individually, reflect our understanding and best estimate of the likely future experience of the Plan. Future results may differ significantly from current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law.

BUILDING MATERIAL DRIVERS LOCAL 436 PENSION FUND
ACTUARIAL VALUATION AS OF JANUARY 1, 2019

SECTION I – SUMMARY

Table I-1
Principal Results

	1/1/2018	1/1/2019	Change
Participant Counts			
Actives	179	171	-4.5%
Terminated Vesteds	548	516	-5.8%
In Pay Status	943	946	0.3%
Total	1,670	1,633	-2.2%
Financial Information			
Market Value of Assets (MVA)	$ 30,522,845	$ 24,464,288	-19.8%
Actuarial Value of Assets (AVA)	30,291,189	26,936,520	-11.1%
Present Value of Future Benefits	$ 118,238,036	$ 113,375,497	-4.1%
Actuarial Liability/Present Value of Accumulated Benefits	$ 116,027,947	$ 111,462,761	-3.9%
Surplus/(Unfunded) using MVA	(85,505,102)	(86,998,473)	1.7%
Funded Ratio using MVA	26.3%	21.9%	
Surplus/(Unfunded) using AVA	(85,736,758)	(84,526,241)	-1.4%
Funded Ratio using AVA	26.1%	24.2%	
Normal Cost of Benefits Only	$ 405,213	$ 367,300	-9.4%
Normal Cost plus Expenses	$ 1,075,213	$ 1,037,300	-3.5%
Present Value of Vested Benefits for ASC 960	$ 115,889,451	$ 111,180,723	-4.1%
Vested Benefit Surplus/(Unfunded) using MVA	(85,366,606)	(86,716,435)	1.6%
Vested Benefit Funded Ratio using MVA	26.3%	22.0%	
Contributions, Cost, and Cash Flows			
ERISA Credit Balance (beginning of year)	$ (10,641,398)	$ (17,697,016)	66.3%
Employer Negotiated Contributions (actual / *estimated)*	$ 2,715,860	*$ 2,337,000*	
Per Hour	$9.88	*$8.50*	
Employer Withdrawal Payments (actual / *estimated)*	2,508,139	*2,031,000*	
Total	$ 5,223,999	*$ 4,368,000*	
Per Hour (actual / *estimated*)	$19.00	*$15.88*	
Board Policy Cost	$ 12,881,262	$ 13,047,594	1.3%
Per Hour Board Policy Cost	$46.84	$47.45	1.3%
Prior Year Benefit Payouts	$ (8,584,109)	$ (8,792,589)	2.4%
Prior Year Administrative Expenses	(712,065)	(759,150)	6.6%
Prior Year Total Investment Income (net)	3,750,895	(1,730,817)	
Hours(Actual/Expected)	275,000	*275,000*	0.0%

SECTION I – SUMMARY

Following is an analysis of the Plan's results for the prior year followed by statutory considerations (PPA and MPRA), historical results for the last ten years and projections of the future.

Prior Year Results

The Plan's projected insolvency is not a new finding for 2019. However, its financial condition has deteriorated further.

Investment and liability experience and their effect on the Plan's policy cost traditionally have been the focus of year-to-year analyses.

- In 2018, the return on market value was -6.10%. In dollar terms, during 2018 the Plan had a loss of $3,718,507 from investments. This is the amount by which investment returns were less than what returns would have been at the assumed return rate of 7.00%.
- For various purposes, including the determination of its annual Minimum Required Contribution (MRC), the Plan uses an Actuarial Value of Assets (AVA) which smoothie's annual investment gains or losses over a period of five years. The Actuarial Value of Assets returned 3.46% resulting in a $998,403 experience loss (the difference between expected returns at 7.00% and the actual returns) from investments for MRC calculations.
- The Plan experienced a liability gain of $4,117,539 and a small loss on expected administrative expenses of $68,371. When combining these with the AVA asset loss of $998,403 from investments, the Plan experienced a total net experience gain of $3,050,765 for determining ERISA minimum funding requirements. This amount will be amortized over 15 years and subtracted from future Minimum Required Contributions.
- Using the Market Value of Assets, the funded ratio of Actuarial Liability decreased from 26.3 to 21.9%. The Plan has been less than 60% funded since 2005.
- At the end of 2018, the Plan had a Funding Standard Account Funding Deficiency. Prior to the Pension Protection Act of 2006 (PPA) this would have triggered an excise tax and would have been a matter of great concern. Post-PPA, Critical plans like this one that have adopted a Rehabilitation Plan are exempt from this excise tax.
- Combining the previously mentioned liability, administrative expense, and market value investment experience, the Board Policy Cost increased from $12,881,262 to $13,047,594. On an hourly basis, the Board Policy Cost increased from $46.84 per hour to $47.45 per hour. This cost compares to expected income of $8.50 per hour from negotiated contributions.

  Traditionally, this gap between income and cost would have been addressed through bargaining for increased contributions. In this case, however, it will have to be addressed through MPRA permitted actions including a PBGC partition or future legislative help.
- Annual benefit payments and expenses were $9,551,739. Contributions, Withdrawal Liability payments and a one-time litigation settlement payment were $5,223,999. Consequently, the Plan had a negative cash flow during 2018 without including its investment returns.

SECTION I – SUMMARY

Without compensating investment returns the Plan must have a positive cash flow in order to grow. Due to the large negative cash flow situation, the Plan is, and will continue to be, particularly vulnerable to investment risk. As a consequence of this unmanageable negative cash flow, the biggest challenge facing the Plan is its projected insolvency.

Pension Protection Act

The Pension Protection Act of 2006 added a significant layer of new considerations related to the Plan's PPA Funded status.

- The Plan has been in Critical status in every year since the implementation of the law except for 2008 when it was in Endangered status.
- In an effort to correct the Plan's Critical status, as required by the PPA, a Rehabilitation Plan was adopted by the Board of Trustees in November 2009. The Rehabilitation Plan included contribution rate increases and the removal of certain benefits previously provided.
- As also required, a review and possible update to the Rehabilitation Plan has occurred each November. However, the initial Rehabilitation Plan has never been modified since the Board believes it has taken all reasonable measures under PPA that it can to forestall insolvency.

Multiemployer Pension Reform Act of 2014

Because the provisions of PPA were proving inadequate for helping severely under-funded plans address their problems the Multiemployer Pension Reform Act of 2014 (MPRA) was passed in December 2014. MPRA modified PPA.

On March 30, 2018, the Plan was again certified to be in Critical and Declining status because it is Critical and is projected to be insolvent within 19 years.

The Critical and Declining provisions of the law permit benefit reductions and the partition of some liabilities to the Pension Benefit Guaranty Corporation. These may give plans like this one a means for avoiding the insolvency mentioned in the previous section.

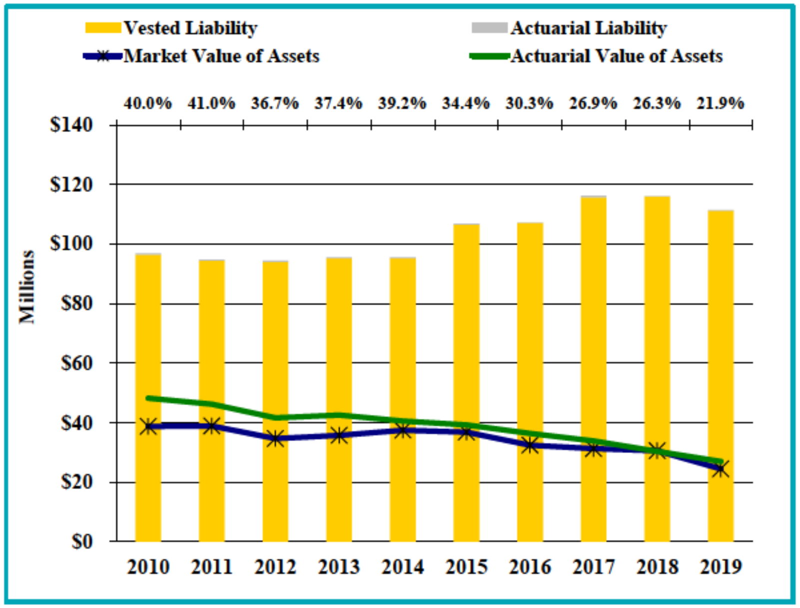
SECTION I – SUMMARY

Historical Review

It is important to take a step back from the results and view them in the context of the Plan's recent history. On the next few pages, we present a series of graphs, which display key results in the valuations of the last ten years.

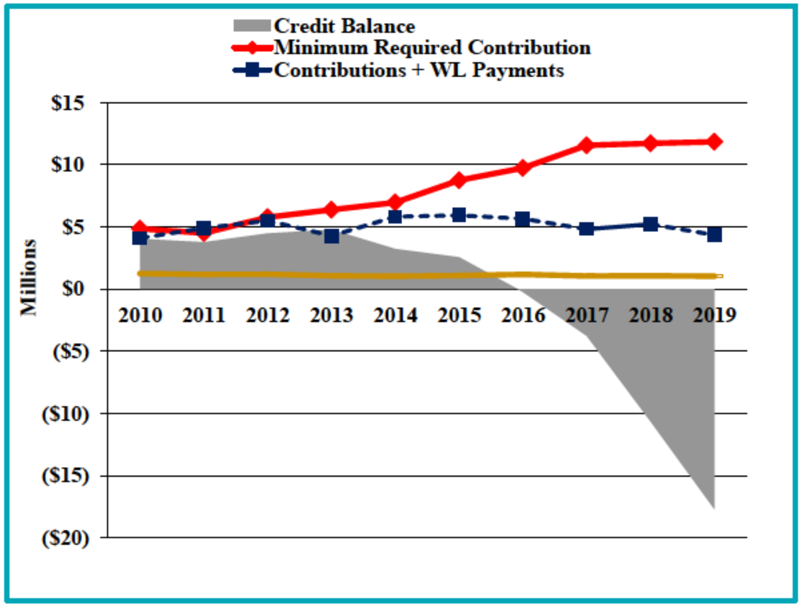
Assets & Liabilities

The following chart shows the plan's liabilities, assets, and funded ratios. The percentages shown along the top of the chart show the funded ratio based on the Market Value of Assets, the blue line. The Plan's funded ratio (Market Value of Assets as a percent of Actuarial Liabilities) has decreased from 40.0% as of January 1, 2010 to its current level of 21.9%. The decrease has been primarily due to a steady decline in the active workforce.



Minimum Funding

The next chart shows the contributions and Withdrawal Liability payments made to the Plan (blue line) relative to the ERISA Minimum Required Contribution (MRC) before the Credit Balance offset (red line), the value of the Credit Balance (gray area), and Normal Cost plus expenses (orange line) over the same period of time.

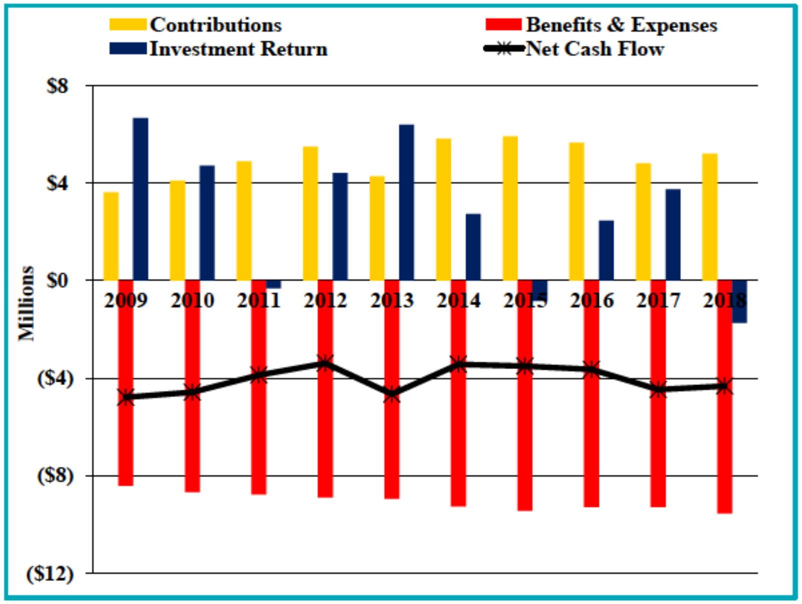


The Plan applied for and was granted a five-year amortization extension for the plan years before January 1, 2009 under IRC Section 431(d) that is reflected in the Credit Balances shown above. This and the Trustees election of funding relief under Section 431(b)(8) of the Pension Relief Act of 2010 (PRA 2010), has reduced the Minimum Required Contribution. Despite this, the Credit Balance is negative for 2019.

SECTION I – SUMMARY

Cash Flow

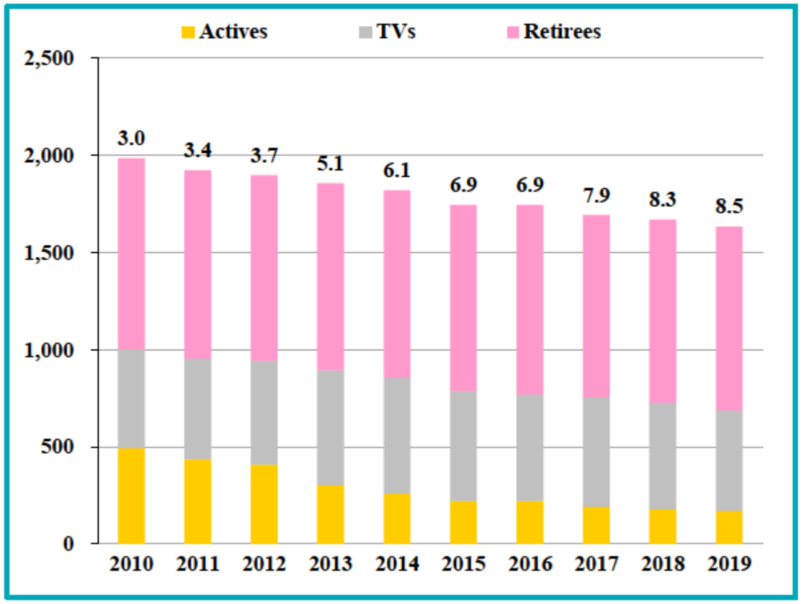
The plan's net cash flow (without investment returns) is a Critical measure of plan health.



As shown above the cash flow has been negative for the entire period shown. A plan with negative cash flows faces additional risk from investment losses. This is because when assets are depleted to pay benefits in down markets, there is less principal available to be reinvested during favorable return periods. Unfortunately, the Plan's recent experience has reflected this.

Participation

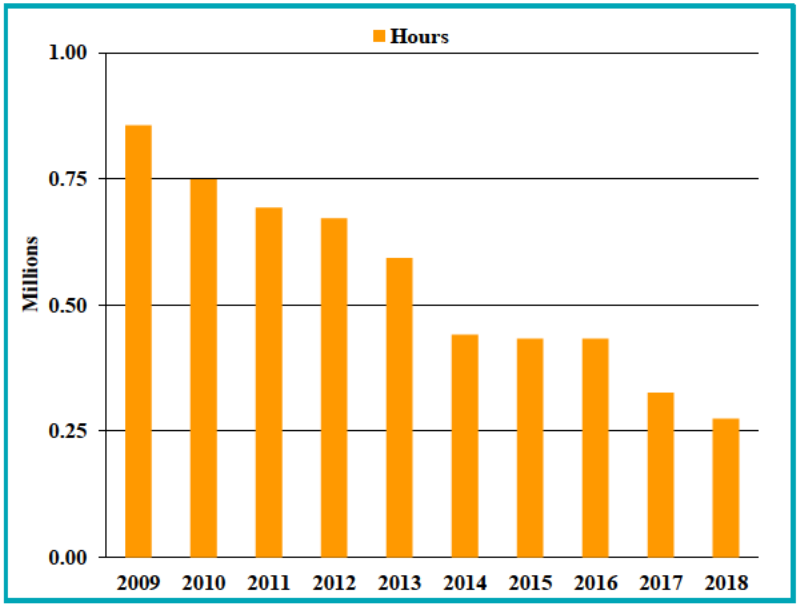
The chart below shows the participants of the Plan in successive valuations.



The numbers above the bars show the ratio of inactive participants to active participants. When this ratio is high, as it is here, increases in the cost of providing plan benefits will create a significant additional burden on active participants. With more than eight inactives for every active participant, the Plan is in a very precarious position.

SECTION I – SUMMARY

Consistent with the drop in active participants shown in the previous chart, there has been a protracted decrease in hours.

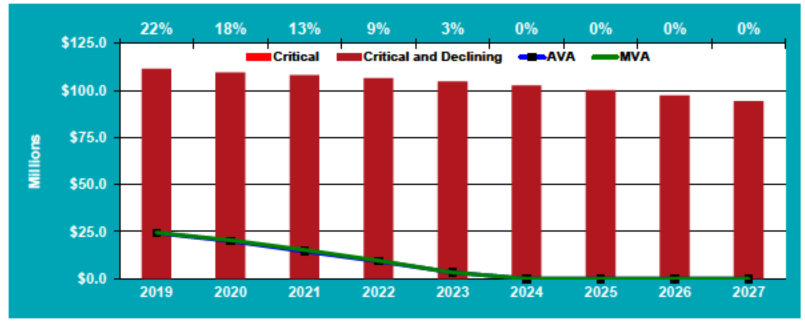


Future Outlook

In this section we move away from viewing a single year's results or historical trends and focus on the future of the Plan. We present projections of the plan's funding status and components of its cash flow and actuarial cost.

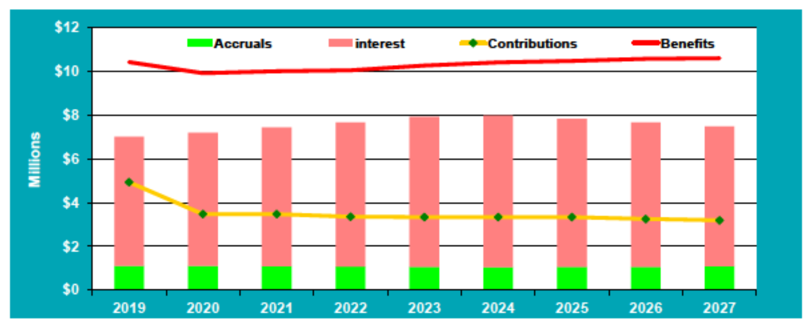
These projections use the funding assumptions described in Appendix C with 275,000 hours of work per year beginning in 2019.

The first chart which follows shows that the Plan is expected to remain in PPA Critical and Declining status into the future. More importantly, the Plan is expected to become insolvent in 2023.



The causes of the plan's continued decline and the need for MPRA benefit reductions are shown in the following chart.

Among other things, it shows the cause of the extreme negative cash flow to be the disparity between the projected benefit payments (red line) and total contributions (yellow line). Preventing insolvency requires bringing these two lines closer together.



SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK

Actuarial valuations are based on a set of assumptions about future economic and demographic experience. In our opinion, the assumptions we are using are our best estimate of the Plan's long-term future experience.

Nonetheless, it is important to realize that future experience could deviate, sometimes significantly, from that predicted by our assumptions. This deviation of actual experience compared to expected experience can affect the future viability of the Plan and must be monitored closely.

This section of the report is intended to identify the primary risks to this Plan, provide some background information about those risks and the factors that influence them, and provide an assessment of them.

Identification of Risks

The primary risk that every plan faces is future insolvency. This is the risk that its current assets and future contributions are or will be inadequate to fund all plan benefits. For some plans, this risk is small. For others it is significant. This insolvency risk can manifest itself in several different ways:

- An impending insolvency date, a near term date when its assets will be completely depleted;
- Funded ratio currently less 100% and
- Funded ratios that are never expected to exceed 100%.

As shown in the previous section, under the baseline projection scenario, the Plan is currently 21.9% funded and is projected to become insolvent during the 2023 plan year.

The remainder of this section focuses on the key measures and some of the risk factors that might impact them. While there are a number of other risk factors that could lead to assets and future contribution amounts being inadequate, we believe the primary risk factors for this Plan are:

- Investment returns, and
- Contributions.

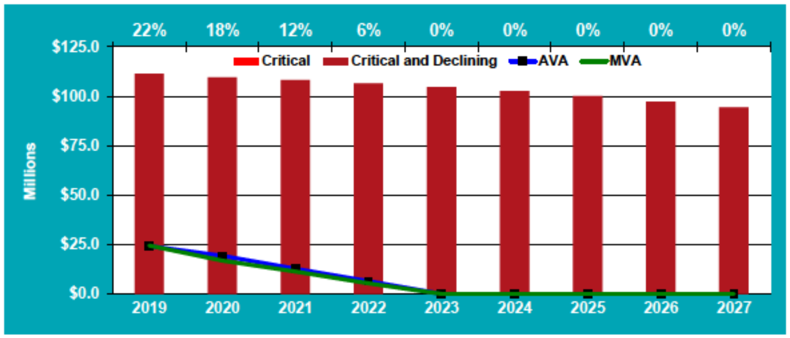
Other risk factors that are not explicitly identified may also turn out to be important.

Investment Risk is the potential for investment returns to be less than expected. The current assumption for investment returns is 7.00% per year net of investment expenses. This is a long-term expectation. In any given year, investment returns will be greater than or less than this assumption. Lower investment returns than anticipated will decrease the expected future funding ratio.

The potential volatility of future investment returns is influenced by economic conditions and the Fund's asset allocation. A plan with an investment portfolio generating higher expected rates of return may anticipate lower future contribution requirements. However, this approach also comes with higher amounts of volatility. The impact of the investment risk is correlated to the amount of assets invested relative to the size of the contribution base.

SECTION II – IDENTIFICATION AND ASSESSMENT OF RISK

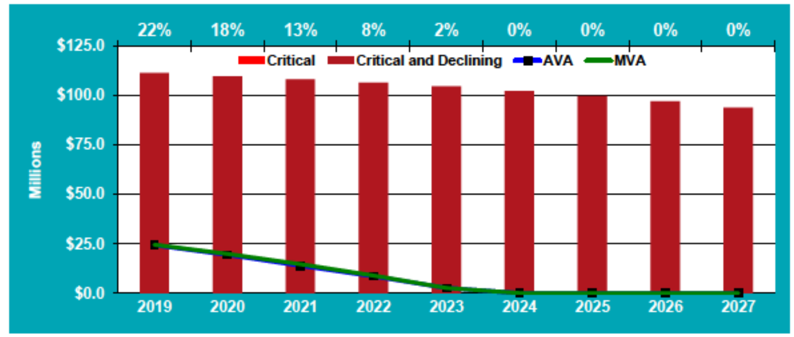
The following projection illustrates the investment risk by assuming that fund assets earn -10% for the 2019 plan year, and then the 7.00% actuarial assumption each year thereafter.



Under this scenario the net result is that the Plan will become insolvent one year earlier: in 2022 instead of 2023.

Contribution Risk is the potential for actual future contributions to deviate from expected future contributions. Depending on the Plan, there are different causes of contribution risk. These range from declining hours or active membership to an employer's ability to pay Withdrawal Liability assessments or other anticipated payments. Since contributions are the source of funding of the Fund any change to them will impact the expected funded ratios.

The following projection illustrates the contribution risk by showing the impact of a twenty-five percent reduction in the expected level of annual contributions.



Under this scenario the year during which the Plan will become insolvent is still 2023.

SECTION III – ASSETS

Assets at Market Value

Market values represent "snap-shot" or "cash-out" values, which provide the principal basis for measuring financial performance from one year to the next.

Table II-1
Statement of Assets at Market Value, December 31,

	2017	2018
Invested Assets		
Mutual Funds	$ 27,068,041	$ 21,910,236
Short-term Investments and Money Market Funds	17,091	145,590
Collective Real Estate Securities Trust	1,409,994	1,337,873
Subtotal:	$ 28,495,126	$ 23,393,699
Receivables		
Participating Employers' Contributions	$ 568,141	$ 526,654
Withdrawal Liability Payments Receivable	8,662,275	(10,553,564)
Litigation Settlement Receivable	22,869	(20,446)
Miscellaneous	127	-
Allowance for Doubtful Accounts	(305,243)	(305,243)
Subtotal:	$ 8,948,169	$ (10,352,599)
Other Assets		
Prepaid Insurance	$ 8,617	$ 8,703
Due from Local 436 Welfare Fund	0	0
Subtotal:	$ 8,617	$ 8,703
Cash	$ 1,859,679	$ 923,794
Total Assets	$ 39,311,591	$ 13,973,597
Liabilities		
Due to Local 436 Welfare Fund	$ 28,551	$ 14,683
Accrued Expenses	75,051	68,636
Subtotal:	$ 103,602	$ 83,319
Net Assets Available for Benefits from Auditor	$ 39,207,989	$ 13,890,278
Withdrawal Liability Payments Receivable	(8,662,275)	10,553,564
Litigation Settlement Receivable	(22,869)	20,446
Net Assets Available for Valuation	$ 30,522,845	$ 24,464,288

Changes in Market Value

The components of asset change are:

- Contributions
- Benefit payments
- Expenses
- Investment income (realized and unrealized)

The specific changes during 2018 are presented below:

Table II-2
Changes in Market Values

Market Value of Assets - December 31, 2017	$ 30,522,845
Negotiated Contributions	$ 2,674,039
Contributions from Litigation Settlement	41,821
Withdrawal Liability Payments	2,508,139
Investment Returns	(1,730,817)
Benefit Payments	(8,792,589)
Administrative Expenses	(759,150)
Market Value of Assets - December 31, 2018	$ 24,464,288

SECTION III – ASSETS

Assets at Actuarial Value

For funding purposes, the Plan uses an Actuarial Value of Assets which smoothies market related fluctuations in the Market Value of Assets, generally over five years. This causes less volatile cost and minimum funding requirements from year to year.

