Warehouse Employees Union Local No. 730
Pension Trust Fund

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DRAFT

MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
WAREHOUSE EMPLOYEES UNION LOCAL NO. 730
PENSION TRUST FUND
DECEMBER 2, 2022
VIA TELECONFERENCE

The following Trustees were present:

UNION TRUSTEES
J. Lacy
T. Richardson – Alternate

EMPLOYER TRUSTEES
M. Bull – Secretary
J. Paradis
H. Sebhat
M. Goble – Alternate

Also present were:

A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
M. Deveney – Cheiron
C. McDonough– Investment Performance Services, LLC
P. Hardcastle – Cheiron
R. Grant – Associated Administrators, LLC
J. Kimble – Morgan, Lewis & Bockius, LLP
R. Sichel – Investment Performance Services, LLC

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held September 23, 2022.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the minutes of the last regular meeting held on September 23, 2022 are approved as presented.**

III. FINANCIAL REPORT

A. Custodian Bank – PNC Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period January 1, 2022 through September 30, 2022 was included in the meeting booklet.

B. Investment Performance Services, LLC ("IPS")

The Trustees welcomed Mr. Rich Sichel and Mr. Chris McDonough of IPS to the meeting.

Mr. Sichel distributed their report titled, "Master Consulting Services Report – September 30, 2022." Mr. Sichel reported that the total market value of assets as of September 30, 2022 was $144,100,153.

1. Quarterly Performance Report

Mr. Sichel presented the preliminary quarterly performance report for the period ended September 30, 2022. He noted the assets held by the investment managers on September 30, 2022 were as follows: Rothschild – Hardman Johnston Global Advisors held $14,657,126; Northern Trust held $14,063,800; Great Lakes Advisors held $13,907,312; Atlanta Capital held $15,013,830; Hardman Johnston International Equity held $4,800,840; Acadian held $6,001,182; JPMCB Global

Allocation Fund held $6,683,499; C.S. McKee held $1,993,552; Loomis Sayles held $7,371,665; PRISA III held $29,452,708; Boyd Watterson $6,249,736; Corbin ERISA Opportunity Fund held $16,623,518; Hamilton Lane $5,598,346; and the cash account held $1,683,038.

Mr. Sichel reviewed the October preliminary monthly performance report for the period ended October 31, 2022.

2. <u>Asset Allocations</u>

Mr. Sichel reviewed the Fund's asset allocation as of September 30, 2022: U.S. Equities 29.6%, U.S. Small/Mid Cap 10.4%, International Equities 7.5%, Fixed Income Core 1.4%, Fixed Income High Yield 5.1%, Real Estate 24.8%, Opportunistic Strategies 11.5%, Global Tactical Asset Allocation 4.6%, Private Equity 3.9% and cash 1.2%.

3. <u>Special Funding Assistance ("SFA")</u>

The Trustees requested Mr. Matt Deveney and Mr. Peter Hardcastle join the call for the discussion regarding the Fund's application for Special Financial Assistance ("SFA"). The Trustees welcomed Mr. Matt Deveney and Mr. Peter Hardcastle of Cheiron to the meeting. Mr. McDonough directed the Trustees to the SFA memo in the meeting booklet. He stated IPS has closely monitored the SFA program since the passing of the American Rescue Plan Act in 2021. Mr. McDonough then reviewed IPS' action plan for investment related matters for SFA applicants that are not part of APRA priority groups.

The Trustees thanked Mr. Sichel and Mr. McDonough for their report and requested they remain on the call for the Actuary's report.

IV. ACTUARY REPORT

Mr. Deveney and Mr. Hardcastle reviewed the report titled, "2022 Valuation Results" which was provided prior to the meeting.

Mr. Deveney reviewed the Valuation report and provided a historical review of the assets and liabilities, minimum funding, participant counts, and annual cash flows. He discussed the 2022 actuarial valuation results including a summary of key results and Plan year experience. He said the Plan is projected to be insolvent in 2034 without the receipt of SFA.

