Waterfront Warehouse Local 1429
Pension Fund

Board of Trustees Meeting

May 12, 2021

WATERFRONT WAREHOUSES LOCAL NO. 1429 PENSION FUND

AGENDA

MAY 12, 2021

A. ROLL CALL

B. READING OF THE MINUTES - February 17, 2021

C. ADMINISTRATIVE REPORTS

1. Statement of Changes In Fund Balance (Jan - Mar, 2021)
2. Statement of Fund Balance (March 31, 2021)
3. Schedules (Jan - Mar, 2021)
4. Monthly Pension Payments (Jan - Mar, 2021)
5. Bills to be Approved and Paid (May 12, 2021)

D. UNFINISHED BUSINESS

1. Benefit Accrual Discussion
2. Guidance on Locating Missing Participants
3. Administrative Manager Contract Renewal
4. Direct Deposit Implementation

E. NEW BUSINESS

1. Retirements: **None**
2. Morgan Stanley Graystone Consulting Investment Review
3. American Rescue Plan Act Update
4. Questions
5. Date of Next Meeting - August, 2021

Waterfront Warehouses Local 1429
Pension Fund
911 Ridgebrook Road
Sparks, Maryland 21152-9451
Toll Free Telephone (888) 494-4443
www.associated-admin.com

Trustees Attending: Trip Bailey, Andre Coley, Jeremy Riddle, Rob Turner

Others Attending: Tim Boles, Kim Bradley, Steven Ford, Chad Houser, David Jensen, Ashley Macaysa, Kathy Phillips

The Trustees met via conference call on February 17, 2021.

Chairman Bailey called the regular meeting to order at 12:00 p.m.

A. The Minutes of the meeting of November 10, 2020 were approved as written.

B. The Statement of Changes in Fund Balance, Statement of Fund Balance, Schedules, Monthly Pension Payments, Bills to be Approved and Paid, and Investment Manager Reports were reviewed and accepted.

C. Unfinished Business

1. Benefit Accrual Discussion
The Trustees discussed a potential increase in the accrual rate as well as decreasing the early retirement reduction factor for retirees between the ages of 62 and 65. They also discussed adding a 30 and Out provision, increasing the benefit credit rate and a pensioner increase either by percentage or flat dollar amount. The Trustees discussed either a contribution increase or funding margin to pay for any potential increase. A Motion was made, seconded, and passed to direct Tim Boles of Bolton to perform a cost study of the aforementioned improvements, at a cost not to exceed $4,000.

D. New Business:

1. The Trustees approved the following Normal Pension:
None

2. Mr. Chad Houser and Mr. Steven Ford of the Houser Ford Group reviewed the December 31, 2020 Graystone Consulting report and the update through February 12, 2021. Market value of assets in the portfolio at quarter end was $9,116,466. For the quarter, the portfolio increased 12.60% net of fees. The return year to date through December 31, 2020 is 12.99%. As of February 12, 2021, the portfolio market value rose to $9,597,382.

Mr. Houser noted the equities had risen to 68% of the portfolio by December 31, 2020. As of February 12, 2021, equities are 65.6% of the portfolio, in line with the target of 65%.

Mr. Houser had no portfolio recommendations at this time.

3. Mr. Boles of Bolton, Inc. presented the Pension Protection Act Zone Certification. As of January 1, 2021, Bolton certified that the Plan is in the “Green Zone” with a funded ratio of 123.8% and no projected funding deficiency during the next seven years. A copy of the certification was distributed to the Trustees.

4. Ms. Bradley presented a draft Payroll Audit Policy. After discussion, a Motion was made, seconded, and passed to adopt the policy. The Trustees then signed the policy.

5. Ms. Bradley then discussed a memorandum regarding Department of Labor (DOL) Guidance on Lost and Missing Participants. Ms. Bradley stated that for the first time, the DOL has issued “best practice” guidance for plan fiduciaries to consider in determining what steps are appropriate for their plan to reduce the number of lost and missing participants. This guidance is intended to help plans minimize the number of missing participants and pay benefits to them.