The method used for determining the Actuarial Value of Assets recognizes the excess of actual asset return over expected returns at the rate of 20% per year over five years.

The table that follows shows the development of the Actuarial Value of Assets.

Table II-3
Development of Actuarial Value of Assets as of January 1, 2019

Market Value of Assets as of December 31, 2018					$ 24,464,288
Plan Year		Initial Gain/(Loss)	Percent Recognized	Percent Deferred	Amount Deferred
2015	$	(3,281,623)	80%	20%	(656,325)
2016		320,653	60%	40%	128,261
2017		1,717,730	40%	60%	1,030,638
2018		(3,718,507)	20%	80%	(2,974,806)
Total Gain/(Loss) Excluded					$ (2,472,232)
Preliminary Actuarial Value as of January 1, 2019					$ 26,936,520
Corridor for Actuarial Value					
80% of Market Value					$ 19,571,430
120% of Market Value					29,357,146
Actuarial Value of Assets as of January 1, 2019					$ 26,936,520
Actuarial Value as a percent of Market Value of Assets as of January 1, 2019					110.1%

Actuarial Gains or Losses from Investment Performance

The following table calculates the investment related actuarial gain/loss for the plan year, the return, and the rate of return on both a market value and actuarial value basis. The market value rate of return is an appropriate measure for comparing the actual return of to the long-term 7.00% assumption.

The actuarial investment gain/loss on the actuarial value is one component of the Plan's actuarial experience gain/loss which is recognized in minimum funding requirements. The rate of return on an Actuarial Value of Assets basis was 3.47%, which is less than the 7.00% assumption. Therefore, there was an actuarial investment loss for funding purposes.

Table II-4
Development of Asset Rate of Return as of January 1, 2019

Item	Market Value	Actuarial Value
December 31, 2017 Value	$ 30,522,845	$ 30,291,189
Employer Contributions, Withdrawal Liability Payments, and the Litigation Settlement	$ 5,223,999	$ 5,223,999
Administration Expense	(759,150)	(759,150)
Benefit Payments	(8,792,589)	(8,792,589)
Expected Investment Earnings (7.00%)	1,987,690	1,971,474
Expected Value December 31, 2018	$ 28,182,795	$ 27,934,923
Investment Gain/(Loss)	(3,718,507)	(998,403)
December 31, 2018 Value	$ 24,464,288	$ 26,936,520
Return	$ (1,730,817)	$ 973,071
Rate of Return	-6.10%	3.46%

SECTION IV – LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- Disclosure of plan liabilities at January 1, 2018, and January 1, 2019; and
- Statement of changes in these liabilities during the year.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which it is used.

- **Present Value of Future Benefits:** Used for analyzing the financial outlook of the Plan, this represents the amount of money needed today, to fully pay off all future benefits of the Plan, assuming participants continue to accrue benefits.
- **Actuarial Liabilities:** Used for ensuring minimum funding standards are met, this liability is determined using an actuarial funding method to apportion the Present Value of Future Benefits between the past and the future.

  For this Plan that method is the Unit Credit funding method. The Actuarial Liability under the Unit Credit funding method represents the total amount of money needed to fully pay off all future obligations of the Plan, assuming no further accrual of benefits.

  This liability is required for accounting disclosures by FASB ASC Topic No. 960. For that purpose, it is referred to as the Present Value of Accumulated Benefits. In addition, it is required to determine the Plan's funded ratio for determining its funded status under the Pension Protection Act of 2006. It can also be used to establish comparative benchmarks with other plans.
- **Vested Liabilities:** This liability represents the portion of the Actuarial Liabilities that are vested. After removing certain vested benefits according to PBGC regulations and adding administrative expense, this liability is used to determine the Unfunded Vested Benefits (UVB) used in Withdrawal Liability assessments.
- **Current Liabilities:** Used for statutory compliance purposes, the calculation of this liability is defined by law and IRS Regulations and is used to determine maximum allowable tax-deductible contributions.

The table on the following page discloses each of these liabilities for the current valuation and the prior one. With respect to each disclosure, a subtraction of the appropriate value of plan assets yields, for each respective type**,** a net surplus, or an unfunded liability.

SECTION IV – LIABILITIES

Table III-1
Liabilities/Net Surplus (Unfunded)

		1/1/2018		1/1/2019
PRESENT VALUE OF FUTURE BENEFITS				
Active Participant Benefits	$	14,088,394	$	13,523,314
Retiree and Inactive Benefits		104,149,642		99,852,183
Present Value of Future Benefits	$	118,238,036	$	113,375,497
ACTUARIAL LIABILITY				
Present Value of Future Benefits	$	118,238,036	$	113,375,497
Less Present Value of Future Normal Costs		2,210,089		1,912,736
Actuarial Liability	$	116,027,947	$	111,462,761
Actuarial Value of Assets		30,291,189		26,927,870
Net Surplus (Unfunded)	$	(85,736,758)	$	(84,534,891)
PRESENT VALUE OF ACCUMULATED BENEFITS (FASB ASC 960)				
Active Participant Benefits	$	11,878,305	$	11,610,578
Retiree and Inactive Benefits		104,149,642		99,852,183
Actuarial Liability	$	116,027,947	$	111,462,761
Market Value of Assets		30,522,845		24,464,288
Net Surplus (Unfunded)	$	(85,505,102)	$	(86,998,473)
VESTED LIABILITY (FASB ASC 960)				
Actuarial Liability	$	116,027,947	$	111,462,761
Less Present Value of Non-Vested Benefits		138,496		282,038
Vested Liability	$	115,889,451	$	111,180,723
Market Value of Assets		30,522,845		24,464,288
Net Surplus (Unfunded)	$	(85,366,606)	$	(86,716,435)
CURRENT LIABILITY (RPA 1994)	$	173,385,066	$	170,456,120
Market Value of Assets		30,522,845		24,464,288
Net Surplus (Unfunded)	$	(142,862,221)	$	(145,991,832)
Current Liability Interest Rate		2.98%		3.06%

SECTION IV – LIABILITIES

Allocation of Liabilities by Type

The Plan's participants may qualify for a benefit on death, termination, and disability as well as on retirement. The value of the liabilities arising from each of these sources is shown in the following table:

Table III-2

Benefit Type	Retirement	Termination	Death	Disability	Total
Normal Cost	$ 301,831	$ 60,947	$ 4,522	$ 0	$ 367,300
Actuarial Liability					
Actives	$ 10,166,698	$ 1,310,851	$ 133,029	$ 0	$ 11,610,578
Terminated Vesteds	0	23,844,549	0	0	23,844,549
Retirees and Beneficiaries	63,454,193	0	7,726,612	4,826,829	76,007,634
Total	$ 73,620,891	$ 25,155,400	$ 7,859,641	$ 4,826,829	$ 111,462,761
RPA Current Liability Normal Cost	$ 561,240	$ 155,749	$ 5,788	$ 0	$ 722,777
RPA Current Liability					
Actives	$ 17,689,086	$ 2,838,758	$ 154,537	$ 0	$ 20,682,381
Terminated Vesteds	0	43,884,204	0	0	43,884,204
Retirees and Beneficiaries	87,611,449	0	10,839,238	7,438,848	105,889,535
Total	$ 105,300,535	$ 46,722,962	$ 10,993,775	$ 7,438,848	$ 170,456,120
Vested RPA Current Liability					
Actives	$ 5,824,243	$ 14,097,534	$ 149,439	$ 0	$ 20,071,216
Terminated Vesteds	0	43,884,204	0	0	43,884,204
Retirees and Beneficiaries	87,611,449	0	10,839,238	7,438,848	105,889,535
Total	$ 93,435,692	$ 57,981,738	$ 10,988,677	$ 7,438,848	$ 169,844,955

SECTION IV – LIABILITIES

Changes in Liabilities

Each of the liabilities shown in the prior table is subject to change at successive valuations as the experience of the Plan varies from that assumed in the valuation. The liabilities may change for any of several reasons, including:

- Plan amendments
- Interest on actuarial liabilities
- Benefits paid to retirees
- Participants leaving employment at rates different from expected
- Changes in actuarial assumptions
- New hires since the last valuation
- Benefits accrued since the last valuation
- Changes in actuarial methods
- Corrections to participant data records

Table III-3

		Actuarial Liability
Liabilities 1/1/2018	$	116,027,947
Liabilities 1/1/2019		111,462,761
Liability Increase/(Decrease)	$	(4,565,186)
Change due to:		
Plan Amendment	$	0
Assumption Change		91,944
Accrual of Benefits		405,213
Increase for Interest		7,847,785
Benefit Payments		(8,792,589)
Actuarial (Gain)/Loss		(4,117,539)
Total	$	(4,565,186)

SECTION V – COSTS AND CONTRIBUTIONS

In this section, detailed information on plan costs and contributions is presented from two perspectives:

- The actuarially determined Board Policy Cost and
- Statutory amounts, which could affect the above.

Board Policy Cost

The Board Policy Cost is based on criteria established by the Board of Trustees. It is determined in two parts. The first part is the Unit Credit Normal Cost. This is the value of the new future benefits accrued and expenses expected to be paid over the coming year.

The second part is an amortization payment to pay off the Unfunded Actuarial Liability. The Unfunded Actuarial Liability is the difference between the Market Value of Assets of the Plan at the valuation date and Actuarial Liability as determined by the actuarial cost method. This amount is amortized over 10 years.

In theory, if income from contributions and Withdrawal Liability payments equal to the Board Policy Cost are made for ten years the Plan will be completely funded. In reality, the expected income from contributions and withdrawal payments is far less than this amount and will not reduce the Unfunded Actuarial Liability this year. The shortfall will increase next year's Board Policy Cost.

Statutory Amounts

ERISA and the IRS tax code produce various requirements on the contributions made to qualified pension plans. These amounts impact the minimum that must be paid, the maximum that can be deducted, and the timing of contributions.

To ensure that minimum contributions are met, pension plans are required to retain an enrolled actuary to complete Schedule MB to Form 5500 on an annual basis. Because the bargained contributions exceeded the Minimum Required Contribution in years past, the Plan built up a Credit Balance. However, that is no longer the case. The Credit Balance is being used to make up the difference between the Minimum Required Contribution and bargained contributions and withdrawal payments.

The actuarially determined Board Policy Cost for 2019 is compared to the statutory amounts on the next table and to the expected contributions from all sources. The table also shows the Board Policy Cost and expected contributions per hour.

SECTION V – COSTS AND CONTRIBUTIONS

Table IV-1
Costs and Contributions

	2018	2019
Board Policy Cost		
Normal Cost plus Expenses	$ 1,075,213	$ 1,037,300
Amortization of Unfunded Actuarial Liability (10 years / 10 years)	11,377,573	11,576,285
Interest to Mid Year	428,476	434,009
Total	$ 12,881,262	$ 13,047,594
Statutory Amounts		
Maximum Deductible Contribution	$ 215,550,333	$ 215,163,908
Minimum Contribution (before Credit Balance)		
Normal Cost plus Expenses	$ 1,075,213	$ 1,037,300
Amortization Payment	9,886,659	10,047,750
Interest to End of Year	767,331	775,953
Total	$ 11,729,203	$ 11,861,003
Actual/*Estimated* Employer Contributions plus Withdrawal Liability Payments and Litigation Settlements	$ 5,213,547	*$ 4,368,000*
Actual/*Expected* Hours	275,000	*275,000*
Per Hour Board Policy Cost	$ 46.84	$ 47.45
Per Hour Contribution	$ 18.96	$ 15.88

The tables on the following pages show the IRS Funding Standard Account as well as development of the minimum required and maximum deductible contributions for 2019 and other supporting information.

SECTION V – COSTS AND CONTRIBUTIONS

Table IV-2
Funding Standard Account for 2018 AND 2019 Plan Years

	2018	2019
1. Charges For Plan Year		
a. Normal Cost plus Expenses	$ 1,075,213	$ 1,037,300
b. Amortization Charges	11,493,306	11,466,301
c. Interest on a. and b. to Year End	879,796	875,252
d. Additional Funding Charge	N/A	N/A
e. Interest Charge due to Late Quarterly Contributions	N/A	N/A
f. Total Charges	$ 13,448,315	$ 13,378,853
2. Credits For Plan Year		
a. Prior Year Credit Balance	$ (10,641,398)	$ (17,722,564)
b. Employer Contributions, Settlement, Withdrawal Liability Payments (Actual/*Expected*)	5,213,547	*4,368,000*
c. Amortization Credits	1,606,647	1,418,551
d. Interest on a., b., and c. to Year End	(453,045)	(990,987)
e. Full Funding Limit Credit	0	0
f. Total Credits	$ (4,274,249)	$ (12,927,000)
3. Credit Balance at End of Year [2. – 1.]	$ (17,722,564)	$ (26,305,853)

SECTION V – COSTS AND CONTRIBUTIONS

Table IV-3
Calculation of the Maximum Deductible Contribution
for the Plan Year Starting January 1, 2019

1.	"Fresh Start" Method		
	a. Normal Cost plus Expenses	$	1,037,300
	b. Net Charge to Amortize Unfunded Actuarial Liability over 10 years		11,248,474
	c. Interest on a. and b.		860,004
	d. Total	$	13,145,778
	e. Minimum Required Contribution at Year End	$	30,824,146
	f. Larger of d. and e.	$	30,824,146
	g. Full Funding Limitation as of Year End	$	131,841,648
	h. Maximum Deductible Contribution [lesser of f. and g.]	$	30,824,146
2.	140% of Current Liability Calculation		
	a. RPA 1994 Current Liability at Start of Year	$	170,456,120
	b. Present Value of Benefits Estimated to Accrue during Year		722,777
	c. Expected Benefit Payments		9,626,280
	d. Net Interest on a., b. and c. at Current Liability Interest Rate		5,091,902
	e. Expected Current Liability at End of Year, [a. + b. – c. + d.]	$	166,644,519
	f. 140% of e.	$	233,302,327
	g. Actuarial Value of Assets	$	26,927,870
	h. Expected Expenses		670,000
	i. Net Interest on c., g., and h. at Valuation Interest Rate		1,506,829
	j. Estimated Value of Assets, [g. – c. – h. + i.]	$	18,138,419
	k. Unfunded Current Liability at Year End, [f. – j.]	$	215,163,908
3.	Maximum Deductible Contribution at Year End, greater of 1h. and 2k.	$	215,163,908

SECTION V – COSTS AND CONTRIBUTIONS

Table IV-4
Development of Actuarial Gain/(Loss)
for the Year Ended December 31, 2018

1. Unfunded Actuarial Liability at Start of Year	$	85,736,758
2. Normal Cost plus Expenses at Start of Year		1,075,213
3. Interest on 1. and 2. to End of Year		6,076,838
4. Employer Contributions plus Withdrawal Liability Payments for Year		5,213,547
5. Interest on 4. to End of Year		179,388
6. Increase in Unfunded Actuarial Liability Due to Changes in Assumptions		91,944
7. Increase in Unfunded Actuarial Liability Due to Changes in Plan Design		0
8. Increase in Unfunded Actuarial Liability Due to Changes in Funding Method		0
9. Expected Unfunded Actuarial Liability at End of Year [1. + 2. + 3. – 4. – 5. + 6. + 7. + 8.]	$	87,587,818
10. Actual Unfunded Actuarial Liability at End of Year, not less than zero	$	84,534,891
11. Actuarial Gain / (Loss) [9. – 10.]	$	3,052,927
a. Gain/(Loss) on Actuarial Value of Assets	$	(996,242)
b. Gain/(Loss) on Liabilities	$	4,117,539
c. Gain/(Loss) on Expenses	$	(68,370)
12. Amortization Factor for Actuarial Gain / (Loss)		9.7455
13. Amortization Credit / (Charge) for Actuarial Gain / (Loss)	$	313,266

Exhibit 7.10
January 1, 2019 Actuarial Valuation Report (Checklist Item #40)

SECTION V – COSTS AND CONTRIBUTIONS

Table IV-5a
Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2019

	Charge Bases	Date Established	Initial Amount	Initial Amortization Years	1/1/2019 Outstanding Balance	Remaining Amortization Years*	Beginning of Year Amortization Amount
1.	Initial Accrued Liability	1/1/1978	$ N/A	40	$ 4,011,080	4	$ 1,106,714
2.	Plan Amendment	1/1/1979	N/A	40	2,104,410	5	479,669
3.	Plan Amendment	1/1/1981	N/A	40	3,952,983	7	685,503
4.	Plan Amendment	1/1/1985	N/A	30	8,356	1	8,356
5.	Plan Amendment	1/1/1986	N/A	30	228,522	2	118,125
6.	Plan Amendment	1/1/1987	N/A	30	657,605	3	234,188
7.	Plan Amendment	1/1/1988	N/A	30	152,374	4	42,042
8.	Plan Amendment	1/1/1992	N/A	30	145,411	8	22,759
9.	Plan Amendment	1/1/1993	N/A	30	1,517,186	9	217,633
10.	Plan Amendment	1/1/1994	N/A	30	178,679	10	23,776
11.	Plan Amendment	1/1/1995	N/A	30	11,398	11	1,421
12.	Plan Amendment	1/1/1996	N/A	30	1,373,895	12	161,660
13.	Plan Amendment	1/1/1997	N/A	30	479,740	13	53,646
14.	Plan Amendment	1/1/1998	N/A	30	1,434,442	14	153,291
15.	Plan Amendment	1/1/1999	N/A	30	1,922,442	15	197,265
17.	Plan Amendment	1/1/2000	N/A	30	638,876	16	63,206
18.	Experience Loss	1/1/2000	N/A	15	54,585	1	54,585
19.	Plan Amendment	1/1/2001	N/A	30	1,909,663	17	182,801
20.	Plan Amendment	1/1/2002	N/A	30	2,955,466	18	274,589
21.	Experience Loss	1/1/2002	N/A	15	305,607	3	108,834
22.	Plan Amendment	1/1/2003	N/A	30	1,688,540	19	152,683
23.	Assumption Change	1/1/2003	N/A	30	8,996,732	19	813,515

SECTION V – COSTS AND CONTRIBUTIONS

Table IV-5b
Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2019

	Charge Bases (continued)	Date Established	Initial Amount	Initial Amortization Years	1/1/2019 Outstanding Balance	Remaining Amortization Years*	Beginning of Year Amortization Amount
24.	Experience Loss	1/1/2003	N/A	15	$ 1,409,010	4	$ 388,766
25.	Experience Loss	1/1/2004	N/A	30	753,462	20	66,469
26.	Experience Loss	1/1/2004	N/A	15	1,217,993	5	277,624
27.	Experience Loss	1/1/2005	N/A	30	474,637	21	40,938
28.	Experience Loss	1/1/2005	N/A	15	765,833	6	150,158
29.	Experience Loss	1/1/2006	$ 2,537,636	15	1,282,837	7	222,462
30.	Experience Loss	1/1/2007	1,579,662	15	897,596	8	140,484
31.	Plan Change	1/1/2008	75,028	15	47,081	9	6,754
32.	Experience Loss	1/1/2008	1,103,099	15	692,253	9	99,300
33.	Experience Loss	1/1/2009	9,404,102	15	4,319,258	5	984,511
34.	Experience Loss	1/1/2011	2,235,704	15	1,340,136	7	232,399
35.	Experience Loss	1/1/2012	4,149,340	15	2,746,493	8	429,859
36.	Experience Loss	1/1/2013	706,186	15	508,337	9	72,919
37.	Experience Loss	1/1/2014	2,736,150	15	2,116,503	10	281,628
38.	Experience Loss	1/1/2015	66,206	15	54,508	11	6,793
39.	Assumption Change	1/1/2015	9,398,219	15	7,737,686	11	964,368
40.	Plan Amendment	1/1/2015	1,815,792	15	1,494,967	11	186,322
41.	Experience Loss	1/1/2016	2,838,461	15	449,353	12	52,873
42.	Assumption Change	1/1/2016	515,274	15	2,475,320	12	291,260
43.	Experience Loss	1/1/2017	458,040	15	420,310	13	47,000
44.	Assumption Change	1/1/2017	11,884,102	15	10,905,151	13	1,219,449
45.	Experience Loss	1/1/2018	1,347,495	15	1,293,872	14	138,269
46.	Assumption Change	1/1/2019	91,944	15	91,944	15	9,435

SECTION V – COSTS AND CONTRIBUTIONS

Table IV-6
Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2019

	Credit Bases	Date Established	Initial Amount	Initial Amortization Years	1/1/2019 Outstanding Balance	Remaining Amortization Years	Beginning of Year Amortization Amount
1.	Assumption Change	1/1/1991	N/A	30	8,041	2	4,156
2.	Assumption Change	1/1/1991	N/A	30	53,234	2	27,517
3.	Method Change	1/1/1996	N/A	30	444,827	7	77,139
4.	Plan Change	1/1/2007	$ 3,155,623	30	2,600,277	18	241,589
5.	Method Change	1/1/2007	1,665,055	30	1,372,025	18	127,473
7.	Asset Method Change	1/1/2010	1,505,906	15	801,166	6	157,085
8.	Experience Gain	1/1/2011	3,256,530	15	1,952,045	7	338,512
9.	Plan Amendment	1/1/2013	251,199	15	187,736	9	26,930
10.	Plan Amendment	1/1/2017	1,022,124	15	937,927	13	104,882
11.	Experience Gain	1/1/2019	3,052,927	15	3,052,927	15	313,266
	TOTAL CREDITS				$ 11,410,205		$ 1,418,551
	NET CHARGE				**$ 66,812,327**		**$ 10,047,750**

SECTION V – COSTS AND CONTRIBUTIONS

Table IV-7
Accumulated Reconciliation Account and Balance Test
as of January 1, 2019

1. Amount due to Additional Interest Charges in Prior Years	$	0
2. Amount due to Additional Funding Charges in Prior Years		0
3. Reconciliation Account at Start of Year [1. + 2.]		0
4. Net Outstanding Amortization Bases		66,812,327
5. Credit Balance at Start of Year		(17,722,564)
6. Unfunded Actuarial Liability at Start of Year from Funding Equation [4. – 3. – 5.]	$	84,534,891
7. Actuarial Liability at Start of Year	$	111,462,761
8. Actuarial Value of Assets at Start of Year		26,927,870
9. Unfunded Actuarial Liability at Start of Year from Liability Calculation [7. – 8.]	$	84,534,891

The Plan passes the Balance Test because line 6. equals line 9.

SECTION V – COSTS AND CONTRIBUTIONS

Table IV-8
Development of Full Funding Limitation
for the Year Starting January 1, 2019

			Minimum	Maximum
1.	ERISA Actuarial Liability Calculation			
	a.	Actuarial Liability	$ 111,462,761	$ 111,462,761
	b.	Normal Cost plus Expenses	1,037,300	1,037,300
	c.	Lesser of Market Value and Actuarial Value of Assets	24,464,288	24,464,288
	d.	Credit Balance at Start of Year	(17,722,564)	N/A
	e.	Actuarial Liability Full Funding Limit [a. + b. – c. + d.] × 1.07	$ 75,235,134	$ 94,198,277
2.	Full Funding Limit Override (RPA '94)			
	a.	RPA 1994 Current Liability at Start of Year	$ 170,456,120	$ 170,456,120
	b.	Present Value of Benefits Estimated to Accrue during Year	722,777	722,777
	c.	Expected Benefit Payments	9,626,280	9,626,280
	d.	Net Interest on a., b. and c. at Current Liability Interest Rate	5,091,902	5,091,902
	e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]	$ 166,644,519	$ 166,644,519
	f.	90% of e.	$ 149,980,067	$ 149,980,067
	g.	Actuarial Value of Assets at Start of Year	$ 26,927,870	$ 26,927,870
	h.	Expected Expenses	670,000	670,000
	i.	Net Interest on c., g., and h. at Valuation Interest Rate	1,506,829	1,506,829
	j.	Estimated Value of Assets, [g. – c. – h. + i.]	18,138,419	18,138,419
	k.	RPA 1994 Full Funding Limit Override, [f. – j.]	$ 131,841,648	$ 131,841,648
3.	Full Funding Limitation at End of Year, greater of 1e. and 2k.		$ 131,841,648	$ 131,841,648

SECTION VI – WITHDRAWAL LIABILITY

The Multiemployer Pension Plan Amendments Act of 1980 (MPPAA) provides that an employer who withdraws from a multiemployer pension plan, either partially or totally, will be liable to the Plan for a proportionate share of the plan's total Unfunded Vested Benefits (UVB), reallocation liability, and affected benefits that exist as of the end of the plan year prior to the year in which the withdrawal occurs.

