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
MARCH 13, 2024
VIA ZOOM

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
W. Davis – Secretary	J. Paradis – Chairman
R. Brooks	M. Bull
F. Myers	M. Goble – Alternate

Also present were:

A. Cochran – Associated Administrators, LLC
J. Czarnik – Cheiron
M. Deveney – Cheiron
P. Hardcastle – Cheiron
R. Grant – Associated Administrators, LLC
J. Kimble – Morgan, Lewis & Bockius, LLP
J. Mink– Investment Performance Services, LLC
B. Saindon – Mooney, Green, Saindon, Murphy & Welch, P.C.

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 December 1, 2023.

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 December 1, 2023 are approved as presented.**

III. FINANCIAL REPORT

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

The Trustees welcomed Ms. Jennifer Mink of IPS to the meeting.

Ms. Mink distributed her firm's report titled, "Master Consulting Services Report – December 31, 2023." Ms. Mink reviewed the financial markets generally. She reported that the Fund's total market value of assets as of December 31, 2023 was $145,129,919, and its year-to-date return 6.3%, compared to the 6.8% return for the index.

1. Asset Allocations

She reviewed the Fund's asset allocation as of December 31, 2023: U.S. Equities 30.8%, U.S. Small/Mid Cap 11.2%, International Equities 9.3%, Fixed Income Core 2.2%, Fixed Income High Yield 5.4%, Real Estate 20.4%, Opportunistic Strategies 11.2%, Global Tactical Asset Allocation 5.3%, Private Equity 3.6% and cash 0.7%.

2. Quarterly Performance Report

Ms. Mink presented the preliminary quarterly performance report for the period ended December 31, 2023. She noted the assets held by the investment managers on December 31, 2023 were as follows: Hardman Johnston Global Advisors held $14,841,529; Northern Trust held $14,914,861; Great Lakes Advisors held

$14,936,163; Atlanta Capital held $16,244,733; Hardman Johnston International Equity held $6,058,614; Acadian held $7,377,281; JPMCB Global Allocation Fund held $7,675,890; C.S. McKee held $3,141,287; Loomis Sayles held $7,801,682; PRISA III held $23,852,860; Boyd Watterson $5,702,889; Corbin ERISA Opportunity Fund held $16,272,882; Hamilton Lane Secondary Fund IV-A $3,879,956; Hamilton Lane Secondary Fund VI-A $1,379,277 and the cash account held $1,050,015.

3. <u>Asset Allocation Update</u>

Ms. Mink directed the Trustees to the asset allocation chart in the meeting booklet which listed four potential asset allocation scenarios for the Trustees' consideration. Ms. Mink reviewed the scenarios and recommended Portfolio D, which would reduce Real Estate – Value Add from 22.5% to 20.0%, increase the Fixed Income Intermediate from 2.5% to 5.0%, High Yield from 5.0% to 7.5%, Opportunistic High Yield from 10.0% to 12.5% and eliminate the GTAA allocation. She said the proceeds from the JP Morgan (GTAA) termination would be allocated to fixed income.

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

> **RESOLVED to accept the recommendation of IPS to adopt Portfolio D, reducing Real Estate – Value Add from 22.5% to 20.0%, increasing the Fixed Income Intermediate from 2.5% to 5.0%, High Yield from 5.0% to 7.5%, Opportunistic High Yield from 10.0% to 12.5% and terminating JP Morgan, with the proceeds to be invested in fixed income.**

The Trustees thanked Ms. Mink and she was excused from the meeting.

IV. ACTUARY

Mr. Deveney, Mr. Czarnik, and Mr. Hardcastle reviewed their report titled, "Actuarial Presentation" which was provided prior to the meeting.

Mr. Deveney reviewed the 2024 PPA Certification. He advised that Cheiron has been assuming a level population for the industry activity assumption for the last few years. The Trustees advised Mr. Deveney that Cheiron should assume a level participant population for this year's certification as well. He also discussed the Special Financial Assistance ("SFA") application process and noted the Fund is still on the waiting list to file its application. Mr. Hardcastle reported on developments with PBGC's death audit process. and advised that Cheiron had submitted the census file of deaths related to the application to Associated for review.

