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
SEPTEMBER 23, 2022
VIA TELECONFERENCE**

The following Trustees were present:

UNION TRUSTEES
R. Brooks – Chairman
J. Lacy
T. Richardson – Alternate

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

Also present were:

A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
M. Deveney – Cheiron
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 June 6, 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 June 6, 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 April 1, 2022 through June 30, 2022 was not provided prior to the meeting. She said the report will be distributed once received from PNC.

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

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

Mr. Sichel reviewed the financial markets generally and the investment returns of the Fund's investment managers. He noted that for the period January 1, 2022 to June 30, 2022 the Fund's total investment return was -10.8%, gross of fees.

C. Quarterly Performance Report

Mr. Sichel presented the preliminary quarterly performance report for the period ended June 30, 2022. He noted the assets held by the investment managers on June 30, 2022 were as follows: Rothschild – Hardman Johnston Global Advisors held $15,458,022; Northern Trust held $15,095,626; Great Lakes Advisors held $14,940,242; Atlanta Capital held $16,958,893; Hardman Johnston International Equity held $5,511,684; Acadian held $6,570,542; JPMCB Global Allocation Fund held

$7,096,637; C.S. McKee held $2,047,799; Loomis Sayles held $7,397,440; PRISA III held $29,236,578; Boyd Watterson $6,246,760; Corbin ERISA Opportunity Fund held $16,567,564; Hamilton Lane $6,802,466; and the cash account held $2,539,818. Mr. Sichel reviewed the summary of investment results for the period ended June 30, 2022 including trailing quarter, trailing year-to-date, and trailing one, three and five-year periods.

D. <u>Asset Allocations</u>

Mr. Sichel reviewed the Fund's asset allocation as of June 30, 2022: U.S. Equities 29.8%, U.S. Small/Mid Cap 11.1%, International Equities 7.9%, Fixed Income Core 1.3%, Fixed Income High Yield 4.9%, Real Estate 23.3%, Opportunistic Strategies 10.9%, Global Tactical Asset Allocation 4.7%, Private Equity 4.5% and cash 1.7%.

Mr. Sichel directed the Trustees to the asset allocation chart in the meeting booklet. He noted that the Real Estate – Value Add and Opportunistic Strategies asset allocations are within the targeted policy range. However, to offset ongoing cash needs, he recommended the Trustees consider reallocating funds as follows: 1) $2,000,000 from PRISA III (Real Estate – Value Add) to the cash account and 2) $1,000,000 from Corbin (Opportunistic Strategies) to the cash account.

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

> **RESOLVED to follow IPS' recommendation to rebalance by allocating funds as follows: 1) $2,000,000 from PRISA III (Real Estate – Value Add) to the cash account and 2) $1,000,000 from Corbin (Opportunistic Strategies) to the cash account.**

IV. ACTUARY REPORT

The Trustees welcomed Mr. Matt Deveney and Mr. Peter Hardcastle of Cheiron to the meeting. Mr. Deveney and Mr. Hardcastle reviewed the report titled "American Rescue Plan Act of 2021 Special Financial Assistance" which was provided prior to the meeting. Mr. Deveney reviewed the report and provided a historical review of the key changes including the amount of Special Financial Assistance ("SFA"), timing, and conditions. He discussed that the changes in the Final Rule effective August 8, 2022 would increase the SFA, most notably for MPRA Plans. Mr. Deveney reported that the PBGC may temporarily close the filing window if they reach capacity and that the Final Rule adds a "Lock-In" application. He reviewed the projections with and without the SFA.

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

V. COUNSEL REPORT

Mr. Kimble reviewed the status of the cybersecurity guidance for benefit plans issued by the Department of Labor ("DOL") and said the Fund will need to seek a cybersecurity consultant to review the service providers' responses to a questionnaire in order to confirm the service provider is in compliance with the DOL's guidance. Mr. Kimble stated that the Request for Proposal ("RFP") letters will be mailed to the selected vendors.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the second quarter 2022. The report showed contribution income of $1,283,507, miscellaneous income of $308, interest and dividend income of $287,651, and withdrawal liability payments of $165,919, producing a total income of $1,737,385. Expenses included $5,361,036 of pension benefit expense and $323,183 of operating expense, producing a total expense of $5,684,219 for the quarter. This resulted in a net deficit of $3,946,834 for the quarter. Ms. Cochran noted that contributions were made on behalf of 300 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 second quarter 2022 report are approved for payment as presented.**

VII. <u>INVOICES</u>

Ms. Cochran presented a list of invoices dated September 23, 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 September 23, 2022 are approved for payment as presented.**

VIII. <u>OTHER FUND BUSINESS</u>

A. <u>Employer Contribution Rate Letter</u>

Ms. Cochran reported a contribution rate increase letter was mailed to Eight O'Clock Coffee for a rate change effective July 1, 2022.

B. International Foundation of Employee Benefit Plans – Annual Membership

Ms. Cochran reported receipt of the Fund's 2023 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee contains a $50 increase from the prior year.

> **RESOLVED to approve the Fund's 2023 renewal with the International Foundation of Employee Benefit Plans with the $1,360 annual fee.**

C. Fiduciary Liability Policy

Ms. Cochran reviewed the interim action the Trustees took to renew the Fiduciary Liability policy for the period July 26, 2022 through July 26, 2023 with the incumbent carrier, Markel American Insurance Company/Ullico ("Ullico"), through the broker NFP Property & Casualty Service, Inc. ("NFP"). She said that there was a decrease of $194 in the annual premium. She reported that the Trustees approved the renewal via an electronic poll conducted in July 2022.

Ms. Cochran advised the Trustees that letters regarding their required payment of the Waiver of Recourse premiums of $25 were emailed on July 26, 2022.

D. 2022 Retiree Information Form ("RIF)

Ms. Cochran reported that Associated mailed the first request for RIF responses to retirees July 14, 2022.

E. Annual Pension Statements

Ms. Cochran reported that Annual Pension Statements were mailed to participants on July 14, 2022.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected December 2, 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