As shown in the table below, the total Actuarial Liability for all vested benefits, including expected administrative expenses, as of December 31, 2018 is $114,120,155. As of December 31, 2018, the Market Value of Assets of the Plan was $24,464,288. Because the vested liability exceeds the assets of the Plan, there are Unfunded Vested Benefits as of December 31, 2018. Consequently, an employer who withdraws from the Plan during the plan year beginning January 1, 2019 may have a Withdrawal Liability.

Table V-1
Uunfunded Vested Benefits Liability

	Actuarial Liability of Vested Benefits as of December 31, 2018 for:	**Withdrawals Occuring January 1, 2019 – December 31, 2019**
1.	Retirees and Beneficiaries	$ 76,007,634
2.	Terminated Vested Participants	23,844,549
3.	Active Participants	11,328,540
4.	Present Value of Vested Benefits	$ 111,180,723
5.	Future Administrative Expense	2,939,432
6.	**Actuarial Liability of Vested Benefits for Withdrawal Liability**	**$ 114,120,155**
7.	Market Value of Assets	24,464,288
8.	**Unfunded Vested Benefits [(6.) – (7.)]**	**$ 89,655,867**

SECTION VI – WITHDRAWAL LIABILITY

The Actuarial Liability of vested benefits shown above does not include the value of non-forfeitable adjustable benefits (also referred to as Affected Benefits) that have been removed as a consequence of the plan's Rehabilitation Plan. The law requires plans to allocate the value of unamortized affected benefits to withdrawing employers separately from the allocation of the Unfunded Vested Benefits and reallocation liability. This allocation is based on the employer's five-year contributions divided by the plan's five-year contributions for all employers with an obligation to contribute for the five-years prior to withdrawal. Affected benefits bases are amortized over 15 years on a mortgage type basis. As of December 31, 2018 the plan's affected benefits were:

Table V-2
Affected Benefits

Plan Year Ending	Initial Base	Years Remaining	Unamortized Balance
12/31/2010	$ 3,197,907	7	$ 1,916,905
12/31/2012	235,274	9	169,358
12/31/2016	951,554	13	873,170
Total	$ 4,384,735		$ 2,959,433

BUILDING MATERIAL DRIVERS LOCAL 436 PENSION FUND
ACTUARIAL VALUATION AS OF JANUARY 1, 2019

SECTION VII – FASB ASC TOPIC NO. 960 DISCLOSURES

Table VI-1
Present Value of Accumulated Benefits as of January 1, 2019
in Accordance with ASC Topic No. 960

	Amounts	Counts
1. Actuarial Present Value of Benefits		
For Retirees and Beneficiaries	$ 76,007,634	946
Terminated Vesteds	23,844,549	516
Active Participants	11,328,540	97
Vested Benefits	$ 111,180,723	1,559
2. Non-vested Benefits	$ 282,038	74
3. Accumulated Benefits	$ 111,462,761	1,633
4. Market Value of Assets	$ 24,464,288	
5. Funded Ratios		
Vested Benefits	22.0%	
Accumulated Benefits	21.9%	

RECONCILIATION OF PRESENT VALUE OF ACCUMULATED BENEFITS

1. Actuarial Present Value at January 1, 2018	$ 116,027,947
2. Increase (decrease) over Prior Year due to:	
Benefit Accruals	$ 405,213
Benefit Payments	(8,792,589)
Increase for Interest	7,847,785
Experience (Gains)/Losses	(4,117,539)
Changes in assumptions	91,944
Plan Amendments	0
3. Actuarial Present Value at December 31, 2018	$ 111,462,761

APPENDIX A – MEMBERSHIP INFORMATION

The data for this valuation was provided electronically by the Fund Office. Cheiron did not audit any of the data; however, it was reviewed to ensure that it complies with generally accepted actuarial standards. The data was collected as of January 1, 2019.

The following is a list of data charts contained in this section:

- Service Distribution for Active Participants
- Data Reconciliation
- Counts and Average Benefit Amount by Age for Retirees, Beneficiaries, and Disabled Participants
- Counts and Average Benefit Amount by Age for Terminated Vested Participants

Count of Active Participants
Years of Service at January 1, 2019

Age	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Under 25	2	1									3
25-29	5	3									8
30-34	4	4									8
35-39	1	6		2	1						10
40-44	4	1	2	1	2						10
45-49	5	9	2		2	2	2				22
50-54		11	4	3	1	1	3	1			24
55-59	3	6	4	5	3	4	6	5			36
60-64	5	2	4	3	3	3	8	6	4	1	39
65-69		2	2	2			1	2		2	11
70 & up											0
Total	29	45	18	16	12	10	20	14	4	3	171

Average Age: 52.0 Average Service: 14.8

APPENDIX A – MEMBERSHIP INFORMATION

DATA RECONCILIATION FROM JANUARY 1, 2018, TO JANUARY 1, 2019

		Actives	Terminated Vested	Retired	Deferred Beneficiary	Disabled	Beneficiaries	QDRO	Total
1.	Participants, January 1, 2018 valuation	**179**	**528**	**661**	**20**	**39**	**220**	**23**	**1,670**
2.	Additions								
	a. New entrants	22							22
	b. Data corrections		5	5			1		11
	c. Total	22	5	5			1		33
3	Reductions								
	a. Terminated - not vested	(15)							(15)
	b. Lump Sum or no further benefit due								
	c. Died without beneficiary	0	(2)	(28)		(1)	(22)		(53)
	d. Total	(15)	(2)	(28)		(1)	(22)		(68)
4	Changes in status								
	a. Terminated with vested benefit	(13)	13						
	b. Retired	(4)	(41)	45	(1)		1		
	c. Disabled								
	d. Returned to work	2	(2)						
	e. QDRO							1	1
	f. Died with beneficiary		(2)	(20)	1	(2)	23		
	g. Data corrections				(3)				(3)
	h. Total	(15)	(32)	25	(3)	(2)	24	1	(2)
5	Participants, January 1, 2019 valuation	**171**	**499**	**663**	**17**	**36**	**223**	**24**	**1,633**

APPENDIX A – MEMBERSHIP INFORMATION

Age Distribution of Inactive Participants

Pensioners and Beneficiaries Receiving Benefits as of January 1, 2019

Age	Disability Retirements Number	Disability Retirements Monthly Benefit	Normal, Early, and QDRO Retirements Number	Normal, Early, and QDRO Retirements Monthly Benefit	Beneficiaries Receiving Benefits Number	Beneficiaries Receiving Benefits Monthly Benefit	Total Number	Total Monthly Benefit
Under 55	1	$ 1,384	0	$ 0	3	$ 963	4	$ 2,347
55-59	2	3,350	2	777	8	4,223	12	8,350
60-64	4	5,434	82	70,547	16	9,404	102	85,384
65-69	12	15,504	166	145,150	27	8,172	205	168,826
70-74	5	7,778	144	134,065	36	17,609	185	159,452
75-79	7	7,838	134	146,655	35	8,522	176	163,015
80 & Over	5	2,360	159	106,190	98	25,128	262	133,678
Total	36	$ 43,647	687	$ 603,384	223	$ 74,021	946	$ 721,052

Deferred Vested Participants and Surviving Spouses Entitled to Future Benefits

Age	Number	Monthly Benefit Payable at Normal Retirement Date
Under 45	35	$ 12,967
45-49	71	34,145
50-54	117	65,228
55-59	180	124,550
60-64	99	65,201
65 & Over	14	4,797
Total	516	$ 306,888

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

1. Participation

Any member of the Teamsters Union Local No. 436 becomes a participant on the first date contributions are made to the pension plan by the employer.

2. Credited Service

Credited service is earned as follows:

Credited Hours in Covered Employment During Calendar Year	Effective January 1, 1992 Credited Service
1,300 or more	1.0
1,170 to 1,299	0.9
1,040 to 1,169	0.8
910 to 1,039	0.7
780 to 909	0.6
650 to 779	0.5
0 to 649	0

Effective January 1, 2007, one full year is credited for each plan year in which the participant is credited with at least 2,080 hours. Partial credit is given for hours greater than 1,000 but less than 2,080 determined by dividing the number of hours worked by 2,080.

3. Vesting Credit

One year of service is credited for each plan year with at least 870 hours worked. Years of service prior to January 1, 1976 are credited in accordance with the plan provisions then in effect.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

4. Normal Pension

a. Eligibility For benefits earned before January 1, 2007 eligibility is the earlier of the attainment of age 65 and the fifth anniversary of plan membership or the attainment of age 62 and completion of ten years of Credited Service.

For benefits earned after December 31, 2006, eligibility is the earlier of the attainment of age 65 and the fifth anniversary of plan membership or the attainment of age 65 and completion of ten years of Credited Service.

b. Amount The monthly benefit is calculated using the rates listed in the following table.

Regular Plan	
Basic Monthly Benefit	For employers at \$30-\$40 weekly contribution: \$16.50 for each year of service up to 30 years plus \$1.00 for each year of service in excess of 30 years
Supplement	\$250.00 per month
Lower Plan	For employers at less than \$30 weekly contribution: \$5.50 for each year of service up to 30 years
1992 Plan	Effective in 1992, a lifetime monthly pension equal to: For employers at \$40 weekly contribution: \$27.00 for each year of service up to 10 years, \$31.00 for each year of service between 10 and 20 years, \$35.00 for each year of service between 20 and 30 years, \$36.00 for each year of service between 30 and 32 years *Maximum amount is \$1,002*
1995 Plan	Effective in 1995, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is \$6.50 per hour: \$35.10 for each year of service up to 10 years \$40.30 for each year of service between 10 and 20 years

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

	$45.50 for each year of service between 20 and 30 years $46.50 for each year of service between 30 and 32 years *Maximum amount is $1,302*
1997 Plan	Effective in 1997, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $7.35 per hour: $41.10 for each year of service up to 10 years $47.20 for each year of service between 10 and 20 years $53.30 for each year of service between 20 and 30 years $54.50 for each year of service between 30 and 32 years *Maximum amount is $1,525*
1998 Plan	Effective in 1998, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $7.80 per hour: $47.20 for each year of service up to 10 years $54.20 for each year of service between 10 and 20 years $61.10 for each year of service between 20 and 30 years $62.10 for each year of service between 30 and 32 year *Maximum amount is $1,750*
2000 Plan	Effective in 2000, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $8.70 per hour: $56.70 for each year of service up to 10 years $65.00 for each year of service between 10 and 20 years $73.30 for each year of service between 20 and 30 years $75.00 for each year of service between 30 and 32 years *Maximum amount is $2,100*

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

2001 Plan	Effective in 2001, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $9.15 per hour: $62.10 for each year of service up to 10 years $71.20 for each year of service between 10 and 20 years $80.30 for each year of service between 20 and 30 years $82.00 for each year of service between 30 and 32 years *Maximum amount is $2,300* For employers where ultimate Rehabilitation Plan contribution is $9.60 per hour: $67.20 for each year of service up to 10 years $77.50 for each year of service between 10 and 20 years $87.50 for each year of service between 20 and 30 years $89.00 for each year of service between 30 and 32 years *Maximum amount is $2,500* For employers where ultimate Rehabilitation Plan contribution is $10.05 per hour: $72.60 for each year of service up to 10 years $83.70 for each year of service between 10 and 20 years $94.50 for each year of service between 20 and 30 years $96.00 for each year of service between 30 and 32 years *Maximum amount is $2,700*

5. Form of Payment

The normal form of payment for accrued benefits is a straight life annuity for all active employees and for former participants with deferred vested benefits. Other actuarially equivalent alternative forms of payment are available. A married participant's spouse must agree to any form that is not a 50% qualified Joint and Survivor Annuity.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

6. Early Retirement

a. Eligibility For benefits earned after an employer adopted the Rehabilitation Plan, eligibility is the attainment of age 62 and completion of 15 years of Credited Service.

b. Amount Benefit is the actuarially reduced accrued benefit for commencement prior to Normal Retirement date.

7. Deferred Vested Retirement

a. Eligibility Eligibility is the completion of five years of vesting service.

b. Amount Benefit is the normal pension actuarially reduced if payments begin prior to age 65.

8. Pre-Retirement Surviving Spouse Benefit

If a vested participant is eligible for pension, but dies prior to commencement of benefits, the surviving spouse is entitled to the benefit the spouse would have received had the participant retired with the 50% Joint and Survivor form in effect, then died.

If a vested participant is not eligible to begin receiving pension and dies prior to commencement of benefits, the surviving spouse is entitled to the benefit the spouse would have received had the participant terminated employment on the date of death with deferred vested benefit, survived to the earliest possible eligibility date and then retired with the 50% Joint and Survivor form in effect, then died.

9. Changes since Last Valuation

All employers have adopted the Rehabilitation Plan, which removed disability benefits, lump-sum death benefits, and the five-year certain provision of the Plan's normal form of payment.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. Rates of Investment Return

Funding, Withdrawal Liability and disclosure purposes:
7.00% compounded annually

Current Liability under RPA 1994:
3.06% compounded annually

All investment returns are net of investment expenses.

2. Rates of Mortality

Funding: Mortality for healthy participants is assumed to follow the RP-2014 adjusted to 2006 Blue Collar Mortality, projected using the MP-2016 improvement scale with base year 2006 and generational mortality improvements.

Mortality for disabled participants is assumed to follow the RP-2014 Disabled Retiree Mortality Table, projected using the MP-2014 improvement scale with base year 2014 and generational mortality improvements.

RPA '94 Current Liability: Mortality under RPA' 94 is assumed to follow the IRS 2018 Static Mortality Table.

3. Rates of Retirement

Rates of retirement are assumed to be in accordance with annual rates as shown below for illustrative ages.

Age	Rate of Retirement
57 to 59	1.0%
60 to 61	2.5%
62	20.0%
63 to 64	12.5%
65	17.5%
66	100.0%

Late Retirement: We have assumed that suspension of benefits notices has been given to all participants who worked beyond their Normal Retirement dates.

4. Rates of Turnover

Sample rates for termination of employment for reasons other than death, disability, or retirement are shown below.

Age	Rate of Turnover
25	17.33%
40	13.30%
55	5.61%

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

5. Marital Status

For participants not receiving benefits, 80% of the male participants and 50% of the female participants will have a surviving spouse with wives assumed to be three years younger than husbands are.

6. Administrative Expenses

$670,000 assumed payable at the beginning of the year. Five years of administrative expenses are included to determine the value of vested benefits when calculating Withdrawal Liability.

7. Changes in Assumptions Since Last Valuation

As required, the Current Liability interest rate and mortality were updated. The interest rate went from 2.98% to 3.06%.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. **Asset Valuation Method**

The valuation assets are determined as the market value less (1) 80% of the investment gain/ (loss) during the preceding year, less (2) 60% of the investment gain/ (loss) during the second preceding year, less (3) 40% of the investment gain/ (loss) during the third preceding year, less (4) 20% of the investment gain/ (loss) for the fourth preceding year. For the purpose of this calculation, the gain/ (loss) is defined as the difference between the actual and the expected return (based on the valuation interest rate) on the Market Value of Assets during the year.

The actuarial value is taken to be the adjusted market value as described above, but subject to a 20% corridor limit around the actual market value; that is, the actuarial value is never greater than 120% of market value, not less than 80% of market value.

2. **Funding Method: Unit Credit Cost Method**

The cost method for valuation of liabilities used for this valuation is the Unit Credit method. This is one of a family of valuation methods known as an accrued benefits method. The chief characteristic of an accrued benefits method is that the funding pattern follows the pattern of benefit accrual. Under the Unit Credit actuarial cost method, the normal cost is determined as that portion of each participant's benefit attributable to service expected to be earned in the upcoming plan year. The Actuarial Liability, which is determined for each participant as of each valuation date, represents the actuarial present value of the participant's current accrued benefit as of the valuation date.

One of the significant effects of this funding method is that, depending on the demographics of the population, the Unit Credit method tends to produce lower costs in the early years. There is a possibility that as the population ages, the annual cost could increase over time.

CHEIRON Classic Values, Innovative Advice

Building Material Drivers Local 436 Pension Fund

Actuarial Valuation Report as of January 1, 2018

Produced by Cheiron

February 2019

www.cheiron.us 1.877.CHEIRON (243.4766)

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CHEIRON *Classic Values, Innovative Advice*

February 22, 2019

Board of Trustees
Building Material Drivers Local 436 Pension Fund
6051 Carey Drive
Valley View, OH 44125

Dear Trustees:

At your request, we have prepared this report to present the results of the annual Actuarial Valuation of the Building Material Drivers Local 436 Pension Fund (the "Plan"). This report presents the results as of January 1, 2018. It contains information on the plan's assets and liabilities and also discloses contribution levels, including the minimum required amount as mandated by Federal law.

Please pay attention to the Foreword in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions used. In the Summary section, we discuss the long-term funded status and emerging issues facing the Trustees of the Plan. Future valuation reports may differ significantly from the current valuation presented in this valuation report due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This report was prepared exclusively for the Plan for the purposes described herein. Other users of this valuation report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Sincerely,
Cheiron

Samuel D. Harris

Samuel Harris, FSA, EA, MAAA
Consulting Actuary

Joseph Mara, Jr.

Joseph Mara Jr., ASA, EA, MAAA
Consulting Actuary

FOREWORD

Cheiron has performed the Actuarial Valuation of the Building Material Drivers Local 436 Pension Fund as of January 1, 2018. The purpose of this report is to:

1) Measure and disclose, as of the valuation date, the financial condition of the Plan;
2) Provide specific information and documentation required by the Federal Government and the Auditors of the Plan;
3) Determine whether negotiated contributions support the current level of benefits and whether they fall within the acceptable range of contributions under the Plan for the 2018 plan year; and
4) Compare assets with the value of vested benefits to determine allocable plan Withdrawal Liability, if any.

An actuarial valuation establishes and analyzes plan assets, liabilities, and contributions on a consistent basis and traces their progress from one year to the next. It includes measurement of the Plan's investment performance as well as an analysis of actuarial liability gains and losses. The valuation report is organized as follows:

Section I Summary presents key valuation results and compares this year's results to last year's results. It also provides the historical summary and future outlook of the Plan.

Section II Assets contains exhibits relating to the valuation of assets.

Section III Liabilities shows the various measures of liabilities.

Section IV Costs and contributions develop the minimum and maximum contributions.

Section V Withdrawal Liability shows the development of the UVB (Unfunded Vested Benefits) as of January 1, 2018 that would be allocated to employers that withdraw before December 31, 2018.

Section VI FASB ASC Topic No. 960 Disclosure provides information required by the Plan's Auditor.

The appendices to this report contain a summary of the Plan's:

- membership at the valuation date,
- major plan provisions, and
- actuarial methods and assumptions used in the valuation.

In preparing our report, we relied on information (some oral and some written) supplied by the Plan Administrator and the Plan Auditor. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standards of Practice No. 23.

The actuarial assumptions, taken individually, reflect our understanding and best estimate of the likely future experience of the Plan. Future results may differ significantly from current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law.

BUILDING MATERIAL DRIVERS LOCAL 436 PENSION FUND
ACTUARIAL VALUATION AS OF JANUARY 1, 2018

SECTION I – SUMMARY

Table I-1
Principal Results

	1/1/2017	1/1/2018	Change
Participant Counts			
Actives	191	179	-6.3%
Terminated Vesteds	565	548	-3.0%
In Pay Status	937	943	0.6%
Total	1,693	1,670	-1.4%
Financial Information			
Market Value of Assets (MVA)	$ 31,242,861	$ 30,522,845	-2.3%
Actuarial Value of Assets (AVA)	33,807,415	30,291,189	-10.4%
Present Value of Future Benefits	$ 118,739,866	$ 118,238,036	-0.4%
Actuarial Liability/Present Value of Accumulated Benefits	$ 116,237,429	$ 116,027,947	-0.2%
Surplus/(Unfunded) using MVA	(84,994,568)	(85,505,102)	0.6%
Funded Ratio using MVA	26.9%	26.3%	
Surplus/(Unfunded) using AVA	(82,430,014)	(85,736,758)	4.0%
Funded Ratio using AVA	29.1%	26.1%	
Normal Cost of Benefits Only	$ 433,214	$ 405,213	-6.5%
Normal Cost plus Expenses	$ 1,103,214	$ 1,075,213	-2.5%
Present Value of Vested Benefits for ASC 960	$ 115,629,369	$ 115,889,451	0.2%
Vested Benefit Surplus/(Unfunded) using MVA	(84,386,508)	(85,366,606)	1.2%
Vested Benefit Funded Ratio using MVA	27.0%	26.3%	
Contributions, Cost, and Cash Flows			
ERISA Credit Balance (beginning of year)	$ (3,758,381)	$ (10,641,398)	183.1%
Employer Negotiated Contributions (actual / *estimated)*	$ 2,796,041	*$ 2,337,000*	
Per Hour	$9.19	*$8.50*	
Employer Withdrawal Payments (actual / *estimated)*	2,029,222	*2,031,000*	
Total	$ 4,825,263	*$ 4,368,000*	
Per Hour (actual / *estimated*)	$15.86	*$15.88*	
Board Policy Cost	$ 12,839,956	$ 12,881,262	0.3%
Per Hour Board Policy Cost	$42.80	$46.84	9.4%
Prior Year Benefit Payouts	$ (8,652,368)	$ (8,584,109)	-0.8%
Prior Year Administrative Expenses	(650,624)	(712,065)	9.4%
Prior Year Total Investment Income (net)	2,464,646	3,750,895	
Hours(Actual/Expected)	304,304	*275,000*	-9.6%

SECTION I – SUMMARY

Following is an analysis of the plan's results for the prior year followed by statutory considerations (PPA and MPRA), historical results for the last ten years and projections of the future.

Prior Year Results

The plan's projected insolvency is not a new finding for 2018. However, its financial condition has deteriorated further.

Investment and liability experience and their effect on the plan's policy cost traditionally have been the focus of year-to-year analyses.

- In 2017, the return on market value was 12.93%. In dollar terms, during 2017 the Plan had an actuarial gain of $1,717,730 from investments. This is the amount by which investment returns were more than what returns would have been at the assumed return rate of 7.00%.
- For various purposes, including the determination of its annual Minimum Required Contribution (MRC), the Plan uses an Actuarial Value of Assets (AVA) which smoothes annual investment gains or losses over a period of five years. The Actuarial Value of Assets returned 3.02% resulting in a $1,257,999 actuarial loss (the difference between expected returns at 7.00% and the actual returns) from investments for MRC calculations.
- The Plan experienced a liability loss of $69,830 for 2017. This came from a $690,695 gain from data corrections for inactive vested participants and a $760,525 loss from worse than expected demographic experience.
- Combining the AVA actuarial investment loss, the liability loss, and also a small loss on expected administrative expenses of $19,666, the Plan experienced a total net actuarial loss of $1,347,495 for determining ERISA minimum funding requirements. This amount will be amortized over 15 years and added to future Minimum Required Contributions.
- Using the Market Value of Assets, the funded ratio of Actuarial Liability decreased from 26.9 to 26.3%. The Plan has been less than 60% funded since 2005.
- At the end of 2017, the Plan had a Funding Standard Account Funding Deficiency. Prior to the Pension Protection Act of 2006 (PPA) this would have triggered an excise tax and would have been a matter of great concern. Post-PPA, Critical plans like this one that have adopted a Rehabilitation Plan are exempt from this excise tax.
- Combining the previously mentioned liability, administrative expense, and market value investment experience, the Board Policy Cost increased from $12,839,956 to $12,881,262. On an hourly basis, the Board Policy Cost increased from $42.80 per hour to $46.84 per hour. This cost compares to expected income of $7.64 per hour from negotiated contributions.
- If the Plan received an amount equal to this policy cost from contributions and Withdrawal Liability payments for the next 10 years and if all underlying assumptions were met, not only would insolvency be avoided; the Plan would be 100% funded.

  Traditionally, this gap between income and cost would have been addressed through bargaining for increased contributions. In this case, however, it will have to be addressed through MPRA permitted actions including a PBGC partition or future legislative help.

  Despite this change in long-term objectives from 100% funding of liabilities to avoiding insolvency, it is still instructive to note the sources of change in the Board Policy Cost, particularly on an hourly basis. The following table shows a detailed analysis

SECTION I – SUMMARY

of the sources of the $4.65 increase in the Board Policy Cost since the last valuation.