   She recommended that the Trustees of the Waterfront Warehouses Local 1429 Pension Plan review its current Policy, check for any “red flags,” and determine if it desires to implement any of the DOL “best practices” into its existing policy.

6. Ms. Macaysa of Abato, Rubenstein & Abato presented a memorandum regarding the DOL Final Rule on Financial Factors in Selecting Plan Investments. In June 2020, the DOL issued a proposed regulation on plan fiduciaries’ duties under ERISA when considering environmental, social, and governance (“ESG”) factors in investment decisions. After a notice and comment period, on October 30, 2020, DOL issued a Final Rule that was published in the Federal Register on November 13, 2020. The Final Rule became effective on January 12, 2021.

   The Final Rule amends the investment duties regulations of federal law which has been in place since 1979. It requires plan fiduciaries to select investments and strategies based solely on how they will affect the plan’s financial performance, otherwise referred to as pecuniary goals. As mentioned, the Proposed Rule was received with significant criticism. DOL addressed the criticism head-on in the Final Rule and largely defended its position. While the Final Rule rolled back certain restrictions and burdens from the Proposed Rule, DOL reaffirmed its position that ERISA requires fiduciaries to treat financial interests as paramount when making investment decisions.

7. Mr. Jensen of Associated Administrators reviewed with the Trustees a renewal three-year proposal for administrative services effective April 1, 2021, with 4% increases each year. (For the year ending March 31, 2021 - $21,999; year ending March 31, 2022 - $22,879; year ending March 31, 2023 - $23,794.) The proposal was previously sent to the Trustees and Fund Counsel by email on February 9, 2021. A decision was tabled as the Trustees asked for more time to review.

8. Mr. Turner inquired about the rules regarding change of beneficiary. The Trustees discussed the issue, and Ms. Bradley noted that once a participant commences benefits, the designated beneficiary named in the retirement application cannot be changed.

9. The Trustees discussed the process for a participant to request a pension estimate. Mr. Jensen advised the Trustees that any participants may contact the Fund Office for an estimate.

10. Mr. Jensen reported that the direct deposit program approved by the Trustees is in the process of implementation.

11. Date of the next meeting: May 12, 2021 at 12:00 p.m. at the offices of Associated Administrators, 911 Ridgebrook Road, Sparks, Maryland 21152.

Adjournment: 1:43 p.m.