Mr. Hardcastle discussed in detail the SFA application process and recommended filing a "lock in" application if the Fund's SFA application is not accepted prior to PBGC closing the March 11, 2023 application window. Filing a "lock in application" would allow the Fund to use the asset value and other actuarial data as of December 31, 2022, regardless of the date on which the PBGC accepts the Fund's application. He noted that the PBGC must accept or deny all applications within 120 days of submission.

The Trustees thanked Mr. Deveney and Mr. Hardcastle for their report.

V. COUNSEL REPORT

A. Cybersecurity RFP

Mr. DeLancey reviewed the status of the Request for Proposal regarding the cybersecurity guidance for benefit plans issued by the Department of Labor ("DOL"). He noted that there are a broad range of services and proposed quotes from $8,000 to $100,000. Mr. DeLancey said Co-Counsel is reviewing the proposals and will wait for additional vendor responses before presenting a summary to the Trustees.

B. <u>Special Financial Assistance ("SFA")</u>

Mr. Kimble discussed the application and filing process for the Fund's SFA application. He reported that co-counsel is working with Cheiron and Associated to draft the application and required attachments. He noted that once the application is finalized, his office will physically file the application. Absent additional guidance from PBGC regarding the mechanics of filing the application, Mr. Kimble said he intends to file the application at 12:00 a.m. on March 11, which is when the Fund's window for filing first opens. He reviewed those documents to be included in the SFA application that require signatures from Chairman and Secretary. Mr. Kimble recommended that the Trustees delegate authority to Chairman and Secretary to sign the necessary documents for the filing.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to delegate authority to Chairman and Secretary to sign the documents related to SFA.**

Mr. Kimble then reviewed the Plan Amendment related to SFA, which was distributed prior to the meeting.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to adopt the SFA Plan Amendment as drafted.**

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the third quarter 2022. The report showed contribution income of $1,452,402, miscellaneous income of $447, interest and dividend income of $295,949, and withdrawal liability payments of $165,919, producing a total income of $1,914,717. Expenses included $5,386,054 of pension benefit expense and $337,438 of operating expense, producing a total expense of $5,723,492 for the quarter. This resulted in a net deficit of $3,808,775 for the quarter. Ms. Cochran noted that contributions were made on behalf of 304 active Plan participants and that there were no contribution delinquencies to report.

Ms. Cochran reviewed the pension applications requiring Trustee approval.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the pension applications contained in the Administrative Manager's third quarter 2022 report are approved for payment as presented.**

VII. INVOICES

Ms. Cochran presented a list of invoices dated December 2, 2022. She noted that there were no additions, deletions, or changes to the list.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the invoices on the list dated December 2, 2022 are approved for payment as presented.**

VIII. OTHER FUND BUSINESS

A. Form 5500

Ms. Cochran reported that the Form 5500 for the Plan year ending December 31, 2021 was filed on October 17, 2022.

B. Summary Plan Information Report for the Plan Year Ended December 31, 2021

Ms. Cochran reported that the 104(d) Multiemployer Plan Summary Report was mailed to participating employers, including Local 730, on November 2, 2022.

C. Employer Contribution Rate Increase Letter

Ms. Cochran reported a contribution rate increase letter was mailed to Washington Food for a rate change effective November 1, 2022.

D. Pension Benefit Guarantee Corporation ("PBGC") 2021 Comprehensive Filing

Ms. Cochran stated that the 2021 Comprehensive Filing with PBGC was made on October 12, 2022. The Fund paid a premium of $63,296.00.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected March 3, 2022 as their next regular meeting date immediately following the companion Legal Fund meeting via teleconference.

X. ADJOURNMENT

There being no further business to come before the Trustees, the meeting was adjourned.

Respectfully submitted,

Michael Bull

Secretary