SOURCES OF CHANGE IN BOARD POLICY COST						$ / Hour
A 2017 Board Policy Cost					$ 12,839,955	$ 42 800
1 Change due to more actual 2017 contribution hours:	300,000	vs	304,304			(0 605)
2 Revised 2017 Board Policy Cost						**$ 42.195**
(Negatives are Good)				Effect on Unfunded	Effect on Policy Cost	
B Change due to:						$ / Hour
Change in Assumptions				$ 0	$ 0	$ 0 000
Rehabilitation Plan				0	0	0 000
Decrease in Current Year New Benefit/Normal Cost					(28,964)	(0 095)
Investment experience	12 93%	vs	7 00%	(1,717,730)	(254,878)	(0 838)
Administrative expense experience				19,666	2,918	0 010
Negotiated contributions shortfall				10,445,339	1,549,890	5 093
WL and Litigation Payments				2,154,877	(319,743)	(1 051)
Liability assumptions experience				69,830	10,361	0 034
Reset amortization period to 10 years					(918,277)	(3 018)
Decrease in hours	304,304	to	275,000			4 511
TOTALS					$ 41,307	$ 4 646
C 2018 Board Policy Cost					$ 12,881,262	**$ 46.841**
D Expected Negotiated Contributions					$ 2,100,000	$ 7 636
E Expected Contributions plus Expected Withdrawal Payments					$ 4,570,000	$ 16 618

- Annual benefit payments and expenses were $9,296,174, but contributions including Withdrawal Liability payments and a one-time litigation settlement payment were only $4,825,263. Consequently, the Plan had a negative cash flow during 2017 without including its investment returns.

  Without compensating investment returns the Plan must have a positive cash flow in order to grow. Due to the large negative cash flow situation, the Plan is, and will continue to be, particularly vulnerable to investment risk. As a consequence of this unmanageable negative cash flow, the biggest challenge facing the Plan is its projected insolvency.

Pension Protection Act

The Pension Protection Act of 2006 added a significant layer of new considerations related to the Plan's PPA Funded status.

- The Plan has been in Critical status in every year since the implementation of the law except for 2008 when it was in Endangered status.
- In an effort to correct the Plan's Critical status, as required by the PPA, a Rehabilitation Plan was adopted by the Board of Trustees in November 2009. The Rehabilitation Plan included contribution rate increases and the removal of certain benefits previously provided.
- As also required, a review and possible update to the Rehabilitation Plan has occurred each November. However, the initial Rehabilitation Plan has never been modified since the Board believes it has taken all reasonable measures under PPA that it can to forestall insolvency.

Multiemployer Pension Reform Act of 2014

Because the provisions of PPA were proving inadequate for helping severely under-funded plans address their problems the Multiemployer Pension Reform Act of 2014 (MPRA) was passed in December 2014. MPRA modified PPA.

On March 30, 2018, the Plan was again certified to be in Critical and Declining status because it is Critical and is projected to be insolvent within 19 years.

While controversial, unpopular, and unfortunate, the Critical and Declining provisions of the law permit benefit reductions and the partition of some liabilities to the Pension Benefit Guaranty Corporation. These may give plans like this one a means for avoiding the insolvency mentioned in the previous section.

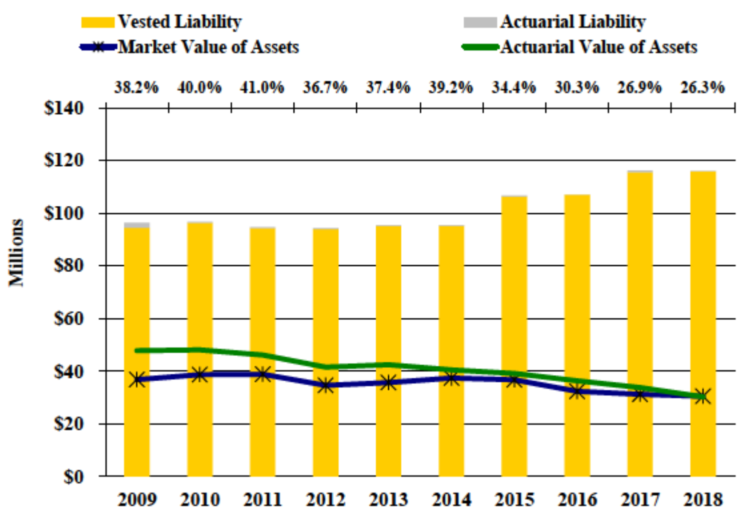
SECTION I – SUMMARY

Historical Review

It is important to take a step back from the results and view them in the context of the Plan's recent history. On the next few pages, we present a series of graphs, which display key results in the valuations of the last ten years.

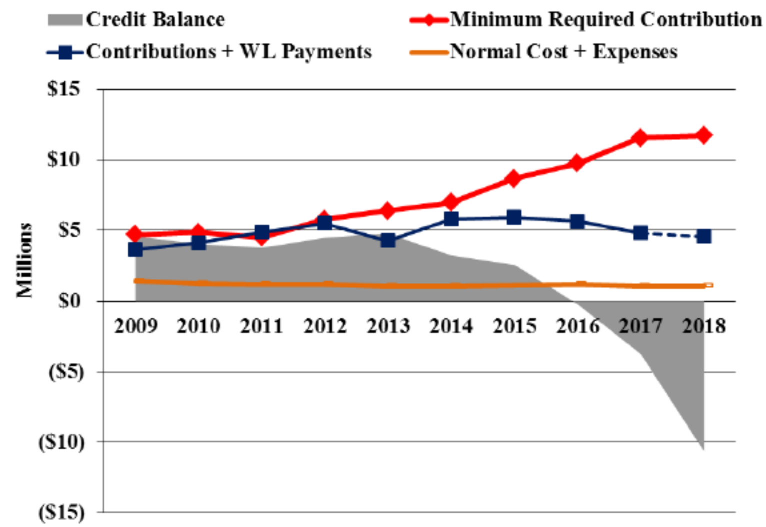
Assets & Liabilities

The following chart shows the plan's liabilities, assets, and funded ratios. The percentages shown along the top of the chart show the funded ratio based on the Market Value of Assets, the blue line. The Plan's funded ratio (Market Value of Assets as a percent of Actuarial Liabilities) has decreased from 54.1% as of January 1, 2008 to its current level of 26.3%. The decrease has been primarily due to a steady decline in the active workforce.



Minimum Funding

The next chart shows the contributions and Withdrawal Liability payments made to the Plan (blue line) relative to the ERISA Minimum Required Contribution (MRC) before the Credit Balance offset (red line), the value of the Credit Balance (gray area), and Normal Cost plus expenses (orange line) over the same period of time.

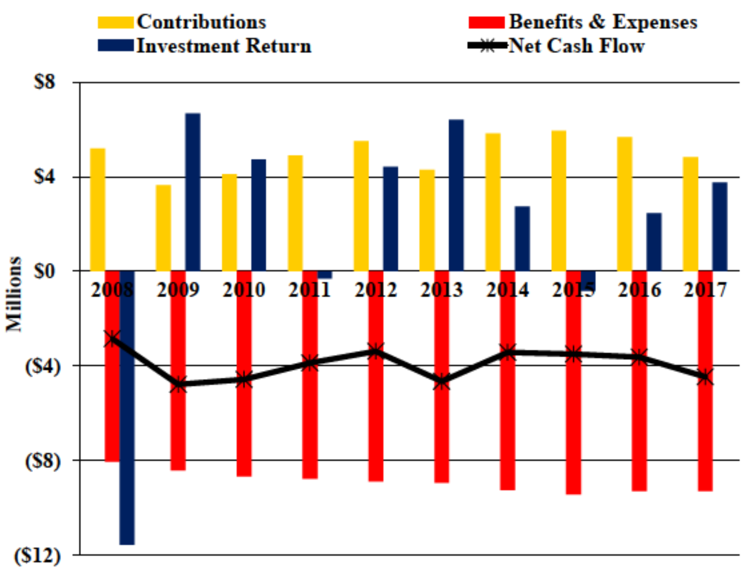


The Plan applied for and was granted a five-year amortization extension for the plan years before January 1, 2009 under IRC Section 431(d) that is reflected in the Credit Balances shown above. This and the Trustees election of funding relief under Section 431(b)(8) of the Pension Relief Act of 2010 (PRA 2010), has reduced the Minimum Required Contribution. Despite this, the Credit Balance is negative for 2018.

SECTION I – SUMMARY

Cash Flow

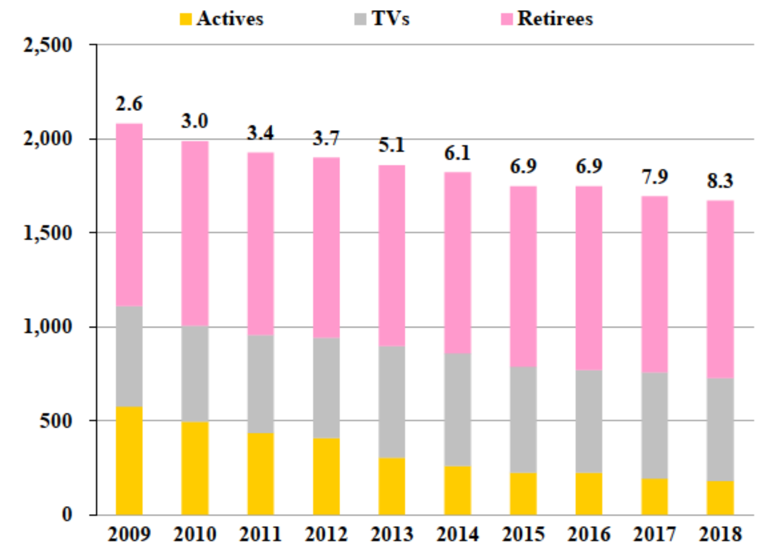
The plan's net cash flow (without investment returns) is a critical measure of plan health.



As shown above the cash flow has been negative for the entire period shown. A plan with negative cash flows faces additional risk from investment losses. This is because when assets are depleted to pay benefits in down markets, there is less principal available to be reinvested during favorable return periods. Unfortunately, the plan's recent experience has reflected this.

Participation

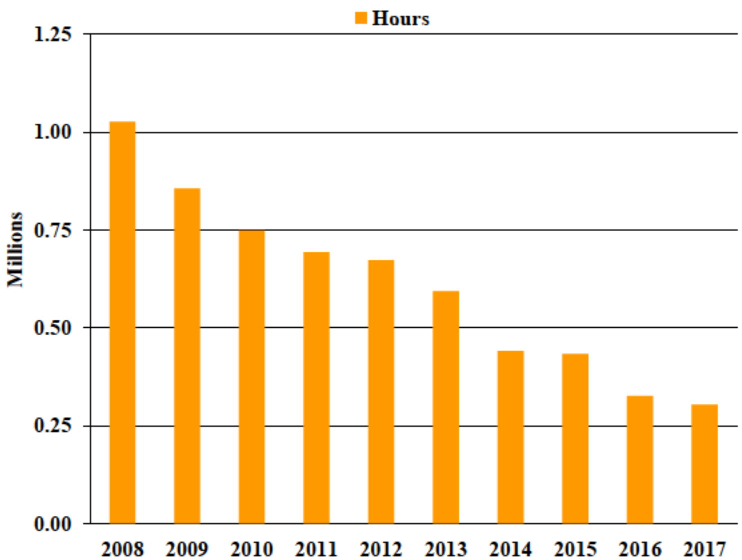
The chart below shows the participants of the Plan in successive valuations.



The numbers above the bars show the ratio of inactive participants to active participants. When this ratio is high, as it is here, increases in the cost of providing plan benefits will create a significant additional burden on active participants. With more than eight inactives for every active participant, the Plan is in a very precarious position.

SECTION I – SUMMARY

Consistent with the drop in active participants shown in the previous chart, there has been a protracted decrease in hours.

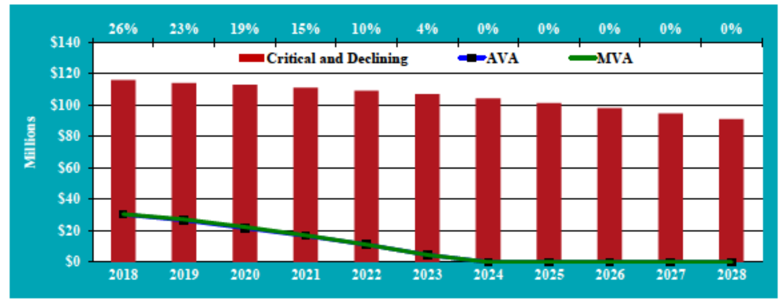


Future Outlook

In this section we move away from viewing a single year's results or historical trends and focus on the future of the Plan. We present projections of the plan's funding status and components of its cash flow and actuarial cost.

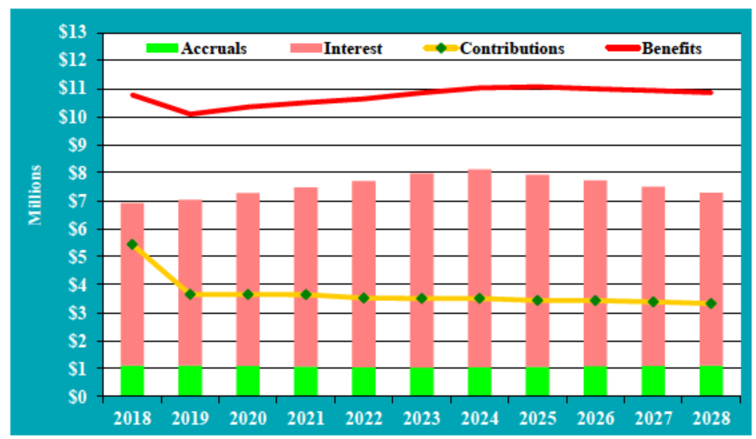
These projections were used in the 2018 PPA actuarial certification. This means that some preliminary values different from those in this report were used. The funding assumptions described in Appendix C with 275,000 hours of work per year beginning in 2018 were also assumed. Most importantly, none of the future benefit reductions permitted by MPRA are reflected in these projections.

The first chart which follows shows that the Plan is expected to remain in PPA Critical and Declining status into the future. In addition, and more importantly, the Plan is expected to become insolvent in 2023.



The causes of the plan's continued decline and the need for MPRA benefit reductions are shown in the following chart.

Among other things, it shows the cause of the extreme negative cash flow to be the disparity between the projected benefit payments (red line) and total contributions (yellow line). Any plan to prevent insolvency boils down to bringing these two lines closer together.



SECTION II – ASSETS

Assets at Market Value

Market values represent "snap-shot" or "cash-out" values, which provide the principal basis for measuring financial performance from one year to the next.

Table II-1
Statement of Assets at Market Value, December 31,

		2016		2017
Invested Assets				
Mutual Funds	$	28,411,600	$	27,068,041
Short-term Investments and Money Market Funds		18,968		17,091
Collective Real Estate Securities Trust		1,713,664		1,409,994
Subtotal:	$	30,144,232	$	28,495,126
Receivables				
Participating Employers' Contributions	$	536,949	$	568,141
Withdrawal Liability Payments Receivable		8,910,755		8,662,275
Litigation Settlement Receivable		55,395		22,869
Miscellaneous		127		127
Allowance for Doubtful Accounts		(305,243)		(305,243)
Subtotal:	$	9,197,983	$	8,948,169
Other Assets				
Prepaid Insurance	$	8,602	$	8,617
Due from Local 436 Welfare Fund		18,574		0
Subtotal:	$	27,176	$	8,617
Cash	$	929,138	$	1,859,679
Total Assets	$	40,298,529	$	39,311,591
Liabilities				
Due to Local 436 Welfare Fund	$	0	$	28,551
Accrued Expenses		89,518		75,051
Subtotal:	$	89,518	$	103,602
Net Assets Available for Benefits from Auditor	$	40,209,011	$	39,207,989
Withdrawal Liability Payments Receivable		(8,910,755)		(8,662,275)
Litigation Settlement Receivable		(55,395)		(22,869)
Net Assets Available for Valuation	$	31,242,861	$	30,522,845

Changes in Market Value

The components of asset change are:

- Contributions
- Benefit payments
- Expenses
- Investment income (realized and unrealized)

The specific changes during 2017 are presented below:

Table II-2
Changes in Market Values

Market Value of Assets - December 31, 2016	$	31,242,861
Negotiated Contributions	$	2,742,065
Contributions from Litigation Settlement		53,976
Withdrawal Liability Payments		2,029,222
Investment Returns		3,750,895
Benefit Payments		(8,584,109)
Administrative Expenses		(712,065)
Market Value of Assets - December 31, 2017	$	30,522,845

BUILDING MATERIAL DRIVERS LOCAL 436 PENSION FUND
ACTUARIAL VALUATION AS OF JANUARY 1, 2018

SECTION II – ASSETS

Assets at Actuarial Value

For funding purposes, the Plan uses an Actuarial Value of Assets which smoothes market related fluctuations in the Market Value of Assets, generally over five years. This causes less volatile cost and minimum funding requirements from year to year.

The method used for determining the Actuarial Value of Assets recognizes the excess of actual asset return over expected returns at the rate of 20% per year over five years.

The table that follows shows the development of the Actuarial Value of Assets.

Table II-3
Development of Actuarial Value of Assets
as of January 1, 2018

Market Value of Assets as of December 31, 2017					$	30,522,845
Plan Year		Initial Gain/(Loss)	Percent Recognized	Percent Deferred		Amount Deferred
2014	$	(111,357)	80%	20%		(22,271)
2015		(3,281,623)	60%	40%		(1,312,649)
2016		320,653	40%	60%		192,392
2017		1,717,730	20%	80%		1,374,184
Total Gain/(Loss) Excluded					$	231,656
Preliminary Actuarial Value as of January 1, 2018					$	30,291,189
Corridor for Actuarial Value						
80% of Market Value					$	24,418,276
120% of Market Value						36,627,414
Actuarial Value of Assets as of January 1, 2018					$	30,291,189
Actuarial Value as a percent of Market Value of Assets as of January 1, 2018						99.2%

Actuarial Gains or Losses from Investment Performance

The following table calculates the investment related actuarial gain/loss for the plan year, the return, and the rate of return on both a market value and actuarial value basis. The market value rate of return is an appropriate measure for comparing the actual return of to the long-term 7.00% assumption.

The actuarial investment gain/loss on the actuarial value is one component of the plan's actuarial experience gain/loss which is recognized in minimum funding requirements. The rate of return on an Actuarial Value of Assets basis was 3.02%, which is less than the 7.00% assumption. Therefore, there was an actuarial investment loss for funding purposes.

Table II-4
Development of Asset Rate of Return as of January 1, 2018

Item	Market Value	Actuarial Value
December 31, 2016 Value	$ 31,242,861	$ 33,807,415
Employer Contributions, Withdrawal Liability Payments, and the Litigation Settlement	$ 4,825,263	$ 4,825,263
Administration Expense	(712,065)	(712,065)
Benefit Payments	(8,584,109)	(8,584,109)
Expected Investment Earnings (7 00%)	2,033,165	2,212,684
Expected Value December 31, 2017	$ 28,805,115	$ 31,549,188
Investment Gain/(Loss)	1,717,730	(1,257,999)
December 31, 2017 Value	$ 30,522,845	$ 30,291,189
Return	$ 3,750,895	$ 954,685
Rate of Return	12 93%	3 02%

SECTION III – LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- Disclosure of plan liabilities at January 1, 2017, and January 1, 2018; and
- Statement of changes in these liabilities during the year.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which it is used.

- **Present Value of Future Benefits:** Used for analyzing the financial outlook of the Plan, this represents the amount of money needed today, to fully pay off all future benefits of the Plan, assuming participants continue to accrue benefits.

- **Actuarial Liabilities:** Used for ensuring minimum funding standards are met, this liability is determined using an actuarial funding method to apportion the Present Value of Future Benefits between the past and the future.

  For this Plan that method is the Unit Credit funding method. The Actuarial Liability under the Unit Credit funding method represents the total amount of money needed to fully pay off all future obligations of the Plan, assuming no further accrual of benefits.

  This liability is required for accounting disclosures by FASB ASC Topic No. 960. For that purpose, it is referred to as the Present Value of Accumulated Benefits. In addition, it is required to determine the Plan's funded ratio for determining its funded status under the Pension Protection Act of 2006. It can also be used to establish comparative benchmarks with other plans.

- **Vested Liabilities:** This liability represents the portion of the Actuarial Liabilities that are vested. After removing certain vested benefits according to PBGC regulations and adding administrative expense, this liability is used to determine the Unfunded Vested Benefits (UVB) used in Withdrawal Liability assessments.

- **Current Liabilities:** Used for statutory compliance purposes, the calculation of this liability is defined by law and IRS Regulations and is used to determine maximum allowable tax-deductible contributions.

The table on the following page discloses each of these liabilities for the current valuation and the prior one. With respect to each disclosure, a subtraction of the appropriate value of Plan assets yields, for each respective type**,** a net surplus, or an unfunded liability.

SECTION III – LIABILITIES

Table III-1
Liabilities/Net Surplus (Unfunded)

	1/1/2017	1/1/2018
PRESENT VALUE OF FUTURE BENEFITS		
Active Participant Benefits	$ 15,458,477	$ 14,088,394
Retiree and Inactive Benefits	103,281,389	104,149,642
Present Value of Future Benefits	$ 118,739,866	$ 118,238,036
ACTUARIAL LIABILITY		
Present Value of Future Benefits	$ 118,739,866	$ 118,238,036
Less Present Value of Future Normal Costs	2,502,437	2,210,089
Actuarial Liability	$ 116,237,429	$ 116,027,947
Actuarial Value of Assets	33,807,415	30,291,189
Net Surplus (Unfunded)	$ (82,430,014)	$ (85,736,758)
PRESENT VALUE OF ACCUMULATED BENEFITS (FASB ASC 960)		
Active Participant Benefits	$ 12,956,040	$ 11,878,305
Retiree and Inactive Benefits	103,281,389	104,149,642
Actuarial Liability	$ 116,237,429	$ 116,027,947
Market Value of Assets	31,242,861	30,522,845
Net Surplus (Unfunded)	$ (84,994,568)	$ (85,505,102)
VESTED LIABILITY (FASB ASC 960)		
Actuarial Liability	$ 116,237,429	$ 116,027,947
Less Present Value of Non-Vested Benefits	608,060	138,496
Vested Liability	$ 115,629,369	$ 115,889,451
Market Value of Assets	31,242,861	30,522,845
Net Surplus (Unfunded)	$ (84,386,508)	$ (85,366,606)
CURRENT LIABILITY (RPA 1994)	$ 174,848,817	$ 173,385,066
Market Value of Assets	31,242,861	30,522,845
Net Surplus (Unfunded)	$ (143,605,956)	$ (142,862,221)
Current Liability Interest Rate	3.05%	2.98%

SECTION III – LIABILITIES

Allocation of Liabilities by Type

The Plan's participants may qualify for a benefit on death, termination, and disability as well as on retirement. The value of the liabilities arising from each of these sources is shown in the following table:

Table III-2

Benefit Type	Retirement	Termination	Death	Disability	Total
Normal Cost	$ 331,081	$ 68,952	$ 5,180	$ -	$ 405,213
Actuarial Liability					
Actives	$ 10,647,227	$ 1,074,655	$ 156,423	$ -	$ 11,878,305
Terminated Vesteds	0	28,452,143	0	0	28,452,143
Retirees and Beneficiaries	62,635,921	0	7,673,202	5,388,376	75,697,499
Total	$ 73,283,148	$ 29,526,798	$ 7,829,625	$ 5,388,376	$ 116,027,947
RPA Current Liability Normal Cost	$ 615,506	$ 163,704	$ 4,854	$ -	$ 784,064
RPA Current Liability					
Actives	$ 18,823,414	$ 2,211,474	$ 134,930	$ -	$ 21,169,818
Terminated Vesteds	0	50,134,825	0	0	50,134,825
Retirees and Beneficiaries	83,368,378	0	10,496,116	8,215,929	102,080,423
Total	$ 102,191,792	$ 52,346,299	$ 10,631,046	$ 8,215,929	$ 173,385,066
Vested RPA Current Liability					
Actives	$ 9,599,920	$ 11,194,041	$ 133,787	$ -	$ 20,927,748
Terminated Vesteds	0	50,134,825	0	0	50,134,825
Retirees and Beneficiaries	83,368,378	0	10,496,116	8,215,929	102,080,423
Total	$ 92,968,298	$ 61,328,866	$ 10,629,903	$ 8,215,929	$ 173,142,996

SECTION III – LIABILITIES

Changes in Liabilities

Each of the liabilities shown in the prior table is subject to change at successive valuations as the experience of the Plan varies from that assumed in the valuation. The liabilities may change for any of several reasons, including:

- Plan amendments
- Interest on actuarial liabilities
- Benefits paid to retirees
- Participants leaving employment at rates different from expected
- Changes in actuarial assumptions
- New hires since the last valuation
- Benefits accrued since the last valuation
- Changes in actuarial methods
- Corrections to participant data records

Table III-3

		Actuarial Liability
Liabilities 1/1/2017	$	116,237,429
Liabilities 1/1/2018		116,027,947
Liability Increase/(Decrease)	$	(209,482)
Change due to:		
Plan Amendment	$	0
Assumption Change		0
Accrual of Benefits		433,214
Increase for Interest		7,871,583
Benefit Payments		(8,584,109)
Actuarial (Gain)/Loss		69,830
Total	$	(209,482)

SECTION IV – COSTS AND CONTRIBUTIONS

In this section, detailed information on plan costs and contributions is presented from two perspectives:

- The actuarially determined Board Policy Cost and
- Statutory amounts, which could affect the above.