Respectfully submitted,

David Jensen
Account Executive

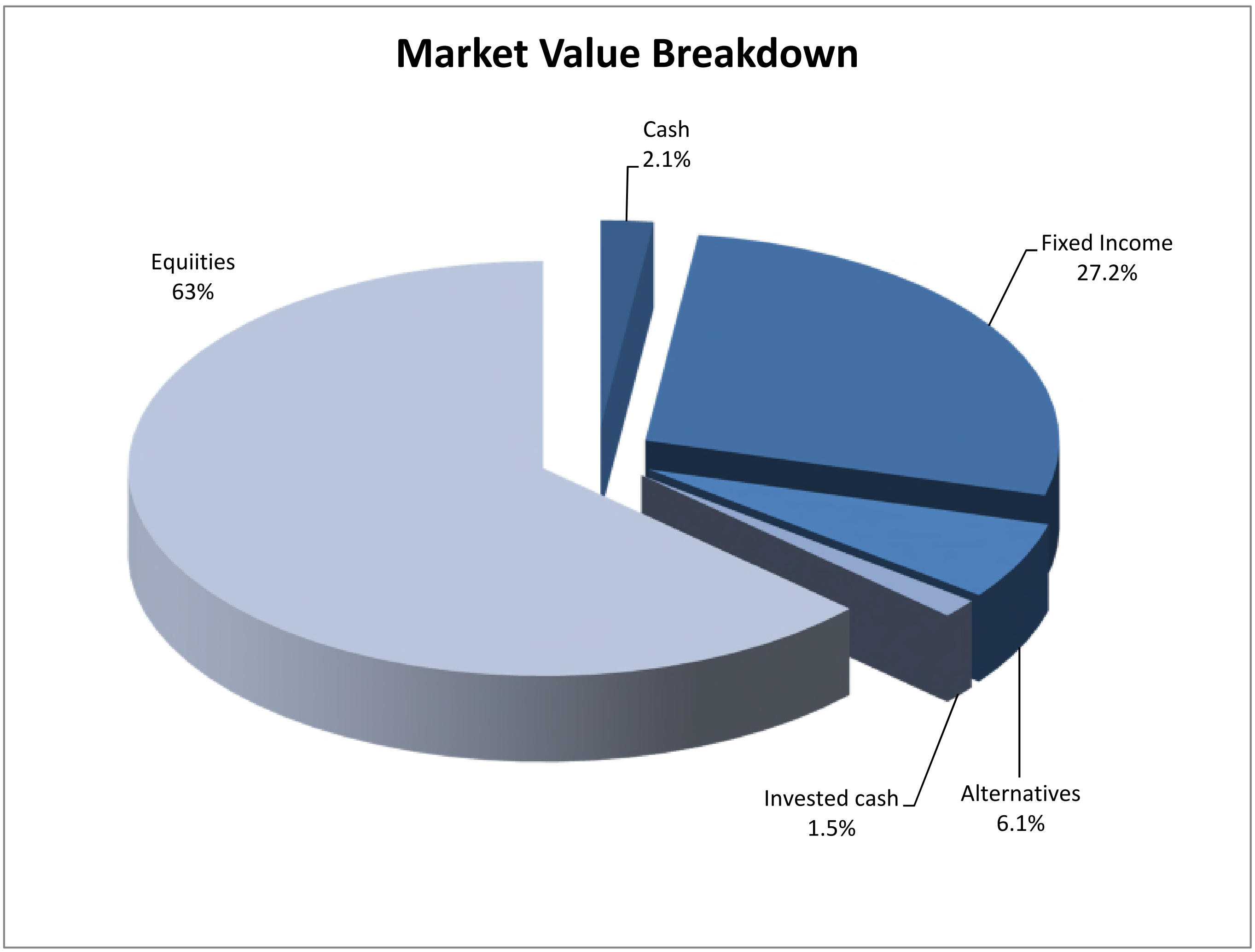
WATERFRONT WAREHOUSE LOCAL 1429 PENSION FUND
STATEMENT OF CHANGES IN FUND BALANCE - CASH BASIS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

	January	February	March	Current Year To Date	Prior Year To Date
Additions					
Employer Contributions	$ 20,947.50	$ 29,973.08	$ 27,706.20	$ 78,626.78	$ 85,931.06
Interest Income	1,863.04	3,031.95	1,837.07	6,732.06	8,342.79
Dividend Income	4,332.60	5,545.61	20,264.37	30,142.58	29,197.18
Gain (Loss) On Sale	115,994.34	28,899.41	35,044.33	179,938.08	(152,233.90)
Gain (Loss) Exchange of Securities	6,461.61	4,183.48	4,623.47	15,268.56	20,268.74
Total Additions	149,599.09	71,633.53	89,475.44	310,708.06	(8,494.13)
Deductions					
Pensions Benefits Paid	16,793.92	16,793.92	16,793.92	50,381.76	40,708.33
Old Pension Checks Write/Off	-	-	-	-	-
Actuarial Fees	2,575.00	-	-	2,575.00	3,874.50
Administration	5,288.25	-	-	5,288.25	5,134.25
Audit Fees	3,600.00	-	-	3,600.00	4,600.00
Audit Fees - Pensioner Deaths	-	-	-	-	-
Bond	-	-	-	-	-
Conference	-	-	-	-	-
Consulting Fees	-	-	-	-	-
Dues	-	-	-	-	-
Fiduciary Liability Insurance	-	-	-	-	-
Investment Advisor Fees	10,954.91	1,454.36	1,664.65	14,073.92	12,751.55
Legal Fees	-	112.50	2,025.00	2,137.50	5,962.50
P B G C	-	-	-	-	-
Postage	-	0.20	-	0.20	11.42
Printing	-	4.09	-	4.09	10.37
Social Security Administration	-	-	-	-	-
Wire Fees	-	-	-	-	-
IRS Filing Fees	-	-	-	-	-
Bank Service Charges	1,082.13	-	-	1,082.13	1,021.68
Meeting Expenses	-	-	-	-	120.16
Total Deductions	40,294.21	18,365.07	20,483.57	79,142.85	74,194.76
Net Increase (Decrease)	$ 109,304.88	$ 53,268.46	$ 68,991.87	$ 231,565.21	$ (82,688.89)
Fund Balance - December 31, 2020				7,769,987.82	
Fund Balance - March 31, 2021				$ 8,001,553.03	

