Food Employers Labor Relations Association
And United Food & Commercial Workers
Pension Fund

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES
OF THE FELRA AND UFCW PENSION FUND
VIA VIDEO CONFERENCE
JUNE 27, 2023

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
M. Federici – Chairman	J. Paradis – Secretary
D. Blitzstein	D. Dosenbach
C. Hoffmann	M. Goble

Also present were:

W. Antoshak – Associated Administrators, LLC
A. Dietrich – Slevin & Hart, P.C.
J. Hack – UFCW Local 27
J. Harrison – UFCW Local 27
D. Jensen – Associated Administrators, LLC
G. Kalwarski – Cheiron
M. Kreps – Groom Law Group
B. Maiorano – Associated Administrators, LLC
C. McDonough – Investment Performance Services
B. McKiver – UFCW Local 400
R. McKnight – Associated Administrators, LLC
C. Murphy – Associated Administrators, LLC
S. Sanchez – Slevin & Hart, P.C.
A. Sims – Associated Administrators, LLC
L. Walsh – Associated Administrators, LLC
M. Wilson – UFCW Local 400
K. Woodrich – Cheiron

I. CALL TO ORDER

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

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on March 17, 2023, and the Appeals Committee meeting held on May 11, 2023, which were pre-circulated.

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 March 17, 2023, and the Appeals Committee meeting held on May 11, 2023, were approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Summary of Cash Activity Report – March 31, 2023

Ms. Sims presented the Summary of Cash Activity Report for the period January 1, 2023 to March 31, 2023, as provided by PNC. Such report indicated a beginning balance of $37,433,154, receipts of $178,838,797, disbursements of $212,068,077, and an investment gain of $463,187, resulting in a balance of $4,667,061 as of March 31, 2023.

B. Investment Performance Services

The Trustees welcomed Mr. Chris McDonough of Investment Performance Services ("IPS") to the meeting.

1. Master Consulting Report – March 31, 2023 – Combined

Mr. McDonough reviewed the IPS report for the period ending March 31, 2023. Such report indicated a beginning market value of $1,263,312,849, net cash flow of $102,200,925, and a net investment gain of $30,453,409, resulting in an ending market value of $1,395,967,184 as of March 31, 2023. Mr. McDonough noted that, of this total, the Fund's non-SFA assets totaled $110,431,581 and its SFA assets totaled $1,285,535,603. The total year-to-date performance through March 31, 2023 was 2.4%, gross of fees.

2. Preliminary Performance Update – April 30, 2023 – Combined

Mr. McDonough reviewed the IPS report for the period ending April 30, 2023. Such report indicated a beginning market value of $1,395,967,184, net cash flow of negative $10,759,194, and a net investment gain of $11,438,000, resulting in an ending market value for the SFA and non-SFA assets of $1,396,645,989. The total year-to-date performance through April 30, 2023 was 3.2%, gross of fees.

The Trustees requested that Loomis and Ryan ALM be invited to the next meeting to provide a report on the investment of the Fund's SFA assets.

IV. ACTUARY'S REPORT

The Trustees welcomed Mr. Gene Kalwarski and Mr. Kevin Woodrich of Cheiron to the meeting.

Mr. Woodrich presented a report titled "Monitoring Projections" dated June 27, 2023. The report provides updated projections as compared to Cheiron's September 2022 projections regarding the depletion date for the Fund's SFA assets. Mr. Woodrich noted that while Cheiron originally projected that the SFA assets would be depleted in April 2033, the Fund's experience to date and the reports provided by Ryan ALM have caused Cheiron to change this projection to December 2033. This assumes that the Fund's non-SFA assets earn 5.56%.

The Trustees thanked Mr. Woodrich and Mr. Kalwarski for their report.

V. ATTORNEY'S REPORT

A. Annual Statement of Compliance Regarding SFA

Ms. Sanchez reported on the PBGC Annual Statement of Compliance regarding SFA.

B. PBGC Information Requests

Ms. Sanchez reported on PBGC's requests for information from the Fund and Cheiron.