Board Policy Cost

The Board Policy Cost is based on criteria established by the Board of Trustees. It is determined in two parts. The first part is the Unit Credit Normal Cost. This is the value of the new future benefits accrued and expenses expected to be paid over the coming year.

The second part is an amortization payment to pay off the Unfunded Actuarial Liability. The Unfunded Actuarial Liability is the difference between the Market Value of Assets of the Plan at the valuation date and Actuarial Liability as determined by the actuarial cost method. This amount is amortized over 10 years.

In theory, if income from contributions and Withdrawal Liability payments equal to the Board Policy Cost are made for ten years the Plan will be completely funded. In reality, the expected income from contributions and withdrawal payments is far less than this amount and will not reduce the Unfunded Actuarial Liability this year. The shortfall will increase next year's Board Policy Cost.

Statutory Amounts

ERISA and the IRS tax code produce various requirements on the contributions made to qualified pension plans. These amounts impact the minimum that must be paid, the maximum that can be deducted, and the timing of contributions.

To ensure that minimum contributions are met, pension plans are required to retain an enrolled actuary to complete Schedule MB to Form 5500 on an annual basis. Because the bargained contributions exceeded the Minimum Required Contribution in years past, the Plan built up a Credit Balance. However, that is no longer the case. The Credit Balance is being used to make up the difference between the Minimum Required Contribution and bargained contributions and withdrawal payments.

The actuarially determined Board Policy Cost for 2018 is compared to the statutory amounts on the next table and to the expected contributions from all sources. The table also shows the Board Policy Cost and expected contributions per hour.

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-1
Costs and Contributions

	2017	2018
Board Policy Cost		
Normal Cost plus Expenses	$ 1,103,214	$ 1,075,213
Amortization of Unfunded Actuarial Liability (10 years / 10 years)	11,309,640	11,377,573
Interest to Mid Year	427,102	428,476
Total	$ 12,839,956	$ 12,881,262
Statutory Amounts		
Maximum Deductible Contribution	$ 214,354,588	$ 215,550,333
Minimum Contribution (before Credit Balance)		
Normal Cost plus Expenses	$ 1,103,214	$ 1,075,213
Amortization Payment	9,748,394	9,886,662
Interest to End of Year	759,613	767,331
Total	$ 11,611,221	$ 11,729,206
Actual/*Estimated* Employer Contributions plus Withdrawal Liability Payments and Litigation Settlements	$ 4,825,263	*$ 4,368,000*
Actual/*Expected* Hours	304,304	*275,000*
Per Hour Board Policy Cost	$ 42.80	$ 46.84
Per Hour Contribution	$ 15.86	$ 15.88

The tables on the following pages show the IRS Funding Standard Account as well as development of the minimum required and maximum deductible contributions for 2018 and other supporting information.

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-2
Funding Standard Account for 2017 AND 2018 Plan Years

1. Charges For Plan Year	2017	2018
a. Normal Cost plus Expenses	$ 1,103,214	$ 1,075,213
b. Amortization Charges	11,355,041	11,493,309
c. Interest on a. and b. to Year End	872,078	879,797
d. Additional Funding Charge	N/A	N/A
e. Interest Charge due to Late Quarterly Contributions	N/A	N/A
f. Total Charges	$ 13,330,333	$ 13,448,319
2. Credits For Plan Year		
a. Prior Year Credit Balance	$ (3,758,381)	$ (10,641,398)
b. Employer Contributions, Settlement, Withdrawal Liability Payments (Actual/*Expected*)	4,825,263	*4,368,000*
c. Amortization Credits	1,606,647	1,606,647
d. Interest on a., b., and c. to Year End	15,406	(482,138)
e. Full Funding Limit Credit	0	0
f. Total Credits	$ 2,688,935	$ (5,148,889)
3. Credit Balance at End of Year [2. – 1.]	$ (10,641,398)	$ (18,597,208)

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-3
Calculation of the Maximum Deductible Contribution
for the Plan Year Starting January 1, 2018

1.	"Fresh Start" Method		
	a. Normal Cost plus Expenses	$	1,075,213
	b. Net Charge to Amortize Unfunded Actuarial Liability over 10 years		11,408,398
	c. Interest on a. and b.		873,853
	d. Total	$	13,357,464
	e. Minimum Required Contribution at Year End	$	23,115,502
	f. Larger of d. and e.	$	23,115,502
	g. Full Funding Limitation as of Year End	$	130,938,198
	h. Maximum Deductible Contribution [lesser of f. and g.]	$	23,115,502
2.	140% of Current Liability Calculation		
	a. RPA 1994 Current Liability at Start of Year	$	173,385,066
	b. Present Value of Benefits Estimated to Accrue during Year		784,064
	c. Expected Benefit Payments		9,987,380
	d. Net Interest on a., b. and c. at Current Liability Interest Rate		5,042,521
	e. Expected Current Liability at End of Year, [a. + b. – c. + d.]	$	169,224,271
	f. 140% of e.	$	236,913,979
	g. Actuarial Value of Assets	$	30,291,189
	h. Expected Expenses		670,000
	i. Net Interest on c., g., and h. at Valuation Interest Rate		1,729,837
	j. Estimated Value of Assets, [g. – c. – h. + i.]	$	21,363,646
	k. Unfunded Current Liability at Year End, [f. – j.]	$	215,550,333
3.	Maximum Deductible Contribution at Year End, greater of 1h. and 2k.	$	215,550,333

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-4
Development of Actuarial Gain/(Loss)
for the Year Ended December 31, 2017

1. Unfunded Actuarial Liability at Start of Year			$	82,430,014
2. Normal Cost plus Expenses at Start of Year				1,103,214
3. Interest on 1. and 2. to End of Year				5,847,326
4. Employer Contributions plus Withdrawal Liability Payments for Year				4,825,263
5. Interest on 4. to End of Year				166,028
6. Increase in Unfunded Actuarial Liability Due to Changes in Assumptions				0
7. Increase in Unfunded Actuarial Liability Due to Changes in Plan Design				0
8. Increase in Unfunded Actuarial Liability Due to Changes in Funding Method				0
9. Expected Unfunded Actuarial Liability at End of Year [1. + 2. + 3. – 4. – 5. + 6. + 7. + 8.]			$	84,389,263
10. Actual Unfunded Actuarial Liability at End of Year, not less than zero			$	85,736,758
11. Actuarial Gain / (Loss) [9. – 10.]			$	(1,347,495)
a. Gain/(Loss) on Actuarial Value of Assets	$	(1,257,999)		
b. Gain/(Loss) on Liabilities	$	(69,830)		
c. Gain/(Loss) on Expenses	$	(19,666)		
12. Amortization Factor for Actuarial Gain / (Loss)				9.7455
13. Amortization Credit / (Charge) for Actuarial Gain / (Loss)			$	(138,269)

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-5a
Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2018

	Charge Bases	Date Established	Initial Amount	Initial Amortization Years	1/1/2018 Outstanding Balance	Remaining Amortization Years*	Beginning of Year Amortization Amount
1.	Initial Accrued Liability	1/1/1978	$ N/A	40	$ 4,855,386	5	$ 1,106,714
2.	Plan Amendment	1/1/1979	N/A	40	2,446,408	6	479,669
3.	Plan Amendment	1/1/1981	N/A	40	4,379,880	8	685,503
4.	Plan Amendment	1/1/1985	N/A	30	16,164	2	8,355
5.	Plan Amendment	1/1/1986	N/A	30	331,697	3	118,125
6.	Plan Amendment	1/1/1987	N/A	30	848,773	4	234,188
7.	Plan Amendment	1/1/1988	N/A	30	184,448	5	42,042
8.	Plan Amendment	1/1/1992	N/A	30	158,656	9	22,758
9.	Plan Amendment	1/1/1993	N/A	30	1,635,565	10	217,633
10.	Plan Amendment	1/1/1994	N/A	30	190,765	11	23,776
11.	Plan Amendment	1/1/1995	N/A	30	12,072	12	1,420
12.	Plan Amendment	1/1/1996	N/A	30	1,445,674	13	161,660
13.	Plan Amendment	1/1/1997	N/A	30	502,001	14	53,646
14.	Plan Amendment	1/1/1998	N/A	30	1,493,891	15	153,291
15.	Plan Amendment	1/1/1999	N/A	30	1,993,940	16	197,265
16.	Experience Loss	1/1/1999	N/A	15	36,450	1	36,450
17.	Plan Amendment	1/1/2000	N/A	30	660,286	17	63,206
18.	Experience Loss	1/1/2000	N/A	15	105,598	2	54,584
19.	Plan Amendment	1/1/2001	N/A	30	1,967,533	18	182,801
20.	Plan Amendment	1/1/2002	N/A	30	3,036,707	19	274,589
21.	Experience Loss	1/1/2002	N/A	15	394,447	4	108,833
22.	Plan Amendment	1/1/2003	N/A	30	1,730,758	20	152,683
23.	Assumption Change	1/1/2003	N/A	30	9,221,677	20	813,515

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-5b
Schedule of Amortizations Required for Minimum Required Contribution
as of January 1, 2018

	Charge Bases (continued)	Date Established	Initial Amount	Initial Amortization Years	1/1/2018 Outstanding Balance	Remaining Amortization Years*	Beginning of Year Amortization Amount
24.	Experience Loss	1/1/2003	N/A	15	$ 1,705,598	5	$ 388,766
25.	Experience Loss	1/1/2004	N/A	30	770,639	21	66,469
26.	Experience Loss	1/1/2004	N/A	15	1,415,934	6	277,623
27.	Experience Loss	1/1/2005	N/A	30	484,524	22	40,938
28.	Experience Loss	1/1/2005	N/A	15	865,890	7	150,158
29.	Experience Loss	1/1/2006	$ 2,537,636	15	1,421,375	8	222,462
30.	Experience Loss	1/1/2007	1,579,662	15	979,357	9	140,484
31.	Plan Change	1/1/2008	75,028	15	50,754	10	6,753
32.	Experience Loss	1/1/2008	1,103,099	15	746,265	10	99,300
33.	Experience Loss	1/1/2009	9,404,102	15	5,021,199	6	984,511
34.	Experience Loss	1/1/2011	2,235,704	15	1,484,863	8	232,399
35.	Experience Loss	1/1/2012	4,149,340	15	2,996,675	9	429,859
36.	Experience Loss	1/1/2013	706,186	15	547,999	10	72,918
37.	Experience Loss	1/1/2014	2,736,150	15	2,259,668	11	281,628
38.	Experience Loss	1/1/2015	66,206	15	57,736	12	6,794
39.	Assumption Change	1/1/2015	9,398,219	15	8,195,850	12	964,368
40.	Plan Amendment	1/1/2015	1,815,792	15	1,583,487	12	186,322
41.	Experience Loss	1/1/2016	2,838,461	15	472,829	13	52,873
42.	Assumption Change	1/1/2016	515,274	15	2,604,643	13	291,260
43.	Experience Loss	1/1/2017	458,040	15	439,813	14	47,000
44.	Assumption Change	1/1/2017	11,884,102	15	11,411,179	14	1,219,449
45.	Experience Loss	1/1/2018	1,347,495	15	1,347,495	15	138,269
	TOTAL CHARGES				$ 84,512,548		$ 11,493,309

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-6
Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2018

	Credit Bases	Date Established	Initial Amount	Initial Amortization Years	1/1/2018 Outstanding Balance	Remaining Amortization Years	Beginning of Year Amortization Amount
1.	Assumption Change	1/1/1991	N/A	30	11,672	3	4,157
2.	Assumption Change	1/1/1991	N/A	30	77,268	3	27,517
3.	Method Change	1/1/1996	N/A	30	492,866	8	77,139
4.	Plan Change	1/1/2007	$ 3,155,623	30	2,671,754	19	241,589
5.	Method Change	1/1/2007	1,665,055	30	1,409,740	19	127,473
6.	Assumption Change	1/1/2009	3,681,270	10	501,362	1	501,362
7.	Asset Method Change	1/1/2010	1,505,906	15	905,839	7	157,085
8.	Experience Gain	1/1/2011	3,256,530	15	2,162,854	8	338,512
9.	Plan Amendment	1/1/2013	251,199	15	202,384	10	26,930
10.	Plan Amendment	1/1/2017	1,022,124	15	981,449	14	104,882
	TOTAL CREDITS				$ 9,417,188		$ 1,606,647
	NET CHARGE				**$ 75,095,360**		**$ 9,886,662**

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-7
Accumulated Reconciliation Account and Balance Test
as of January 1, 2018

1. Amount due to Additional Interest Charges in Prior Years	$	0
2. Amount due to Additional Funding Charges in Prior Years		0
3. Reconciliation Account at Start of Year [1. + 2.]		0
4. Net Outstanding Amortization Bases		75,095,360
5. Credit Balance at Start of Year		(10,641,398)
6. Unfunded Actuarial Liability at Start of Year from Funding Equation [4. – 3. – 5.]	$	85,736,758
7. Actuarial Liability at Start of Year	$	116,027,947
8. Actuarial Value of Assets at Start of Year		30,291,189
9. Unfunded Actuarial Liability at Start of Year from Liability Calculation [7. – 8.]	$	85,736,758

The Plan passes the Balance Test because line 6. equals line 9.

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-8
Development of Full Funding Limitation
for the Year Starting January 1, 2018

		Minimum	Maximum
1.	ERISA Actuarial Liability Calculation		
a.	Actuarial Liability	$ 116,027,947	$ 116,027,947
b.	Normal Cost plus Expenses	1,075,213	1,075,213
c.	Lesser of Market Value and Actuarial Value of Assets	30,291,189	30,291,189
d.	Credit Balance at Start of Year	(10,641,398)	N/A
e.	Actuarial Liability Full Funding Limit [a. + b. – c. + d.] × 1.07	$ 81,502,513	$ 92,888,809
2.	Full Funding Limit Override (RPA '94)		
a.	RPA 1994 Current Liability at Start of Year	$ 173,385,066	$ 173,385,066
b.	Present Value of Benefits Estimated to Accrue during Year	784,064	784,064
c.	Expected Benefit Payments	9,987,380	9,987,380
d.	Net Interest on a., b. and c. at Current Liability Interest Rate	5,042,521	5,042,521
e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]	$ 169,224,271	$ 169,224,271
f.	90% of e.	$ 152,301,844	$ 152,301,844
g.	Actuarial Value of Assets at Start of Year	$ 30,291,189	$ 30,291,189
h.	Expected Expenses	670,000	670,000
i.	Net Interest on c., g., and h. at Valuation Interest Rate	1,729,837	1,729,837
j.	Estimated Value of Assets, [g. – c. – h. + i.]	21,363,646	21,363,646
k.	RPA 1994 Full Funding Limit Override, [f. – j.]	$ 130,938,198	$ 130,938,198
3.	Full Funding Limitation at End of Year, greater of 1e. and 2k.	$ 130,938,198	$ 130,938,198

SECTION V – WITHDRAWAL LIABILITY

The Multiemployer Pension Plan Amendments Act of 1980 (MPPAA) provides that an employer who withdraws from a multiemployer pension plan, either partially or totally, will be liable to the Plan for a proportionate share of the plan's total Unfunded Vested Benefits (UVB), reallocation liability, and affected benefits that exist as of the end of the plan year prior to the year in which the withdrawal occurs.

As shown in the table below, the total Actuarial Liability for all vested benefits, including expected administrative expenses, as of December 31, 2017 is $117,434,240. As of December 31, 2017, the Market Value of Assets of the Plan was $30,522,845. Because the vested liability exceeds the assets of the Plan, there are Unfunded Vested Benefits as of December 31, 2017. Consequently, an employer who withdraws from the Plan during the plan year beginning January 1, 2018 may have a Withdrawal Liability.

Table V-1
Uunfunded Vested Benefits Liability

	Actuarial Liability of Vested Benefits as of December 31, 2017 for:	Withdrawals Occuring January 1, 2018 – December 31, 2018
1.	Retirees and Beneficiaries	$ 74,302,858
2.	Terminated Vested Participants	28,452,142
3.	Active Participants	11,739,808
4.	Present Value of Vested Benefits	$ 114,494,808
5.	Future Administrative Expense	2,939,432
6.	**Actuarial Liability of Vested Benefits for Withdrawal Liability**	**$ 117,434,240**
7.	Market Value of Assets	30,522,845
8.	**Unfunded Vested Benefits [(6.) – (7.)]**	**$ 86,911,395**

SECTION V – WITHDRAWAL LIABILITY

The Actuarial Liability of vested benefits shown above does not include the value of non-forfeitable adjustable benefits (also referred to as Affected Benefits) that have been removed as a consequence of the plan's Rehabilitation Plan. The law requires plans to allocate the value of unamortized affected benefits to withdrawing employers separately from the allocation of the Unfunded Vested Benefits and reallocation liability. This allocation is based on the employer's five-year contributions divided by the plan's five-year contributions for all employers with an obligation to contribute for the five-years prior to withdrawal. Affected benefits bases are amortized over 15 years on a mortgage type basis. As of December 31, 2017 the plan's affected benefits were:

Table V-2
Affected Benefits

Plan Year Ending	Initial Base	Years Remaining	Unamortized Balance
12/31/2010	$ 3,197,907	8	$ 2,123,919
12/31/2012	235,274	10	182,572
12/31/2016	951,554	14	913,687
Total	$ 4,384,735		$ 3,220,178

BUILDING MATERIAL DRIVERS LOCAL 436 PENSION FUND
ACTUARIAL VALUATION AS OF JANUARY 1, 2018

SECTION VI – FASB ASC TOPIC NO. 960 DISCLOSURES

Table VI-1
Present Value of Accumulated Benefits as of January 1, 2018
in Accordance with ASC Topic No. 960

	Amounts	Counts
1. Actuarial Present Value of Benefits		
For Retirees and Beneficiaries	$ 75,697,499	943
Terminated Vesteds	28,452,143	548
Active Participants	11,739,809	112
Vested Benefits	$ 115,889,451	1,603
2. Non-vested Benefits	$ 138,496	67
3. Accumulated Benefits	$ 116,027,947	1,670
4. Market Value of Assets	$ 30,522,845	
5. Funded Ratios		
Vested Benefits	26.3%	
Accumulated Benefits	26.3%	

RECONCILIATION OF PRESENT VALUE OF ACCUMULATED BENEFITS

1. Actuarial Present Value at January 1, 2017	$ 116,237,429
2. Increase (decrease) over Prior Year due to:	
Benefit Accruals	$ 433,214
Benefit Payments	(8,584,109)
Increase for Interest	7,871,583
Experience (Gains)/Losses	69,830
Changes in assumptions	0
Plan Amendments	0
3. Actuarial Present Value at December 31, 2017	$ 116,027,947

APPENDIX A – MEMBERSHIP INFORMATION

The data for this valuation was provided electronically by the Fund Office. Cheiron did not audit any of the data; however, it was reviewed to ensure that it complies with generally accepted actuarial standards. The data was collected as of January 1, 2018.

The following is a list of data charts contained in this section:

- Service Distribution for Active Participants
- Data Reconciliation
- Counts and Average Benefit Amount by Age for Retirees, Beneficiaries, and Disabled Participants
- Counts and Average Benefit Amount by Age for Terminated Vested Participants

Count of Active Participants

Years of Service at January 1, 2018

Age	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Under 25	1	2									3
25-29	3	3									6
30-34	1	2									3
35-39	1	3		2	1						7
40-44	1	4	3		3						11
45-49	7	5	2	1	3	1	1				20
50-54	5	9	7	2	4	4	3	1			35
55-59	8	3	5	6	4	4	7	6	1		44
60-64	2	4	8	4	3	5	9	5	2	1	43
65-69	1	2			1			1		2	7
70 & up											0
Total	30	37	25	15	19	14	20	13	3	3	179

Average Age: 53.3 Average Service: 15.1

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APPENDIX A – MEMBERSHIP INFORMATION

DATA RECONCILIATION FROM JANUARY 1, 2017, TO JANUARY 1, 2018

		Actives	Terminated Vested	Retired	Deferred Beneficiary	Disabled	Beneficiaries	QDRO	Total
1.	Participants, January 1, 2017 valuation	**191**	**544**	**650**	**21**	**41**	**222**	**24**	**1,693**
2.	Additions								
	a. New entrants	25							25
	b. Data corrections			4			4		8
	c. Total	25		4			4		33
3	Reductions								
	a. Terminated - not vested	(12)	(1)						(13)
	b. Lump Sum or no further benefit due		(1)						(1)
	c. Died without beneficiary	(1)	(4)	(20)		(2)	(14)	(2)	(43)
	d. Total	(13)	(6)	(20)		(2)	(14)	(2)	(57)
4	Changes in status								
	a. Terminated with vested benefit	(16)	16						
	b. Retired	(10)	(24)	34	(1)		1		
	c. Disabled								
	d. Returned to work	2	(2)						
	e. QDRO							1	1
	f. Died with beneficiary			(7)			7		
	g. Total	(24)	(10)	27	(1)		8	1	1
5	Participants, January 1, 2018 valuation	**179**	**528**	**661**	**20**	**39**	**220**	**23**	**1,670**

APPENDIX A – MEMBERSHIP INFORMATION

Age Distribution of Inactive Participants

Pensioners and Beneficiaries Receiving Benefits as of January 1, 2018

Age	Disability Retirements Number	Disability Retirements Monthly Benefit	Normal, Early, and QDRO Retirements Number	Normal, Early, and QDRO Retirements Monthly Benefit	Beneficiaries Receiving Benefits Number	Beneficiaries Receiving Benefits Monthly Benefit	Total Number	Total Monthly Benefit
Under 55	1	$ 1,384	0	$ 0	2	$ 1,438	3	$ 2,821
55-59	2	3,350	3	1,318	9	3,764	14	8,432
60-64	9	11,343	70	59,968	13	7,207	92	78,518
65-69	12	17,091	163	154,804	35	11,378	210	183,273
70-74	5	7,369	141	125,942	35	17,169	181	150,479
75-79	7	5,992	138	145,619	30	7,812	175	159,423
80 & Over	3	942	169	109,757	96	22,950	268	133,649
Total	39	$ 47,470	684	$ 597,408	220	$ 71,718	943	$ 716,596

Deferred Vested Participants and Surviving Spouses Entitled to Future Benefits

Age	Number	Monthly Benefit Payable at Normal Retirement Date
Under 45	49	$ 18,144
45-49	81	39,429
50-54	115	65,476
55-59	178	123,952
60-64	105	71,903
65 & Over	20	5,782
Total	548	$ 324,686

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

1. Participation

Any member of the Teamsters Union Local No. 436 becomes a participant on the first date contributions are made to the pension plan by the employer.

2. Credited Service

Credited service is earned as follows:

Credited Hours in Covered Employment During Calendar Year	Effective January 1, 1992 Credited Service
1,300 or more	1.0
1,170 to 1,299	0.9
1,040 to 1,169	0.8
910 to 1,039	0.7
780 to 909	0.6
650 to 779	0.5
0 to 649	0

Effective January 1, 2007, one full year is credited for each plan year in which the participant is credited with at least 2,080 hours. Partial credit is given for hours greater than 1,000 but less than 2,080 determined by dividing the number of hours worked by 2,080.

3. Vesting Credit

One year of service is credited for each plan year with at least 870 hours worked. Years of service prior to January 1, 1976 are credited in accordance with the plan provisions then in effect.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

4. Normal Pension

a. Eligibility For benefits earned before January 1, 2007 eligibility is the earlier of the attainment of age 65 and the fifth anniversary of plan membership or the attainment of age 62 and completion of ten years of Credited Service.

For benefits earned after December 31, 2006, eligibility is the earlier of the attainment of age 65 and the fifth anniversary of plan membership or the attainment of age 65 and completion of ten years of Credited Service.

b. Amount The monthly benefit is calculated using the rates listed in the following table.