WATERFRONT WAREHOUSE LOCAL 1429 PENSION FUND
STATEMENT OF FUND BALANCE
AS OF MARCH 31, 2021

	Cost Basis	Market Basis
Cash - Bank of America - Operating	$ 155,052.21	$ 155,052.21
Cash - Bank of America - Payment	43,309.08	43,309.08
Morgan Stanley - Cash	140,931.65	140,931.65
Morgan Stanley - Fixed Income	2,662,611.60	2,627,816.96
Morgan Stanley - Equities	4,492,974.09	6,100,482.57
Morgan Stanley - Alternatives	506,635.81	587,877.52
Taxes Withheld	38.59	38.59
Deferred Revenue	-	-
	$ 8,001,553.03	$ 9,655,508.58

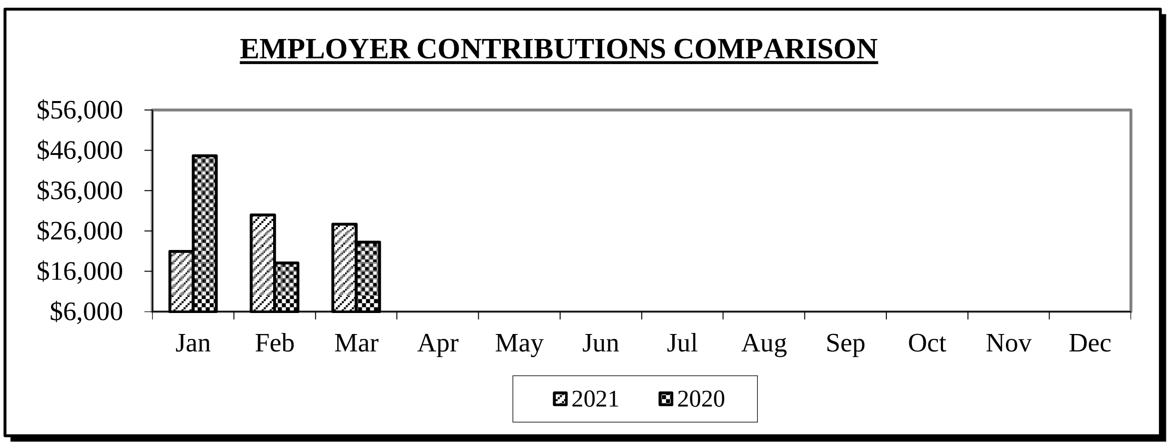
Market Value of Fund Balance as of December 31, 2020	9,299,828.42
Increase in Market Value of Fund Balance as of March 31, 2021	$ 355,680.16
Increase in Cash	231,565.21
Unrealized Gain on Investments	124,114.95
	$ 355,680.16



WATERFRONT WAREHOUSE LOCAL 1429 PENSION FUND
SCHEDULES
FOR THE THREE MONTHS ENDED MARCH 31, 2021

EMPLOYER CONTRIBUTIONS

Month Received	Current Year To Date	Prior Year To Date	Prior Year Total
January	$ 20,947.50	$ 44,638.83	$ 44,638.83
February	29,973.08	18,078.98	18,078.98
March	27,706.20	23,213.25	23,213.25
April			-
May			37,353.53
June			24,187.95
July			20,223.60
August			18,200.10
September			-
October			45,132.60
November			24,413.10
December			18,094.65
	$ 78,626.78	$ 85,931.06	$ 273,536.59
Average per month	$ 26,208.93	$ 28,643.69	$ 22,794.72