The Trustees thanked Mr. Deveney, Mr. Czarnik and Mr. Hardcastle for their report and they were excused from the meeting.

V. COUNSEL REPORT

Mr. Kimble reviewed the update to the Fund's Rehabilitation Plan contained in the meeting booklet.

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

> **RESOLVED to adopt the updated Rehabilitation Plan presented by Fund Counsel.**

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the fourth quarter 2023. The report showed contribution income of $1,371,037, miscellaneous income of $25,237, interest and dividend income of $164,354, and withdrawal liability payments of $165,919, producing a total income of $1,726,547. Expenses included $5,452,443 of pension benefit expense and $926,337 of operating expense, producing a total expense of $6,378,780 for the quarter. This resulted in a net deficit of $4,652,233 for the quarter. Ms. Cochran noted that contributions were made on behalf of 322 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 fourth quarter 2023 report are approved for payment as presented.**

VII. INVOICES

Ms. Cochran presented a list of invoices dated March 13, 2024. 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 March 13, 2024 are approved for payment as presented.**

VIII. OTHER FUND BUSINESS

A. Cybersecurity Report

Ms. Cochran reported that the revised cybersecurity report titled "Vendor Due Diligence Assessment" was received from PFK O'Connor Davies. According to the report, 7 vendors were assessed with high maturity, meaning it meets all the security requirements specified by the DOL.

Ms. Cochran noted the Cybersecurity Questionnaire. She said that the questionnaire will be sent to new providers and current providers that do not meet the high maturity level of cybersecurity.

B. Auditor engagement letter

Ms. Cochran reported receipt of the auditor engagement letter for the 2023 Plan year, which reflects an annual fee of $18,400, an increase of 5% from the previous year.

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

> **RESOLVED to approve the auditor engagement letter for the 2023 Plan Year with an annual fee of $18,400.**

C. Auditor Quality of Audit Work Memorandum

Ms. Cochran noted that Novak Francella had provided a Quality of Audit Work Memorandum to the Fund prior to the meeting.

D. Employer Contribution Rate Increase Letter

Ms. Cochran reported that Associated mailed a contribution rate increase letter to Giant Recycling, Giant Warehouse, and Teamsters Local 639 Union noting the contribution rate change effective January 1, 2024.

E. Ahold, USA Withdrawal Liability Estimate Request

Ms. Cochran reported that the Fund received a request for a withdrawal liability estimate from Ahold, USA. The employer paid the required fee for the actuarial calculation of the estimate and the Fund provided the estimate to Ahold, USA on February 23, 2024.

F. Fidelity Bond Enhanced Coverage – INTERIM ACTION

Ms. Cochran noted interim action regarding the current Fidelity Bond policy. The Trustees approved Segal's recommendation to approve enhanced coverage, which extends coverage to losses caused by outside parties who handle plan assets including forgery, funds transfer fraud and Social Engineering Fraud. She noted the coverage was effective January 8, 2024 through July 11, 2026 for an additional premium of $1,320.

G. Form 1099NEC

Ms. Cochran reported that Associated mailed the 1099NEC Forms to participants on January 26, 2024.

H. Form 1099R

Ms. Cochran reported that Associated mailed the 1099R Forms to participants on January 30, 2024.

I. Personal Information Identifier Incident

Ms. Cochran informed the Trustees that Doyle Printing notified Associated that when Doyle mailed the Form 1099R, one form was incorrectly stuffed in an envelope with another retiree's form. She stated that Counsel was informed by Associated's Privacy Officer. Ms. Cochran said the two affected retirees have been notified and offered credit monitoring services.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected June 27, 2024 as their next regular meeting date immediately following the companion Legal Fund meeting via Zoom.

X. ADJOURNMENT

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

Respectfully submitted,

William Davis

Secretary