Regular Plan	
Basic Monthly Benefit	For employers at \$30-\$40 weekly contribution: \$16.50 for each year of service up to 30 years plus \$1.00 for each year of service in excess of 30 years
Supplement	\$250.00 per month
Lower Plan	For employers at less than \$30 weekly contribution: \$5.50 for each year of service up to 30 years
1992 Plan	Effective in 1992, a lifetime monthly pension equal to: For employers at \$40 weekly contribution: \$27.00 for each year of service up to 10 years, \$31.00 for each year of service between 10 and 20 years, \$35.00 for each year of service between 20 and 30 years, \$36.00 for each year of service between 30 and 32 years *Maximum amount is \$1,002*

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

1995 Plan	Effective in 1995, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $6.50 per hour: $35.10 for each year of service up to 10 years $40.30 for each year of service between 10 and 20 years $45.50 for each year of service between 20 and 30 years $46.50 for each year of service between 30 and 32 years *Maximum amount is $1,302*
1997 Plan	Effective in 1997, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $7.35 per hour: $41.10 for each year of service up to 10 years $47.20 for each year of service between 10 and 20 years $53.30 for each year of service between 20 and 30 years $54.50 for each year of service between 30 and 32 years *Maximum amount is $1,525*
1998 Plan	Effective in 1998, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $7.80 per hour: $47.20 for each year of service up to 10 years $54.20 for each year of service between 10 and 20 years $61.10 for each year of service between 20 and 30 years $62.10 for each year of service between 30 and 32 year *Maximum amount is $1,750*
2000 Plan	Effective in 2000, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $8.70 per hour: $56.70 for each year of service up to 10 years $65.00 for each year of service between 10 and 20 years $73.30 for each year of service between 20 and 30 years $75.00 for each year of service between 30 and 32 years *Maximum amount is $2,100*

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

2001 Plan	Effective in 2001, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $9.15 per hour: $62.10 for each year of service up to 10 years $71.20 for each year of service between 10 and 20 years $80.30 for each year of service between 20 and 30 years $82.00 for each year of service between 30 and 32 years *Maximum amount is $2,300* For employers where ultimate Rehabilitation Plan contribution is $9.60 per hour: $67.20 for each year of service up to 10 years $77.50 for each year of service between 10 and 20 years $87.50 for each year of service between 20 and 30 years $89.00 for each year of service between 30 and 32 years *Maximum amount is $2,500* For employers where ultimate Rehabilitation Plan contribution is $10.05 per hour: $72.60 for each year of service up to 10 years $83.70 for each year of service between 10 and 20 years $94.50 for each year of service between 20 and 30 years $96.00 for each year of service between 30 and 32 years *Maximum amount is $2,700*

5. Form of Payment

The normal form of payment for accrued benefits is a straight life annuity for all active employees and for former participants with deferred vested benefits. Other actuarially equivalent alternative forms of payment are available. A married participant's spouse must agree to any form that is not a 50% qualified Joint and Survivor Annuity.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

6. Early Retirement

a. Eligibility For benefits earned after an employer adopted the Rehabilitation Plan, eligibility is the attainment of age 62 and completion of 15 years of Credited Service.

b. Amount Benefit is the actuarially reduced accrued benefit for commencement prior to Normal Retirement date.

7. Deferred Vested Retirement

a. Eligibility Eligibility is the completion of five years of vesting service.

b. Amount Benefit is the normal pension actuarially reduced if payments begin prior to age 65.

8. Pre-Retirement Surviving Spouse Benefit

If a vested participant is eligible for pension, but dies prior to commencement of benefits, the surviving spouse is entitled to the benefit the spouse would have received had the participant retired with the 50% Joint and Survivor form in effect, then died.

If a vested participant is not eligible to begin receiving pension and dies prior to commencement of benefits, the surviving spouse is entitled to the benefit the spouse would have received had the participant terminated employment on the date of death with deferred vested benefit, survived to the earliest possible eligibility date and then retired with the 50% Joint and Survivor form in effect, then died.

9. Changes since Last Valuation

All employers have adopted the Rehabilitation Plan, which removed disability benefits, lump-sum death benefits, and the five-year certain provision of the plan's normal form of payment.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. Rates of Investment Return

Funding, Withdrawal Liability and disclosure purposes:
7.00% compounded annually

Current Liability under RPA 1994:
2.98% compounded annually

All investment returns are net of investment expenses.

2. Rates of Mortality

Funding: Mortality for healthy participants is assumed to follow the RP-2014 adjusted to 2006 Blue Collar Mortality, projected using the MP-2016 improvement scale with base year 2006 and generational mortality improvements.

Mortality for disabled participants is assumed to follow the RP-2014 Disabled Retiree Mortality Table, projected using the MP-2014 improvement scale with base year 2014 and generational mortality improvements.

RPA '94 Current Liability: Mortality under RPA' 94 is assumed to follow the IRS 2018 Static Mortality Table.

3. Rates of Retirement

Rates of retirement are assumed to be in accordance with annual rates as shown below for illustrative ages.

Age	Rate of Retirement
57 to 59	1.0%
60 to 61	2.5%
62	20.0%
63 to 64	12.5%
65	17.5%
66	100.0%

Late Retirement: We have assumed that suspension of benefits notices has been given to all participants who worked beyond their Normal Retirement Dates.

4. Rates of Turnover

Sample rates for termination of employment for reasons other than death, disability, or retirement are shown below.

Age	Rate of Turnover
25	17.33%
40	13.30%
55	5.61%

5. Marital Status

For participants not receiving benefits, 80% of the male participants and 50% of the female participants will have a surviving spouse with wives assumed to be three years younger than husbands are.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

6. Administrative Expenses

$670,000 assumed payable at the beginning of the year. Five years of administrative expenses are included to determine the value of vested benefits when calculating Withdrawal Liability.

7. Changes in Assumptions Since Last Valuation

As required, the Current Liability interest rate and mortality were updated. The interest rate went from 3.05% to 2.98%.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. **Asset Valuation Method**
   The valuation assets are determined as the market value less (1) 80% of the investment gain/ (loss) during the preceding year, less (2) 60% of the investment gain/ (loss) during the second preceding year, less (3) 40% of the investment gain/ (loss) during the third preceding year, less (4) 20% of the investment gain/ (loss) for the fourth preceding year. For the purpose of this calculation, the gain/ (loss) is defined as the difference between the actual and the expected return (based on the valuation interest rate) on the Market Value of Assets during the year.

   The actuarial value is taken to be the adjusted market value as described above, but subject to a 20% corridor limit around the actual market value; that is, the actuarial value is never greater than 120% of market value, not less than 80% of market value.

2. **Funding Method: Unit Credit Cost Method**
   The cost method for valuation of liabilities used for this valuation is the Unit Credit method. This is one of a family of valuation methods known as an accrued benefits method. The chief characteristic of an accrued benefits method is that the funding pattern follows the pattern of benefit accrual. Under the Unit Credit actuarial cost method, the normal cost is determined as that portion of each participant's benefit attributable to service expected to be earned in the upcoming plan year. The Actuarial Liability, which is determined for each participant as of each valuation date, represents the actuarial present value of the participant's current accrued benefit as of the valuation date.

   One of the significant effects of this funding method is that, depending on the demographics of the population, the Unit Credit method tends to produce lower costs in the early years. There is a possibility that as the population ages, the annual cost could increase over time.

CHEIRON

Classic Values, Innovative Advice

Building Material Drivers Local 436 Pension Fund

Actuarial Valuation Report as of January 1, 2017

Produced by Cheiron

February 2018

www.cheiron.us 1.877.CHEIRON (243.4766)

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CHEIRON

Classic Values, Innovative Advice

February 23, 2018

Board of Trustees
Building Material Drivers Local 436 Pension Fund
6051 Carey Drive
Valley View, OH 44125

Dear Trustees:

At your request, we have prepared this report to present the results of the annual Actuarial Valuation of the Building Material Drivers Local 436 Pension Fund (the "Plan"). This report presents the results as of January 1, 2017. It contains information on the Plan's assets and liabilities and also discloses contribution levels, including the minimum required amount as mandated by Federal law.

Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions used. In the Summary section, we discuss the long-term funded status and emerging issues facing the Trustees of the Plan. Future valuation reports may differ significantly from the current valuation presented in this valuation report due to such factors as the following: plan experience differing from that anticipated by the assumptions, changes in assumptions, and changes in plan provisions or applicable law.

To the best of our knowledge, this report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This report was prepared solely for the Plan for the purposes described herein. Other users of this valuation report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Sincerely,
Cheiron

[redacted]

FOREWORD

Cheiron has performed the Actuarial Valuation of the Building Material Drivers Local 436 Pension Fund as of January 1, 2017. The purpose of this report is to:

1) Measure and disclose, as of the valuation date, the financial condition of the Plan;
2) Provide specific information and documentation required by the Federal Government and the auditors of the Plan;
3) Determine whether negotiated contributions support the current level of benefits and whether they fall within the acceptable range of contributions under the Plan for the 2017 plan year; and
4) Compare assets with the value of vested benefits to determine allocable plan Withdrawal Liability, if any.

An Actuarial Valuation establishes and analyzes plan assets, liabilities, and contributions on a consistent basis and traces their progress from one year to the next. It includes measurement of the Plan's investment performance as well as an analysis of actuarial liability gains and losses. The valuation report is organized as follows:

Section I Summary presents key valuation results and compares this year's results to last year's results. It also provides the historical summary and future outlook of the Plan.

Section II Assets contains exhibits relating to the valuation of assets.

Section III Liabilities shows the various measures of liabilities.

Section IV Costs and contributions develop the minimum and maximum contributions.

Section V Withdrawal Liability shows the development of the UVB (Unfunded Vested Benefits) as of January 1, 2017 that would be allocated to employers that withdraw before December 31, 2017.

Section VI FASB ASC Topic No. 960 Disclosure provides information required by the Plan's auditor.

The appendices to this report contain a summary of the Plan's:

- membership at the valuation date,
- major Plan provisions, and
- actuarial methods and assumptions used in the valuation.

In preparing our report, we relied on information (some oral and some written) supplied by the Plan Administrator and the Plan Auditor. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standards of Practice No. 23.

The actuarial assumptions, taken individually, reflect our understanding and best estimate of the likely future experience of the Plan. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the Plan could vary from our results.

Exhibit 7.10
January 1, 2017 Actuarial Valuation Report (Checklist Item #40)

BUILDING MATERIAL DRIVERS LOCAL 436 PENSION FUND
ACTUARIAL VALUATION AS OF JANUARY 1, 2017

SECTION I – SUMMARY

Table I-1
Principal Results

	1/1/2016	1/1/2017	Change
Participant Counts			
Actives	222	191	-14.0%
Terminated Vesteds	567	565	-0.4%
In Pay Status	957	937	-2.1%
Total	1,746	1,693	-3.0%
Financial Information			
1. Market Value of Assets (MVA)	$ 32,417,188	$ 31,242,861	-3.6%
2. Actuarial Value of Assets (AVA)	36,367,585	33,807,415	-7.0%
3. Present Value of Future Benefits	$ 110,050,031	$ 118,739,866	7.9%
4. Actuarial Liability/Present Value of Accumulated Benefits	$ 107,119,441	$ 116,237,429	8.5%
5. Surplus/(Unfunded) using MVA	(74,702,253)	(84,994,568)	13.8%
6. Funded Ratio using MVA	30.3%	26.9%	0.0%
7. Surplus/(Unfunded) using AVA	(70,751,856)	(82,430,014)	16.5%
8. Funded Ratio using AVA	34.0%	29.1%	
9. Normal Cost of Benefits Only	$ 511,698	$ 433,214	-15.3%
10. Normal Cost plus Expenses	$ 1,181,698	$ 1,103,214	-6.6%
11. Present Value of Vested Benefits for ASC 960	$ 107,056,587	$ 115,629,369	8.0%
12. Vested Benefit Surplus/(Unfunded) using MVA	(74,639,399)	(84,386,508)	13.1%
13. Vested Benefit Funded Ratio using MVA	30.3%	27.0%	
Contributions, Cost, and Cash Flows			
14. ERISA Credit Balance (beginning of year)	$ 215,241	$ (3,758,381)	-1846.1%
15. Employer Negotiated Contributions (actual / *estimated)*	$ 2,824,567	*$ 2,800,000*	
16. Per Hour	$8.66	*$9.33*	
17. Employer Withdrawal Payments (actual / *estimated)*	2,839,452	*2,470,000*	
18. Total	$ 5,664,019	*$ 5,270,000*	
19. Per Hour (actual / *estimated*)	$17.36	*$17.57*	
20. Board Policy Cost	$ 11,504,490	$ 12,839,956	11.6%
21. Per Hour Board Policy Cost	$32.87	$42.80	30.2%
22. Prior Year Benefit Payouts	$ (8,706,508)	$ (8,652,368)	-0.6%
23. Prior Year Administrative Expenses	(736,480)	(650,624)	-11.7%
24. Prior Year Total Investment Income (net)	(829,617)	2,464,646	
25. Hours(Actual/Expected)	326,219	*300,000*	-8.0%

SECTION I – SUMMARY

Following is an analysis of the Plan's results for the prior year followed by statutory considerations (PPA and MPRA), historical results for the last ten years and projections of the future.

Prior Year Results

The Plan's projected insolvency is not a new finding for 2017. However, its financial condition has deteriorated further.

Investment and liability experience and their effect on the Plan's Policy Cost traditionally have been the focus of year-to-year analyses.

- In 2016, the return on market value was 8.06%. In dollar terms, during 2016 the Plan gained $320,653, an amount that was greater than what returns would have been at the assumed return rate of 7.00%.
- For various purposes, including the determination of its annual Minimum Required Contribution (MRC), the Plan uses an Actuarial Value of Assets (AVA) which smoothes annual investment gains or losses over a period of five years. The Actuarial Value of Assets returned 3.12% resulting in a $1,341,718 actuarial loss (the difference between expected returns at 7.00% and the actual returns) from investments for MRC calculations.
- All employers have now adopted the rehabilitation plan, resulting in a plan change that decreased the liabilities by $1,022,124.
- The Plan experienced a liability gain of $839,789 for 2016 from better than expected demographic experience.
- Combining the AVA actuarial investment loss, the liability gain, and also a gain on expected administrative expenses of $43,889, the Plan experienced a total net actuarial loss of $458,040 for determining ERISA minimum funding requirements. This amount will be amortized in future minimum funding over 15 years.
- Using the Market Value of Assets, the funded ratio of Actuarial Liability decreased from 30.3% to 26.9%. The Plan has been less than 60% funded since 2005.
- As explained in the Appendix a number of valuation assumptions were changed. These changes were made in an attempt to synchronize plan assumptions with those used for Department of Treasury approved MPRA benefit suspensions. They caused the funding liabilities to increase $11,884,102 and the liabilities for withdrawal purposes to increase slightly less
- At the end of 2017, the Plan is projected to have a Funding Standard Account Funding Deficiency. Prior to the Pension Protection Act of 2006 (PPA) this would have triggered an excise tax and would have been a matter of great concern. Post-PPA, *Critical* plans like this one that have adopted a Rehabilitation Plan are exempt from this excise tax.
- Combining the previously mentioned liability, administrative expense, and market value investment experience, the Board Policy Cost increased from $11,504,490 to $12,839,956 On an hourly basis, the Board Policy Cost increased from $32.87 per hour to $42.80 per hour. This cost compares to expected income of $9.33 per hour from negotiated contributions.
- If the Plan received an amount equal to this Policy Cost from contributions and Withdrawal Liability payments for the next 10 years and all underlying assumptions were met, not only would insolvency be avoided; the Plan would be 100% funded.

  Traditionally, this gap between income and cost would have been addressed through bargaining for increased contributions. In this case, however, it will have to be addressed through MPRA permitted benefit reductions.

SECTION I – SUMMARY

Despite this change in long-term objectives from 100% funding of liabilities to avoiding insolvency, it is still instructive to note the sources of change in the Policy Cost, particularly on an hourly basis. The following table shows a detailed analysis of the sources of the $9.93 increase in the Board Policy cost since the last valuation.

Sources Of Change In Board Policy Cost		$	$/ Hour
A 2016 Board Policy Cost		$ 11,504,490	$ 32 870
1 Change due to fewer 2016 contribution hours: 350,000 vs 326,219			2 396
2 Revised 2016 Board Policy Cost			**$ 35.266**
(Negatives are Good)	Effect on Unfunded	Effect on Policy Cost	
B Change due to:	$	$	$/hour
Change in Assumptions	11,884,102	1,534,961	4 705
Rehabilitation Plan	(1,022,124)	0	0 000
Increase in Current Year New Benefit/Normal Cost		(121,087)	(0 371)
Investment experience: 8 06% vs 7 00%	(320,653)	(47,579)	(0 146)
Administrative expense experience	(43,889)	(6,512)	(0 020)
Negotiated contributions shortfall	9,037,166	1,340,943	4 111
WL and Litigation Payments	2,995,736	(444,510)	(1 363)
Liability assumptions experience	(839,789)	(124,609)	(0 382)
Reset amortization period to 10 years		(796,143)	(2 441)
Decrease in hours: from 326,219 to 300,000			3 440
TOTALS		$ 1,335,465	$ 7 534
C 2017 Board Policy Cost		$ 12,839,955	**$ 42.80**
D Expected Negotiated Contributions		$ 2,800,000	$ 9 33
E Expected Contributions plus Expected Withdrawal Payments		$ 5,270,000	$ 17 57

- Annual benefit payments and expenses were $9,302,992, but contributions including Withdrawal Liability payments and a one-time litigation settlement payment were only $5,664,019 Consequently, the Plan had a negative cash flow during 2016 without including its investment returns.

  Without compensating investment returns the Plan must have a positive cash flow in order to grow. Due to the large negative cash flow situation, the Plan is, and will continue to be, particularly vulnerable to investment risk. As a consequence of this unmanageable negative cash flow, the biggest challenge facing the Plan is its projected insolvency.

Pension Protection Act

The Pension Protection Act of 2006 added a significant layer of new considerations related to the Plan's PPA Funded status.

- The Plan has been in *Critical* status in every year since the implementation of the law except for 2008 when it was in *Endangered* status.
- In an effort to correct the Plan's *Critical* status, as required by the PPA, a rehabilitation plan was adopted by the Board of Trustees in November 2009. The rehabilitation plan included contribution rate increases and the removal of certain benefits previously provided.
- As also required, a review and possible update to the Rehabilitation Plan has occurred each November. However, the initial Rehabilitation Plan has never been modified since the Board believes it has taken all reasonable measures under PPA that it can to forestall insolvency.

Multiemployer Pension Reform Act of 2014

Because the provisions of PPA were proving inadequate for helping severely under-funded plans address their problems the Multiemployer Pension Reform Act of 2014 (MPRA) was passed in December 2014. MPRA modified PPA.

On March 30, 2017, the Plan was again certified to be in *Critical* and *Declining* status because it is *Critical* and is projected to be insolvent within 19 years.

While controversial, unpopular, and unfortunate, the *Critical* and *Declining* provisions of the law permit benefit reductions and the partition of some liabilities to the Pension Benefit Guaranty Corporation. These may give plans like this one a means for avoiding the insolvency mentioned in the previous section.

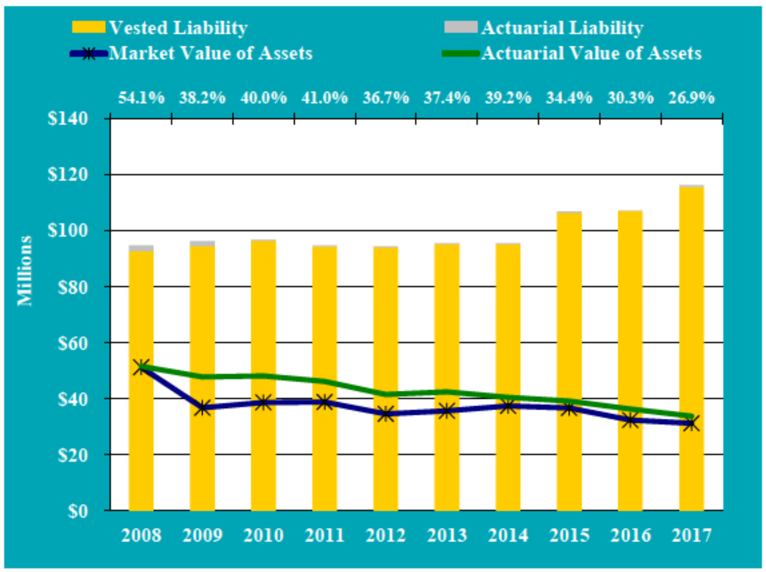
SECTION I – SUMMARY

Historical Review

It is important to take a step back from the results and view them in the context of the Plan's recent history. On the next few pages, we present a series of graphs, which display key results in the valuations of the last ten years.

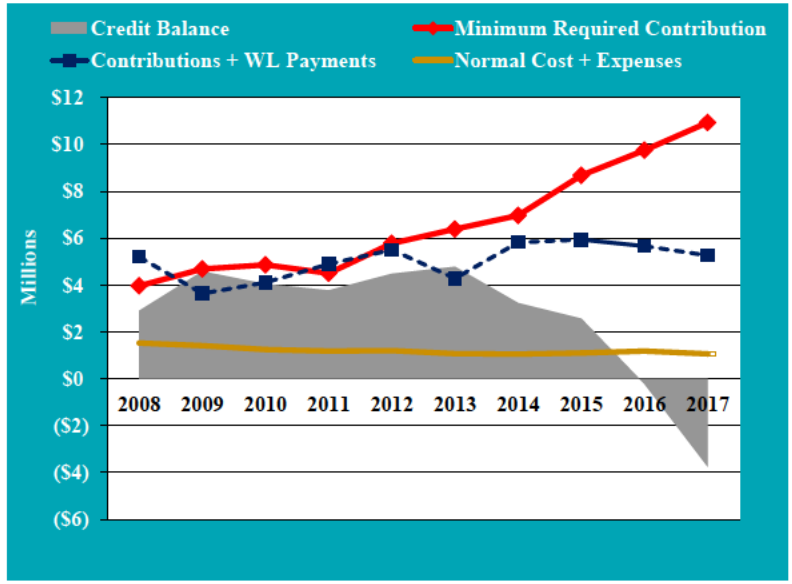
Assets & Liabilities

The following chart shows the Plan's liabilities, assets, and funding ratios. The percentages shown along the top of the chart show the funding ratio based on the Market Value of Assets, the blue line. The Plan's funding ratio (Market Value of Assets as a percent of Actuarial Liabilities) has decreased from 54.1% as of January 1, 2008 to its current level of 26.9%. The decrease was primarily due to a worse than assumed investment return and a steady decline in the active workforce.



Minimum Funding

The next chart shows the contributions and Withdrawal Liability payments made to the Plan (blue line) relative to the ERISA Minimum Required Contribution (MRC) before the credit balance offset (red line), the value of the credit balance (gray area), and normal cost plus expenses (orange line) over the same period of time.

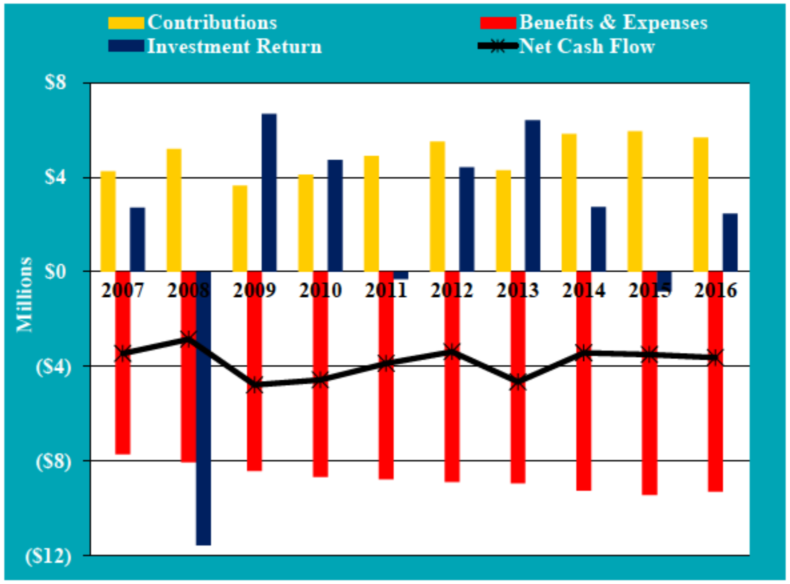


The Plan applied for and was granted a five-year amortization extension for the plan years before January 1, 2009 under IRC Section 431(d) that is reflected in the credit balances shown above. This and the Trustees election of funding relief under Section 431(b)(8) of the Pension Relief Act of 2010 (PRA 2010), has reduced the Minimum Required Contribution. Despite this, the credit balance is negative for 2017.