PENSIONS PAID

Month Paid	Current Year To Date	Prior Year To Date	Prior Year Total
January	$ 16,793.92	$ 15,716.11	$ 15,716.11
February	16,793.92	12,496.11	12,496.11
March	16,793.92	12,496.11	12,496.11
April			30,172.66
May			16,506.42
June			16,506.42
July			16,506.42
August			16,506.42
September			16,506.42
October			19,093.92
November			16,793.92
December			16,793.92
	$ 50,381.76	$ 40,708.33	$ 206,094.85
Projected Annual Pensions	$ 201,527.04	$ 162,833.32	

WATERFRONT WAREHOUSE LOCAL 1429 PENSION FUND
MONTHLY PENSION PAYMENTS
AS OF MARCH 31, 2021

	January	**February**	**March**	**Quarterly Total**
Wendell Bean	563.39	563.39	563.39	1,690.17
Donald Bruce	396.90	396.90	396.90	1,190.70
Frances Burkhardt	1,090.25	1,090.25	1,090.25	3,270.75
Raymond Carter	1,916.68	1,916.68	1,916.68	5,750.04
Ameena Coley	516.13	516.13	516.13	1,548.39
James Crawford	725.33	725.33	725.33	2,175.99
Michael Engles	475.00	475.00	475.00	1,425.00
Dennis K Evans, Sr.	962.50	962.50	962.50	2,887.50
Charles Feaster	287.50	287.50	287.50	862.50
Floyd Foster	688.28	688.28	688.28	2,064.84
Lynn. Jacobs	327.68	327.68	327.68	983.04
Jessie Joe	497.08	497.08	497.08	1,491.24
Dawn Klosterman	83.53	83.53	83.53	250.59
Wayne Reichart	1,618.63	1,618.63	1,618.63	4,855.89
Edward Schultz	1,995.00	1,995.00	1,995.00	5,985.00
Daryl Shufford	945.00	945.00	945.00	2,835.00
Robert Singletary	718.08	718.08	718.08	2,154.24
Eugene Skinner	152.78	152.78	152.78	458.34
Mark Stanley	884.00	884.00	884.00	2,652.00
Paul Henry Stylc	964.38	964.38	964.38	2,893.14
Sharon Walker	111.76	111.76	111.76	335.28
Paul Young	874.04	874.04	874.04	2,622.12
	$ 16,793.92	**$ 16,793.92**	**$ 16,793.92**	**$ 50,381.76**

WATERFRONT WAREHOUSE LOCAL 1429 PENSION FUND
BILLS TO BE APPROVED AND PAID
May 12, 2021

	Payee/Purpose	Period	Check #	Amount
1.	Associated Administrators, LLC	Printing 10/20 - 12/20		
	Printing & Accurint	Accurint 12/20	1364	4.29
2.	Abato Rubenstein & Abato, P.A.	12/20		
	Legal Fees		1365	112.50
3.	Abato Rubenstein & Abato, P.A.	11/20		
	Legal Fees		1366	2,025.00
4.	Associated Administrators, LLC	4/21-6/21		
	Administration		1367	5,447.00
5.	Abato Rubenstein & Abato, P.A.	3/21		
	Legal Fees		1368	112.50
6.	Bolton Partners, Inc.	3/21		
	Actuarial Fees		1369	4,486.25
7.	Associated Administrators, LLC	Postage 1/21 - 3/21		
	Printing & Accurint	Printing 10/20 - 11/20	1370	122.27
				$ 12,309.81

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Pension Plan
911 Ridgebrook Road
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Date

DIRECT DEPOSIT OF YOUR MONTHLY PENSION CHECK NOW AVAILABLE

Dear Retiree/Beneficiary:

The Board of Trustees is pleased to offer Direct Deposit of your monthly pension benefit effective July 1, 2021.