C. Cybersecurity Request for Proposal ("RFP") Status

Ms. Sanchez reported on the cybersecurity consultant RFP results. After discussion,

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

> **RESOLVED to delegate to the Chair and Secretary the authority to select a cyber-security vendor for the Fund.**

The Trustees requested that the Fund office request cyber liability insurance quotes from the Fund's insurance broker for their consideration.

D. SECURE Act 2.0

Ms. Sanchez reported on the provisions of SECURE Act 2.0. After discussion,

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

RESOLVED to amend the Plan document to change the Required Beginning Date to April 1 of the calendar year following the later of the calendar year in which the Employee attains age seventy-three (73) or the calendar year in with the Employee retires, effective for participants who reach age 72 on or after January 1, 2023.

The Trustees requested an analysis from the actuary regarding the financial impact of increasing the lump sum cash out limit to $7,000, as permitted under SECURE Act 2.0.

E. <u>Amended 2021 Form 5500</u>

Ms. Sanchez reported on the amended 2021 Form 5500.

F. <u>Intercontinental Most Favored Nations Form</u>

Ms. Sanchez reported on the Most Favored Nations election form for the Fund's Intercontinental investment.

G. <u>Investment Performance Services Amendment</u>

Ms. Sanchez reported on the amendment to the Fund's agreement with IPS.

H. <u>Fiduciary Liability Policy and Fidelity Bond</u>

Ms. Sanchez reported on the renewal of the Fund's Fiduciary Liability insurance policy and fidelity bond policy.

I. <u>W-4P</u>

Ms. Sanchez reported on the updated From W-4P.

J. <u>Annual Funding Notice</u>

Ms. Sanchez reported on the annual funding notice.

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

Mr. Kreps reported on the Inspector General review of SFA distributions and death audit requirements. The Trustees requested additional information regarding death audit options for consideration.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2023 Report

Ms. Sims presented the Administrative Manager's Report for First Quarter 2023, which had been pre-circulated. Such report indicated interest and dividend income of $9,898,342, transfers from assets of $0, receipt of withdrawal liability payments of $14,188,209, and miscellaneous income of $576, producing total income of $24,087,127 for the quarter. Total expenses were $38,987,316, producing a deficit of $14,900,189.

Ms. Sims reviewed the pension applications contained in the Administrative Manager's First Quarter 2023 Report.

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 First Quarter 2023 report are approved for payment.**

VII. INVOICES

The Trustees reviewed the list of invoices dated June 27, 2023. It was noted 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 June 27, 2023 are approved for payment.**

VIII. OTHER FUND BUSINESS

A. Annual Funding Notice

Ms. Sims reported that the Annual Funding notice was mailed to the participants, participating employers and unions, and the Pension Benefit Guaranty Corporation.

B. Chieron Fee Increase

Ms. Sims presented Cheiron's retainer fee request for 2023. She stated that Cheiron proposed a retainer fee of $113,316 ($9,443 per month), which represents an increase of approximately 5.4%, with the non-retainer fees ranging from $160 to $525 per hour for 2023.

After discussion and on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED, to approve Cheiron's 2023 engagement proposal as presented.

C. <u>Miscellaneous Correspondence</u>

1. <u>Merk & Co Settlement</u>

Ms. Sims reported that the Fund received a check in the amount of $82 as a result of the Fund's claim filed in the Merk & Co settlement.

2. <u>Scana Corp Settlement</u>

Ms. Sims reported that the Fund received a check in the amount of $494 as a result of the Fund's claim filed in the Scana Corp Settlement.

IX. <u>NEXT MEETING DATE AND LOCATION</u>

After discussion, the Trustees noted that the next regular Board meetings are scheduled on the following dates:

Wednesday, September 27, 2023 at 9:30 A.M.

Monday, December 11, 2023 at 9:30 A.M.

The meetings will be held via video conference.

X. <u>ADJOURNMENT</u>

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

Respectfully Submitted,

Jason Paradis, Secretary