SECTION I – SUMMARY

Cash Flow

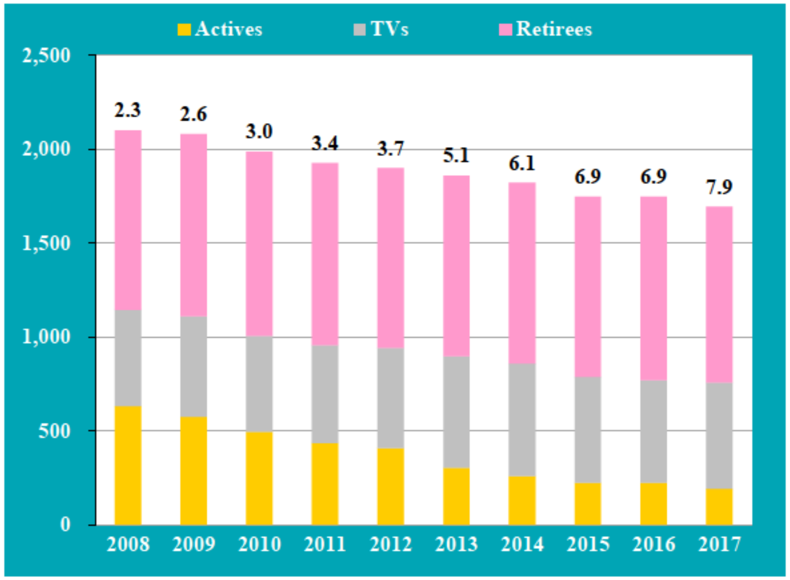
The Plan's net cash flow (without investment returns) is a critical measure of plan health.



As shown above the cash flow has been negative for the entire period shown. A plan with negative cash flows faces additional risk from investment losses. This is because when assets are depleted to pay benefits in down markets, there is less principal available to be reinvested during favorable return periods. Unfortunately, the Plan's recent experience has reflected this.

Participation

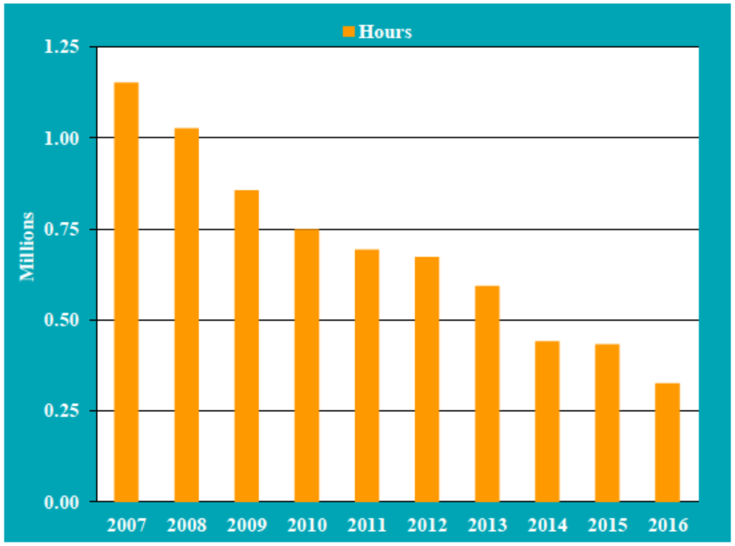
The chart below shows the participants of the Plan in successive valuations.



The numbers above the bars show the ratio of inactive participants to active participants. When this ratio is high, as it is here, increases in the cost of providing the benefits will create a significant additional burden on active participants. With almost eight inactives for every active participant, the Plan is in a very precarious position.

SECTION I – SUMMARY

Consistent with the drop in active participants shown in the previous chart, there has been a protracted decrease in hours.

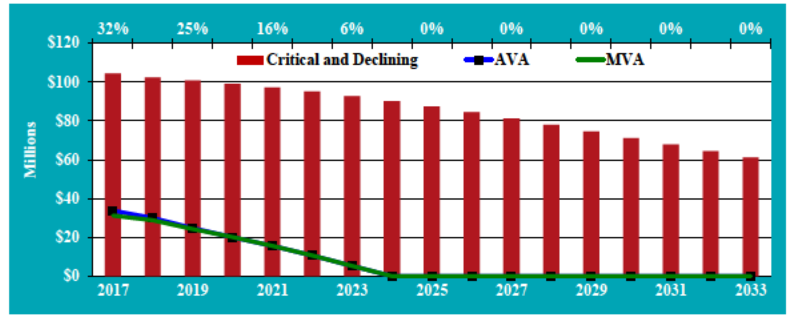


Future Outlook

In this section we move away from viewing a single year's results or historical trends and focus on the future of the Plan. We present projections of the Plan's funding status and components of its cash flow and actuarial cost.

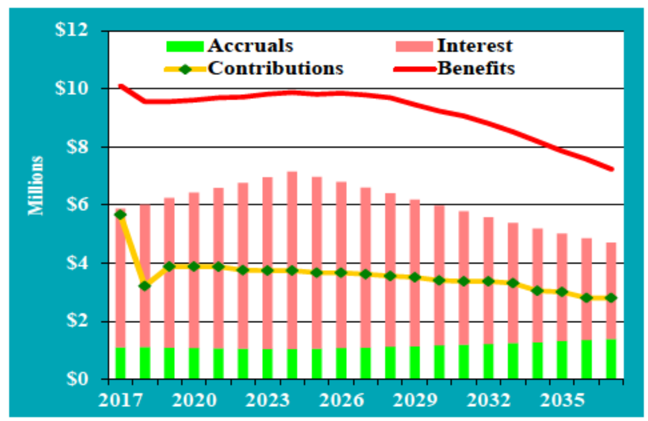
These projections were used in the 2017 PPA actuarial certification. This means that some preliminary values different from those in this report were used. The funding assumptions described in Appendix C with 300,000 hours of work per year beginning in 2016 were also assumed. Most importantly, none of the future benefit reductions permitted by MPRA are reflected in these projections.

The first chart which follows shows that the Plan is expected to remain in PPA *Critical* and *Declining* status into the future. In addition, and more importantly, the Plan is expected to become insolvent in 2024.



The causes of the Plan's continued decline and the need for MPRA benefit reductions are shown in the following chart.

Among other things, it shows the cause of the extreme negative cash flow to be the disparity between the projected benefit payments (red line) and total contributions (yellow line). Any plan to prevent insolvency boils down to bringing these two lines closer together.



SECTION II – ASSETS

Assets at Market Value

Market values represent "snap-shot" or "cash-out" values, which provide the principal basis for measuring financial performance from one year to the next.

Table II-1
Statement of Assets at Market Value, December 31,

	2015	2016
Invested Assets		
Mutual Funds	$ 29,223,241	$ 28,411,600
Short-term Investments and Money Market Funds	20,734	18,968
Collective Real Estate Securities Trust	1,885,988	1,713,664
Subtotal:	$ 31,129,963	$ 30,144,232
Receivables		
Participating Employers' Contributions	$ 649,196	$ 536,949
Withdrawal Liability Payments Receivable	7,434,449	8,910,755
Litigation Settlement Receivable	88,873	55,395
Miscellaneous	127	127
Allowance for Doubtful Accounts	(305,243)	(305,243)
Subtotal:	$ 7,867,402	$ 9,197,983
Other Assets		
Prepaid Insurance	$ 8,557	$ 8,602
Due from Local 436 Welfare Fund	908	18,574
Subtotal:	$ 9,465	$ 27,176
Cash	$ 996,431	$ 929,138
Total Assets	$ 40,003,261	$ 40,298,529
Liabilities		
Due to Local 436 Welfare Fund	$ 0	$ 0
Accounts Payable	62,751	89,518
Subtotal:	$ 62,751	$ 89,518
Net Assets Available for Benefits from Auditor	$ 39,940,510	$ 40,209,011
Withdrawal Liability Payments Receivable	(7,434,449)	(8,910,755)
Litigation Settlement Receivable	(88,873)	(55,395)
Net Assets Available for Valuation	$ 32,417,188	$ 31,242,861

Changes in Market Value

The components of asset change are:

- Contributions
- Benefit payments
- Expenses
- Investment income (realized and unrealized)

The specific changes during 2016 are presented below:

Table II-2
Changes in Market Values

Market Value of Assets - December 31, 2015	$ 32,417,188
Negotiated Contributions	$ 2,767,932
Contributions from Litigation Settlement	56,635
Withdrawal Liability Payments	2,839,452
Investment Returns	2,464,646
Benefit Payments	(8,652,368)
Administrative Expenses	(650,624)
Market Value of Assets - December 31, 2016	$ 31,242,861

SECTION II – ASSETS

Assets at Actuarial Value

For funding purposes, the Plan uses an Actuarial Value of Assets which smoothes market related fluctuations in the Market Value of Assets, generally over five years. This causes less volatile cost and minimum funding requirements from year to year.

The method used for determining the Actuarial Value of Assets recognizes the excess of actual asset return over expected returns at the rate of 20% per year over five years. However, the Plan's Board of Trustees elected funding relief under §431(b)(8)(B)(i)(I) of the Internal Revenue Code (PRA 2010 Funding Relief) as added by the PRA. This allows the Plan to recognize the investment losses for the plan year that ended December 31, 2008 over ten years, at 10% per year.

The table that follows shows the development of the Actuarial Value of Assets.

Table II-3
Development of Actuarial Value of Assets as of January 1, 2017

Market Value of Assets as of December 31, 2016				$ 31,242,861
Plan Year	Initial Gain/(Loss)	Percent Recognized	Percent Deferred	Amount Deferred
2008	$ (15,555,910)	90%	10%	$ (1,555,591)
2013	3,740,158	80%	20%	748,032
2014	(111,357)	60%	40%	(44,543)
2015	(3,281,623)	40%	60%	(1,968,974)
2016	320,653	20%	80%	256,522
Total Gain/(Loss) Excluded				$ (2,564,554)
Preliminary Actuarial Value as of January 1, 2017				$ 33,807,415
Corridor for Actuarial Value				
80% of Market Value				$ 24,994,289
120% of Market Value				37,491,433
Actuarial Value of Assets as of January 1, 2017				$ 33,807,415
Actuarial Value as a percent of Market Value of Assets as of January 1, 2017				108 2%

Actuarial Gains or Losses from Investment Performance

The following table calculates the investment related actuarial gain/loss for the plan year, the return, and the rate of return on both a market value and actuarial value basis. The market value rate of return is an appropriate measure for comparing the actual return of to the long-term 7.00% assumption.

The actuarial investment gain/loss on the actuarial value is one component of the Plan's actuarial experience gain/loss which is recognized in minimum funding requirements. The rate of return on an Actuarial Value of Assets basis was 3.12%, which is less than the 7.00% assumption. Therefore, there was an actuarial investment loss for funding purposes.

Table II-4
Development of Asset Rate of Return as of January 1, 2017

Item	Market Value	Actuarial Value
December 31, 2015 Value	$ 32,417,188	$ 36,367,585
Employer Contributions, Withdrawal Liability Payments, and the Litigation Settlement	$ 5,664,019	$ 5,664,019
Administration Expense	(650,624)	(650,624)
Benefit Payments	(8,652,368)	(8,652,368)
Expected Investment Earnings (7 00%)	2,143,993	2,420,521
Expected Value December 31, 2016	$ 30,922,208	$ 35,149,133
Investment Gain/(Loss)	320,653	(1,341,718)
December 31, 2016 Value	$ 31,242,861	$ 33,807,415
Return	$ 2,464,646	$ 1,078,803
Rate of Return	8 06%	3 12%

SECTION III – LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- Disclosure of plan liabilities at January 1, 2016, and January 1, 2017; and
- Statement of changes in these liabilities during the year.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which it is used.

- **Present Value of Future Benefits:** Used for analyzing the financial outlook of the Plan, this represents the amount of money needed today, to fully pay off all future benefits of the Plan, assuming participants continue to accrue benefits.

- **Actuarial Liabilities:** Used for ensuring minimum funding standards are met, this liability is determined using an actuarial funding method to apportion the Present Value of Future Benefits between the past and the future.

  For this Plan that method is the Unit Credit funding method. The actuarial liability under the Unit Credit funding method represents the total amount of money needed to fully pay off all future obligations of the Plan, assuming no further accrual of benefits.

  This liability is required for accounting disclosures by FASB ASC Topic No. 960. For that purpose, it is referred to as the Present Value of Accumulated Benefits. In addition, it is required to determine the Plan's funded ratio for determining its funded status under the Pension Protection Act of 2006. It can also be used to establish comparative benchmarks with other plans.

- **Vested Liabilities:** This liability represents the portion of the actuarial liabilities that are vested. After removing certain vested benefits according to PBGC regulations and adding administrative expense, this liability is used to determine the Unfunded Vested Benefits (UVB) used in Withdrawal Liability assessments.

- **Current Liabilities:** Used for statutory compliance purposes, the calculation of this liability is defined by law and IRS Regulations and is used to determine maximum allowable tax-deductible contributions.

The table on the following page discloses each of these liabilities for the current valuation and the prior one. With respect to each disclosure, a subtraction of the appropriate value of Plan assets yields, for each respective type**,** a net surplus, or an unfunded liability.

SECTION III – LIABILITIES

Table III-1
Liabilities/Net Surplus (Unfunded)

		1/1/2016		1/1/2017
PRESENT VALUE OF FUTURE BENEFITS				
Active Participant Benefits	$	16,490,039	$	15,458,477
Retiree and Inactive Benefits		93,559,992		103,281,389
Present Value of Future Benefits	$	110,050,031	$	118,739,866
ACTUARIAL LIABILITY				
Present Value of Future Benefits	$	110,050,031	$	118,739,866
Less Present Value of Future Normal Costs		2,930,590		2,502,437
Actuarial Liability	$	107,119,441	$	116,237,429
Actuarial Value of Assets		36,367,585		33,807,415
Net Surplus (Unfunded)	$	(70,751,856)	$	(82,430,014)
PRESENT VALUE OF ACCUMULATED BENEFITS (FASB ASC 960)				
Active Participant Benefits	$	13,559,449	$	12,956,040
Retiree and Inactive Benefits		93,559,992		103,281,389
Actuarial Liability	$	107,119,441	$	116,237,429
Market Value of Assets		32,417,188		31,242,861
Net Surplus (Unfunded)	$	(74,702,253)	$	(84,994,568)
VESTED LIABILITY (FASB ASC 960)				
Actuarial Liability	$	107,119,441	$	116,237,429
Less Present Value of Non-Vested Benefits		62,854		608,060
Vested Liability	$	107,056,587	$	115,629,369
Market Value of Assets		32,417,188		31,242,861
Net Surplus (Unfunded)	$	(74,639,399)	$	(84,386,508)
CURRENT LIABILITY (RPA 1994)	$	171,491,016	$	174,848,817
Market Value of Assets		32,417,188		31,242,861
Net Surplus (Unfunded)	$	(139,073,828)	$	(143,605,956)
Current Liability Interest Rate		3.28%		3.05%

SECTION III – LIABILITIES

Allocation of Liabilities by Type

The Plan's participants may qualify for a benefit on death, termination, and disability as well as on retirement. The value of the liabilities arising from each of these sources is shown in the following table:

Table III-2

Benefit Type	Retirement	Termination	Death	Disability	Total
Normal Cost	$ 347,840	$ 79,497	$ 5,877	$ -	$ 433,214
Actuarial Liability					
Actives	$ 11,490,711	$ 1,290,317	$ 175,012	$ -	$ 12,956,040
Terminated Vesteds	0	29,843,497	0	0	29,843,497
Retirees and Beneficiaries	60,119,586	0	7,753,977	5,564,329	73,437,892
Total	$ 71,610,297	$ 31,133,814	$ 7,928,989	$ 5,564,329	$ 116,237,429
RPA Current Liability Normal Cost	$ 650,211	$ 180,097	$ 5,491	$ -	$ 835,799
RPA Current Liability					
Actives	$ 20,315,618	$ 2,628,807	$ 153,028	$ -	$ 23,097,453
Terminated Vesteds	0	52,839,593	0	0	52,839,593
Retirees and Beneficiaries	79,752,801	0	10,642,872	8,516,098	98,911,771
Total	$ 100,068,419	$ 55,468,400	$ 10,795,900	$ 8,516,098	$ 174,848,817
Vested RPA Current Liability					
Actives	$ 9,920,908	$ 12,176,923	$ 152,592	$ -	$ 22,250,423
Terminated Vesteds	0	52,839,593	0	0	52,839,593
Retirees and Beneficiaries	79,752,801	0	10,642,872	8,516,098	98,911,771
Total	$ 89,673,709	$ 65,016,516	$ 10,795,464	$ 8,516,098	$ 174,001,787

SECTION III – LIABILITIES

Changes in Liabilities

Each of the liabilities shown in the prior table is subject to change at successive valuations as the experience of the Plan varies from that assumed in the valuation. The liabilities may change for any of several reasons, including:

- Plan amendments
- Interest on actuarial liabilities
- Benefits paid to retirees
- Participants leaving employment at rates different from expected
- Changes in actuarial assumptions
- New hires since the last valuation
- Benefits accrued since the last valuation
- Changes in actuarial methods
- Corrections to participant data records

The mortality assumption was updated to reflect a more recent table.

Table III-3

		Actuarial Liability
Liabilities 1/1/2016	$	107,119,441
Liabilities 1/1/2017		116,237,429
Liability Increase/(Decrease)	$	9,117,988
Change due to:		
Plan Amendment	$	(1,022,124)
Assumption Change		11,884,102
Accrual of Benefits		511,698
Increase for Interest		7,236,469
Benefit Payments		(8,652,368)
Actuarial (Gain)/Loss		(839,789)
Total	$	9,117,988

SECTION IV – COSTS AND CONTRIBUTIONS

In this section, detailed information on plan costs and contributions is presented from two perspectives:

- The actuarially determined Board Policy Cost and
- Statutory amounts, which could affect the above.

Board Policy Cost

The Board Policy Cost is based on criteria established by the Board of Trustees. It is determined in two parts. The first part is the Unit Credit normal cost. This is the value of the new future benefits accrued and expenses expected to be paid over the coming year.

The second part is an amortization payment to pay off the Unfunded Actuarial Liability. The Unfunded Actuarial Liability is the difference between the Market Value of Assets of the Plan at the valuation date and Actuarial Liability as determined by the actuarial cost method. This amount is amortized over 10 years.

In theory, if income from contributions and Withdrawal Liability payments equal to the Policy Cost are made for ten years the Plan will be completely funded. In reality, the expected income from contributions and withdrawal payments is far less than this amount and will not reduce the Unfunded Actuarial Liability this year. The shortfall will increase next year's Policy Cost.

Statutory Amounts

ERISA and the IRS tax code produce various requirements on the contributions made to qualified pension plans. These amounts impact the minimum that must be paid, the maximum that can be deducted, and the timing of contributions.

To ensure that minimum contributions are met, pension plans are required to retain an enrolled actuary to complete Schedule MB to Form 5500 on an annual basis. Because the bargained contributions exceeded the Minimum Required Contribution in years past, the Plan built up a credit balance. However, that is no longer the case. The credit balance is being used to make up the difference between the Minimum Required Contribution and bargained contributions and withdrawal payments.

The actuarially determined Board Policy Cost for 2017 is compared to the statutory amounts on the next table and to the expected contributions from all sources. The table also shows the Board Policy Cost and expected contributions per hour.

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-1
Costs and Contributions

	2016	2017
Board Policy Cost		
Normal Cost plus Expenses	$ 1,181,698	$ 1,103,214
Amortization of Unfunded Actuarial Liability (10 years / 10 years)	9,940,112	11,309,640
Interest to Mid Year	382,680	427,102
Total	$ 11,504,490	$ 12,839,956
Statutory Amounts		
Maximum Deductible Contribution	$ 207,874,620	$ 214,354,588
Minimum Contribution (before Credit Balance)		
Normal Cost plus Expenses	$ 1,181,698	$ 1,103,214
Amortization Payment	8,021,662	9,748,394
Interest to End of Year	644,235	759,613
Total	$ 9,847,595	$ 11,611,221
Actual/*Estimated* Employer Contributions plus Withdrawal Liability Payments and Litigation Settlements	$ 5,664,019	*$ 5,270,000*
Actual/*Expected* Hours	326,219	*300,000*
Per Hour Board Policy Cost	$ 32.87	$ 42.80
Per Hour Contribution	$ 17.36	$ 17.57

The tables on the following pages show the IRS Funding Standard Account as well as development of the minimum required and maximum deductible contributions for 2017 and other supporting information.

BUILDING MATERIAL DRIVERS LOCAL 436 PENSION FUND
ACTUARIAL VALUATION AS OF JANUARY 1, 2017

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-2
Funding Standard Account for 2016 AND 2017 Plan Years

	2016	2017	
1. Charges For Plan Year			
a. Normal Cost plus Expenses	$ 1,181,698	$ 1,103,214	
b. Amortization Charges	10,200,563	11,355,041	
c. Interest on a. and b. to Year End	796,758	872,078	
d. Additional Funding Charge	N/A	N/A	
e. Interest Charge due to Late Quarterly Contributions	N/A	N/A	
f. Total Charges	$ 12,179,019	$ 13,330,333	
2. Credits For Plan Year			
a. Prior Year Credit Balance	$ 215,241	$ (3,758,381)	
b. Employer Contributions, Settlement, Withdrawal Liability Payments (Actual/*Expected*)	5,664,019	*5,270,000*	*
c. Amortization Credits	2,178,901	1,606,647	
d. Interest on a., b., and c. to Year End	362,477	30,709	
e. Full Funding Limit Credit	0	0	
f. Total Credits	$ 8,420,638	$ 3,148,975	
3. Credit Balance at End of Year [2. – 1.]	$ (3,758,381)	$ (10,181,358)	*

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-3
Calculation of the Maximum Deductible Contribution
for the Plan Year Starting January 1, 2017

1.	"Fresh Start" Method		
	a. Normal Cost plus Expenses	$	1,103,214
	b. Net Charge to Amortize Unfunded Actuarial Liability over 10 years		10,968,392
	c. Interest on a. and b.		845,012
	d. Total	$	12,916,618
	e. Minimum Required Contribution at Year End	$	15,632,689
	f. Larger of d. and e.	$	15,632,689
	g. Full Funding Limitation as of Year End	$	128,621,057
	h. Maximum Deductible Contribution [lesser of f. and g.]	$	15,632,689
2.	140% of Current Liability Calculation		
	a. RPA 1994 Current Liability at Start of Year	$	174,848,817
	b. Present Value of Benefits Estimated to Accrue during Year		835,798
	c. Expected Benefit Payments		9,433,158
	d. Net Interest on a., b. and c. at Current Liability Interest Rate		5,215,606
	e. Expected Current Liability at End of Year, [a. + b. – c. + d.]	$	171,467,063
	f. 140% of e.	$	240,053,888
	g. Actuarial Value of Assets	$	33,807,415
	h. Expected Expenses		670,000
	i. Net Interest on c., g., and h. at Valuation Interest Rate		1,995,043
	j. Estimated Value of Assets, [g. – c. – h. + i.]	$	25,699,300
	k. Unfunded Current Liability at Year End, [f. – j.]	$	214,354,588
3.	Maximum Deductible Contribution at Year End, greater of 1h. and 2k.	$	214,354,588

BUILDING MATERIAL DRIVERS LOCAL 436 PENSION FUND
ACTUARIAL VALUATION AS OF JANUARY 1, 2017

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-4
Development of Actuarial Gain/(Loss)
for the Year Ended December 31, 2016

1. Unfunded Actuarial Liability at Start of Year			$	70,751,856
2. Normal Cost plus Expenses at Start of Year				1,181,698
3. Interest on 1. and 2. to End of Year				5,035,349
4. Employer Contributions plus Withdrawal Liability Payments for Year				5,664,019
5. Interest on 4. to End of Year				194,888
6. Increase in Unfunded Actuarial Liability Due to Changes in Assumptions				11,884,102
7. Increase in Unfunded Actuarial Liability Due to Changes in Plan Design				(1,022,124)
8. Increase in Unfunded Actuarial Liability Due to Changes in Funding Method				0
9. Expected Unfunded Actuarial Liability at End of Year [1. + 2. + 3. – 4. – 5. + 6. + 7. + 8.]			$	81,971,974
10. Actual Unfunded Actuarial Liability at End of Year, not less than zero			$	82,430,014
11. Actuarial Gain / (Loss) [9. – 10.]			$	(458,040)
a. Gain/(Loss) on Actuarial Value of Assets	$	(1,341,718)		
b. Gain/(Loss) on Liabilities	$	839,789		
c. Gain/(Loss) on Expenses	$	43,889		
12. Amortization Factor for Actuarial Gain / (Loss)				9.7455
13. Amortization Credit / (Charge) for Actuarial Gain / (Loss)			$	(47,000)

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-5a
Schedule of Amortizations Required for Minimum Required Contribution
as of January 1, 2017

	Charge Bases	Date Established	Initial Amount	Initial Amortization Years	1/1/2017 Outstanding Balance	Remaining Amortization Years*	Beginning of Year Amortization Amount
1.	Initial Accrued Liability	1/1/1978	$ N/A	40	$ 5,644,457	6	$ 1,106,713
2.	Plan Amendment	1/1/1979	N/A	40	2,766,032	7	479,669
3.	Plan Amendment	1/1/1981	N/A	40	4,778,849	9	685,503
4.	Plan Amendment	1/1/1985	N/A	30	23,462	3	8,355
5.	Plan Amendment	1/1/1986	N/A	30	428,122	4	118,125
6.	Plan Amendment	1/1/1987	N/A	30	1,027,434	5	234,188
7.	Plan Amendment	1/1/1988	N/A	30	214,423	6	42,042
8.	Plan Amendment	1/1/1992	N/A	30	171,035	10	22,758
9.	Plan Amendment	1/1/1993	N/A	30	1,746,198	11	217,633
10.	Plan Amendment	1/1/1994	N/A	30	202,060	12	23,775
11.	Plan Amendment	1/1/1995	N/A	30	12,702	13	1,420
12.	Plan Amendment	1/1/1996	N/A	30	1,512,757	14	161,660
13.	Plan Amendment	1/1/1997	N/A	30	522,806	15	53,646
14.	Plan Amendment	1/1/1998	N/A	30	1,549,451	16	153,291
15.	Plan Amendment	1/1/1999	N/A	30	2,060,760	17	197,265
16.	Experience Loss	1/1/1999	N/A	15	70,514	2	36,449
17.	Plan Amendment	1/1/2000	N/A	30	680,296	18	63,206
18.	Experience Loss	1/1/2000	N/A	15	153,275	3	54,585
19.	Plan Amendment	1/1/2001	N/A	30	2,021,617	19	182,801
20.	Plan Amendment	1/1/2002	N/A	30	3,112,633	20	274,589
21.	Experience Loss	1/1/2002	N/A	15	477,476	5	108,834
22.	Plan Amendment	1/1/2003	N/A	30	1,770,215	21	152,684
23.	Assumption Change	1/1/2003	N/A	30	9,431,906	21	813,515

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-5b
Schedule of Amortizations Required for Minimum Required Contribution
as of January 1, 2017

	Charge Bases (continued)	Date Established	Initial Amount	Initial Amortization Years	1/1/2017 Outstanding Balance	Remaining Amortization Years*	Beginning of Year Amortization Amount
24.	Experience Loss	1/1/2003	N/A	15	$ 1,982,783	6	$ 388,766
25.	Experience Loss	1/1/2004	N/A	30	786,692	22	66,469
26.	Experience Loss	1/1/2004	N/A	15	1,600,926	7	277,623
27.	Experience Loss	1/1/2005	N/A	30	493,764	23	40,938
28.	Experience Loss	1/1/2005	N/A	15	959,401	8	150,158
29.	Experience Loss	1/1/2006	$ 2,537,636	15	1,550,850	9	222,462
30.	Experience Loss	1/1/2007	1,579,662	15	1,055,770	10	140,484
31.	Plan Change	1/1/2008	75,028	15	54,187	11	6,753
32.	Experience Loss	1/1/2008	1,103,099	15	796,744	11	99,300
33.	Experience Loss	1/1/2009	9,404,102	15	5,677,219	7	984,511
34.	Experience Loss	1/1/2011	2,235,704	15	1,620,121	9	232,399
35.	Experience Loss	1/1/2012	4,149,340	15	3,230,490	10	429,859
36.	Experience Loss	1/1/2013	706,186	15	585,068	11	72,919
37.	Experience Loss	1/1/2014	2,736,150	15	2,393,467	12	281,628
38.	Experience Loss	1/1/2015	66,206	15	60,753	13	6,794
39.	Assumption Change	1/1/2015	9,398,219	15	8,624,041	13	964,368
40.	Plan Amendment	1/1/2015	1,815,792	15	1,666,216	13	186,322
41.	Assumption Change	1/1/2016	515,274	15	494,769	14	52,873
42.	Assumption Change	1/1/2016	2,838,461	15	2,725,506	14	291,260
43.	Experience Loss	1/1/2017	458,040	15	458,040	15	47,000
44.	Assumption Change	1/1/2017	11,884,102	15	11,884,102	15	1,219,449
	TOTAL CHARGES				$ 89,079,389		$ 11,355,041

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-6
Schedule of Amortizations Required for Minimum Required Contribution
as of January 1, 2017

	Credit Bases	Date Established	Initial Amount	Initial Amortization Years	1/1/2017 Outstanding Balance	Remaining Amortization Years	Beginning of Year Amortization Amount
1.	Assumption Change	1/1/1991	N/A	30	15,065	4	4,157
2.	Assumption Change	1/1/1991	N/A	30	99,730	4	27,517
3.	Method Change	1/1/1996	N/A	30	537,762	9	77,139
4.	Plan Change	1/1/2007	$ 3,155,623	30	2,738,555	20	241,589
5.	Method Change	1/1/2007	1,665,055	30	1,444,987	20	127,473
6.	Assumption Change	1/1/2009	3,681,270	10	969,924	2	501,362
7.	Asset Method Change	1/1/2010	1,505,906	15	1,003,664	8	157,085
8.	Experience Gain	1/1/2011	3,256,530	15	2,359,871	9	338,512
9.	Plan Amendment	1/1/2013	251,199	15	216,074	11	26,930
10.	Plan Amendment	1/1/2017	1,022,124	15	1,022,124	15	104,882
	TOTAL CREDITS				$ 10,407,756		$ 1,606,647
	NET CHARGE				**$ 78,671,633**		**$ 9,748,394**

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-7
Accumulated Reconciliation Account and Balance Test
as of January 1, 2017

1. Amount due to Additional Interest Charges in Prior Years	$	0
2. Amount due to Additional Funding Charges in Prior Years		0
3. Reconciliation Account at Start of Year [1. + 2.]		0
4. Net Outstanding Amortization Bases		78,671,633
5. Credit Balance at Start of Year		(3,758,381)
6. Unfunded Actuarial Liability at Start of Year from Funding Equation [4. – 3. – 5.]	$	82,430,014
7. Actuarial Liability at Start of Year	$	116,237,429
8. Actuarial Value of Assets at Start of Year		33,807,415
9. Unfunded Actuarial Liability at Start of Year from Liability Calculation [7. – 8.]	$	82,430,014

The Plan passes the Balance Test because line 6. equals line 9.

SECTION IV – COSTS AND CONTRIBUTIONS

Table IV-8
Development of Full Funding Limitation
for the Year Starting January 1, 2017

		Minimum	Maximum
1.	ERISA Actuarial Liability Calculation		
a.	Actuarial Liability	$ 116,237,429	$ 116,237,429
b.	Normal Cost plus Expenses	1,103,214	1,103,214
c.	Lesser of Market Value and Actuarial Value of Assets	31,242,861	31,242,861
d.	Credit Balance at Start of Year	(3,758,381)	N/A
e.	Actuarial Liability Full Funding Limit [a. + b. – c. + d.] × 1.07	$ 88,103,159	$ 92,124,627
2.	Full Funding Limit Override (RPA '94)		
a.	RPA 1994 Current Liability at Start of Year	$ 174,848,817	$ 174,848,817
b.	Present Value of Benefits Estimated to Accrue during Year	835,798	835,798
c.	Expected Benefit Payments	9,433,158	9,433,158
d.	Net Interest on a., b. and c. at Current Liability Interest Rate	5,215,606	5,215,606
e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]	$ 171,467,063	$ 171,467,063
f.	90% of e.	$ 154,320,357	$ 154,320,357
g.	Actuarial Value of Assets at Start of Year	$ 33,807,415	$ 33,807,415
h.	Expected Expenses	670,000	670,000
i.	Net Interest on c., g., and h. at Valuation Interest Rate	1,995,043	1,995,043
j.	Estimated Value of Assets, [g. – c. – h. + i.]	25,699,300	25,699,300
k.	RPA 1994 Full Funding Limit Override, [f. – j.]	$ 128,621,057	$ 128,621,057
3.	Full Funding Limitation at End of Year, greater of 1e. and 2k.	$ 128,621,057	$ 128,621,057

SECTION V – WITHDRAWAL LIABILITY

The Multiemployer Pension Plan Amendments Act of 1980 (MPPAA) provides that an employer who withdraws from a multi-employer pension plan, either partially or totally, will be liable to the Plan for a proportionate share of the plan's total Unfunded Vested Benefits (UVB), reallocation liability, and affected benefits that exist as of the end of the plan year prior to the year in which the withdrawal occurs.

As shown in the table below, the total actuarial liability for all vested benefits, including expected administrative expenses, as of December 31, 2016 is $117,143,084. As of December 31, 2016, the Market Value of Assets of the Plan was $31,242,861. Because the vested liability exceeds the assets of the Plan, there are Unfunded Vested Benefits as of December 31, 2016. Consequently, an employer who withdraws from the Plan during the plan year beginning January 1, 2017 may have a Withdrawal Liability.

Table V-1
Uunfunded Vested Benefits Liability

	Actuarial Liability of Vested Benefits as of December 31, 2016 for:	**Withdrawals Occuring January 1, 2017 – December 31, 2017**
1.	Retirees and Beneficiaries	$ 72,012,175
2.	Terminated Vested Participants	29,843,497
3.	Active Participants	12,347,980
4.	Present Value of Vested Benefits	$ 114,203,652
5.	Future Administrative Expense	2,939,432
6.	**Actuarial Liability of Vested Benefits for Withdrawal Liability**	**$ 117,143,084**
7.	Market Value of Assets	31,242,861
8.	**Unfunded Vested Benefits [(6.) – (7.)]**	**$ 85,900,223**

SECTION V – WITHDRAWAL LIABILITY

The actuarial liability of vested benefits shown above does not include the value of non-forfeitable Adjustable Benefits (also referred to as Affected Benefits) that have been removed as a consequence of the plan's rehabilitation plan. The law requires plans to allocate the value of unamortized Affected Benefits to withdrawing employers separately from the allocation of the Unfunded Vested Benefits and reallocation liability. This allocation is based on the employer's five-year contributions divided by the Plan's five-year contributions for all employers with an obligation to contribute for the five-years prior to withdrawal. Affected Benefits bases are amortized over 15 years on a mortgage type basis. As of December 31, 2016 the Plan's Affected Benefits were:

Table V-2
Affected Benefits

Plan Year Ending	Initial Base	Years Remaining	Unamortized Balance
12/31/2010	$ 3,197,907	9	$ 2,317,390
12/31/2012	235,274	11	194,922
12/31/2016	951,554	15	951,554
Total	$ 4,384,735		$ 3,463,866

SECTION VI – FASB ASC TOPIC NO. 960 DISCLOSURES

Table VI-1
Present Value of Accumulated Benefits as of January 1, 2017 in Accordance with ASC Topic No. 960

	Amounts	Counts
1. Actuarial Present Value of Benefits		
For Retirees and Beneficiaries	$ 73,437,892	937
Terminated Vesteds	29,843,497	565
Active Participants	12,347,980	127
Vested Benefits	$ 115,629,369	1,629
2. Non-vested Benefits	$ 608,060	64
3. Accumulated Benefits	$ 116,237,429	1,693
4. Market Value of Assets	$ 31,242,861	
5. Funded Ratios		
Vested Benefits	27.0%	
Accumulated Benefits	26.9%	

RECONCILIATION OF PRESENT VALUE OF ACCUMULATED BENEFITS

1. Actuarial Present Value at January 1, 2016	$ 107,119,441
2. Increase (decrease) over Prior Year due to:	
Benefit Accruals	$ 511,698
Benefit Payments	(8,652,368)
Increase for Interest	7,236,469
Experience (Gains)/Losses	(839,789)
Changes in assumptions	11,884,102
Plan Amendments	(1,022,124)
3. Actuarial Present Value at December 31, 2016	$ 116,237,429

APPENDIX A – MEMBERSHIP INFORMATION

The data for this valuation was provided electronically by the Fund Office. Cheiron did not audit any of the data; however, it was reviewed to ensure that it complies with generally accepted actuarial standards. The data was collected as of January 1, 2017.

The following is a list of data charts contained in this section:

- Service Distribution for Active Participants
- Data Reconciliation
- Counts and Average Benefit Amount by Age for Retirees, Beneficiaries, and Disabled Participants
- Counts and Average Benefit Amount by Age for Terminated Vested Participants

Count of Active Participants

Years of Service at January 1, 2017

Age	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
Under 25	3	1									4
25-29	2	3									5
30-34	2	2									4
35-39	2	1		2	1						6
40-44	3	5	4	2	4						18
45-49	6	4	1	3	1	1	1				17
50-54	4	7	11	6	3	5	4	2			42
55-59	3	3	6	7	6	4	12	5	4		50
60-64	3	5	3	4	5	6	3	4	1		34
65-69		1	1		1			2		1	6
70 & up	1	3	1								5
Total	29	35	27	24	21	16	20	13	5	1	191

Average Age: 53.2 Average Service: 15.2

APPENDIX A – MEMBERSHIP INFORMATION

DATA RECONCILIATION FROM JANUARY 1, 2016, TO JANUARY 1, 2017

		Actives	Terminated Vested	Retired	Deferred Beneficiary	Disabled	Beneficiaries	QDRO	Total
1.	Participants, January 1, 2016 valuation	**222**	**547**	**673**	**20**	**45**	**217**	**22**	**1,746**
2.	Additions								
	a. New entrants	14							14
	b. Data corrections			1	1		1		3
	c. Total	14		1	1		1		17
3	Reductions								
	a. Terminated - not vested	(22)	(2)						(24)
	b. Lump Sum or no further benefit due		(1)						(1)
	c. Died without beneficiary	(1)	(1)	(28)		(3)	(13)		(46)
	d. Total	(23)	(4)	(28)		(3)	(13)		(71)
4	Changes in status								
	a. Terminated with vested benefit	(16)	16						
	b. Retired	(9)	(15)	24					
	c. Disabled								
	d. Returned to work	5		(5)					
	e. QDRO							2	2
	f. Died with beneficiary	(2)		(15)		(1)	17		(1)
	g. Total	(22)	1	4		(1)	17	2	1
5	Participants, January 1, 2017 valuation	**191**	**544**	**650**	**21**	**41**	**222**	**24**	**1,693**

APPENDIX A – MEMBERSHIP INFORMATION

Age Distribution of Inactive Participants

Pensioners and Beneficiaries Receiving Benefits as of January 1, 2017

Age	Disability Retirements Number	Disability Retirements Monthly Benefit	Normal, Early, and QDRO Retirements Number	Normal, Early, and QDRO Retirements Monthly Benefit	Beneficiaries Receiving Benefits Number	Beneficiaries Receiving Benefits Monthly Benefit	Total Number	Total Monthly Benefit
Under 55	1	$ 1,384	0	$ 0	5	$ 3,247	6	$ 4,631
55-59	3	4,210	4	1,522	7	2,108	14	7,839
60-64	14	18,295	73	59,214	15	7,941	102	85,450
65-69	7	9,885	170	165,142	38	15,318	215	190,344
70-74	7	9,584	135	118,954	32	12,028	174	140,566
75-79	5	3,777	131	126,093	32	8,052	168	137,923
80 & Over	4	1,407	161	99,291	93	22,825	258	123,523
Total	41	$ 48,541	674	$ 570,216	222	$ 71,519	937	$ 690,275

Deferred Vested Participants and Surviving Spouses Entitled to Future Benefits

Age	Number	Monthly Benefit Payable at Normal Retirement Date
Under 45	57	$ 22,530
45-49	88	43,972
50-54	137	92,360
55-59	168	116,966
60-64	96	71,031
65 & Over	19	6,050
Total	565	$ 352,909

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

1. Participation

Any member of the Teamsters Union Local No. 436 becomes a participant on the first date contributions are made to the pension plan by the employer.

2. Credited Service

Credited service is earned as follows:

Credited Hours in Covered Employment During Calendar Year	Effective January 1, 1992 Credited Service
1,300 or more	1.0
1,170 to 1,299	0.9
1,040 to 1,169	0.8
910 to 1,039	0.7
780 to 909	0.6
650 to 779	0.5
0 to 649	0

Effective January 1, 2007, one full year is credited for each plan year in which the participant is credited with at least 2,080 hours. Partial credit is given for hours greater than 1,000 but less than 2,080 determined by dividing the number of hours worked by 2,080.

3. Vesting Credit

One year of service is credited for each plan year with at least 870 hours worked. Years of service prior to January 1, 1976 are credited in accordance with the plan provisions then in effect.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

4. Normal Pension

a. Eligibility For benefits earned before January 1, 2007 eligibility is the earlier of the attainment of age 65 and the fifth anniversary of plan membership or the attainment of age 62 and completion of ten years of Credited Service.

For benefits earned after December 31, 2006, eligibility is the earlier of the attainment of age 65 and the fifth anniversary of Plan membership or the attainment of age 65 and completion of ten years of Credited Service.

b. Amount The monthly benefit is calculated using the rates listed in the following table.

Regular Plan	
Basic Monthly Benefit	For employers at $30-$40 weekly contribution: $16.50 for each year of service up to 30 years plus $1.00 for each year of service in excess of 30 years
Supplement	$250.00 per month
Lower Plan	For employers at less than $30 weekly contribution: $5.50 for each year of service up to 30 years
1992 Plan	Effective in 1992, a lifetime monthly pension equal to: For employers at $40 weekly contribution: $27.00 for each year of service up to 10 years, $31.00 for each year of service between 10 and 20 years, $35.00 for each year of service between 20 and 30 years, $36.00 for each year of service between 30 and 32 years *Maximum amount is $1,002*

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

1995 Plan	Effective in 1995, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $6.50 per hour: $35.10 for each year of service up to 10 years $40.30 for each year of service between 10 and 20 years $45.50 for each year of service between 20 and 30 years $46.50 for each year of service between 30 and 32 years *Maximum amount is $1,302*
1997 Plan	Effective in 1997, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $7.35 per hour: $41.10 for each year of service up to 10 years $47.20 for each year of service between 10 and 20 years $53.30 for each year of service between 20 and 30 years $54.50 for each year of service between 30 and 32 years *Maximum amount is $1,525*
1998 Plan	Effective in 1998, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $7.80 per hour: $47.20 for each year of service up to 10 years $54.20 for each year of service between 10 and 20 years $61.10 for each year of service between 20 and 30 years $62.10 for each year of service between 30 and 32 year *Maximum amount is $1,750*
2000 Plan	Effective in 2000, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $8.70 per hour: $56.70 for each year of service up to 10 years $65.00 for each year of service between 10 and 20 years $73.30 for each year of service between 20 and 30 years $75.00 for each year of service between 30 and 32 years *Maximum amount is $2,100*

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

2001 Plan	Effective in 2001, a lifetime monthly pension equal to: For employers where ultimate Rehabilitation Plan contribution is $9.15 per hour: $62.10 for each year of service up to 10 years $71.20 for each year of service between 10 and 20 years $80.30 for each year of service between 20 and 30 years $82.00 for each year of service between 30 and 32 years *Maximum amount is $2,300* For employers where ultimate Rehabilitation Plan contribution is $9.60 per hour: $67.20 for each year of service up to 10 years $77.50 for each year of service between 10 and 20 years $87.50 for each year of service between 20 and 30 years $89.00 for each year of service between 30 and 32 years *Maximum amount is $2,500* For employers where ultimate Rehabilitation Plan contribution is $10.05 per hour: $72.60 for each year of service up to 10 years $83.70 for each year of service between 10 and 20 years $94.50 for each year of service between 20 and 30 years $96.00 for each year of service between 30 and 32 years *Maximum amount is $2,700*

5. Form of Payment

The normal form of payment for accrued benefits is a straight life annuity for all active employees and for former participants with deferred vested benefits. Other actuarially equivalent alternative forms of payment are available. A married participant's spouse must agree to any form that is not a 50% qualified Joint and Survivor Annuity.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

6. Early Retirement

a. Eligibility For benefits earned after an employer adopted the rehabilitation plan, eligibility is the attainment of age 62 and completion of 15 years of credited service.

b. Amount Benefit is the actuarially reduced accrued benefit for commencement prior to normal retirement date.

7. Deferred Vested Retirement

a. Eligibility Eligibility is the completion of five years of vesting service.

b. Amount Benefit is the normal pension actuarially reduced if payments begin prior to age 65.

8. Pre-Retirement Surviving Spouse Benefit

If a vested participant is eligible for pension, but dies prior to commencement of benefits, the surviving spouse is entitled to the benefit the spouse would have received had the participant retired with the 50% Joint and Survivor form in effect, then died.

If a vested participant is not eligible to begin receiving pension and dies prior to commencement of benefits, the surviving spouse is entitled to the benefit the spouse would have received had the participant terminated employment on the date of death with deferred vested benefit, survived to the earliest possible eligibility date and then retired with the 50% Joint and Survivor form in effect, then died.

9. Changes since Last Valuation

All employers have adopted the rehabilitation plan, which removed disability benefits, lump-sum death benefits, and the five-year certain provision of the Plan's normal form of payment.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. Rates of Investment Return

Funding and disclosure purposes:
7.00% compounded annually

Current Liability under RPA 1994:
3.05% compounded annually

All investment returns are net of investment expenses.

2. Rates of Mortality

Funding: Mortality for healthy participants is assumed to follow the RP-2014 adjusted to 2006 Blue Collar Mortality, projected using the MP-2016 improvement scale with base year 2006 and generational mortality improvements.

Mortality for disabled participants is assumed to follow the RP-2014 Disabled Retiree Mortality Table, projected using the MP-2014 improvement scale with base year 2014 and generational mortality improvements.

RPA '94 Current Liability: Mortality under RPA' 94 is assumed to follow the IRS 2017 Static Mortality Table.

3. Rates of Retirement

Rates of retirement are assumed to be in accordance with annual rates as shown below for illustrative ages.

Age	Rate of Retirement
57 to 59	1.0%
60 to 61	2.5%
62	20.0%
63 to 64	12.5%
65	17.5%
66	100.0%

Late Retirement: We have assumed that suspension of benefits notices has been given to all participants who worked beyond their Normal Retirement Dates.

4. Rates of Turnover

Sample rates for termination of employment for reasons other than death, disability, or retirement are shown below.

Age	Rate of Turnover
25	17.33%
40	13.30%
55	5.61%

5. Marital Status

For participants not receiving benefits, 80% of the male participants and 50% of the female participants will have a surviving spouse with wives assumed to be three years younger than husbands are.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

6. Administrative Expenses

$670,000 assumed payable at the beginning of the year. Five years of administrative expenses are included to determine the value of vested benefits when calculating Withdrawal Liability.

7. Changes in Assumptions Since Last Valuation

As required, the current liability interest rate and mortality were updated. The interest rate went from 3.28% to 3.05%.

Disability rates were removed as a separate decrement because the Plan no longer provides disability benefits. They were added to the prior termination rates.

For funding purposes the following assumptions were changed. These changes were made in an attempt to have plan assumptions mirror those that have been used for MPRA benefit suspensions that have been approved by the Department of Treasury.

- Vested terminated participants are assumed to begin benefits at age 62 (or current age if greater) rather than age 65.
- Mortality for healthy participants was changed to follow RP-2014 adjusted to 2006 Blue Collar Mortality, projected using the MP-2016 improvement scale with base year 2006 and generational mortality improvements.
- Mortality for disabled participants was changed to follow RP-2014 Disabled Retiree Mortality, projected using the MP-2014 improvement scale with base year 2014 and generational mortality improvements.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. **Asset Valuation Method**
The valuation assets are determined as the market value less (1) 80% of the investment gain/ (loss) during the preceding year, less (2) 60% of the investment gain/ (loss) during the second preceding year, less (3) 40% of the investment gain/ (loss) during the third preceding year, less (4) 20% of the investment gain/ (loss) for the fourth preceding year. However, the 2008 investment loss is recognized at a rate of 10% per plan year due to PRA 2010 Funding Relief. For the purpose of this calculation, the gain/ (loss) is defined as the difference between the actual and the expected return (based on the valuation interest rate) on the Market Value of Assets during the year.

   The actuarial value is taken to be the adjusted market value as described above, but subject to a 20% corridor limit around the actual market value; that is, the actuarial value is never greater than 120% of market value, not less than 80% of market value.

2. **Funding Method: Unit Credit Cost Method**
The cost method for valuation of liabilities used for this valuation is the Unit Credit method. This is one of a family of valuation methods known as an accrued benefits method. The chief characteristic of an accrued benefits method is that the funding pattern follows the pattern of benefit accrual. Under the Unit Credit actuarial cost method, the normal cost is determined as that portion of each participant's benefit attributable to service expected to be earned in the upcoming plan year. The actuarial liability, which is determined for each participant as of each valuation date, represents the actuarial present value of the participant's current accrued benefit as of the valuation date.

   One of the significant effects of this funding method is that, depending on the demographics of the population, the Unit Credit method tends to produce lower costs in the early years. There is a possibility that as the population ages, the annual cost could increase over time.

3. **Pension Relief Act of 2010 Funding Relief**
The Plan's Board of Trustees elected funding relief under §431(b)(8) of the Internal Revenue Code commencing with the 2009 plan year, specifically:

   - The "special asset valuation rule" in determining the actuarial value of plan assets which allows the Plan to recognize the 2008 loss over 10 years, at 10% per year. Prior to the relief, the 2008 would have been recognized over five years, or 20% per year.