If you wish to take advantage of Direct Deposit, please complete and return the enclosed EFT form as soon as possible. A return envelope is enclosed for your convenience.

Because we must first do a test (pre-note) of the electronic transfer to confirm your banking information, you will continue to receive a paper check until that test is completed. For example, if your completed EFT form is received in our office by August 15, 2021, we will upload your banking information and run the pre-note test with your September 1, 2021 pension payment. This means you will receive a paper check for September 2021.

Subject of confirmation of your banking information, your direct deposit will then commence with your October 1, 2021 pension payment. Any EFT forms received after August 15, 2021 will be processed as soon as administratively feasible but will delay the start date of your direct deposit.

We are pleased to provide you with this added convenience and continue to wish you the best in your retirement years. Should you have any questions, please contact the Fund Office.

Sincerely,

Board of Trustees

Enclosure

Waterfront Warehouse Local 1429
Pension Plan

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Toll Free Telephone (888) 494-4443
www.associated-admin.com

Electronic Funds Transfer (EFT)

______ I hereby authorize the Pension Fund ("Fund") to deposit my monthly pension benefit payments into my account identified as and held at the Financial Institution named below, and I authorize that such account exists and that the Financial Institution can make deposits without responsibility for correctness of such amount.

_______ I hereby decline the Electronic Transfer at this time. Please mail the monthly retirement checks directly to my home.

____ ______________________
Signature Date

My authorization will remain in effect until I give written notice to terminate this authorization to the Fund Office in sufficient time and manner as to allow the Fund Office to act on it. In addition, either the Fund or the Financial Institution can terminate this agreement by providing me with their written notice at least ten (10) days prior to actual termination.

Attach Voided Check Here

____
Name(s) of Any Other Person(s) Listed on the Account

____
Retiree Name **(please print)** Social Security Number

____
Retiree Signature Phone Number (including Area Code) Date

Electronic Funds Transfer (EFT)

If you select your checking account, you must attach a voided check. If you select your savings account, you must obtain a letter from the bank with this information. No deposit ticket will be accepted for either type of account. If you have recently established a new account with a bank and cannot attach a voided check, please provide us with a letter directly from the bank with the necessary information. If you do not attach the required information your monthly checks will continue to be mailed to your home.

PLEASE NOTE: Because we must first do a test of the electronic transfer to your designated bank, it may take approximately 60 days for your first direct deposit to be effective. This means that your first one or two pension benefit payments may be mailed in the form of a paper check.

Important!! If your address changes while you are receiving electronic transfer, you must notify the Fund Office in writing. We need your correct address so we can contact you regarding benefit changes, tax information, and other required information. Please note that you will not receive written confirmation of the transfer from the Fund Office. You may, however, call your bank to verify the transfer has been completed.

Kimberly L. Bradley
James R. Rosenberg •
Paul D. Starr •
Corey Smith Bott
Brian G. Esders •
Shauna Barnaskas
Ashley E. Macaysa +
Patrick Ciociola

• Also admitted in DC
+ Admitted in PA only

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Of Counsel
H. Victoria Hedian
Stephen W. Godoff •

To: Trustees, Waterfront Warehouses Local 1429 Pension Fund

From: Kimberly Bradley

Date: May 10, 2021

Re: American Rescue Plan Act – Pension Provisions

Introduction

The American Rescue Plan Act ("ARPA") was signed into law on March 11, 2021. The legislation provides certain pension plan provisions designed to address funding hardships related to the coronavirus pandemic. The multiemployer provisions of ARPA include: 1) special financial assistance to financially-troubled plans, 2) temporary funding improvement relief, 3) temporary zone status elections to delay offset of losses, 4) adjustments to ERISA's funding standard account rules, and 5) increased PBGC premium rates for plan years beginning after 2030.

This memorandum will discuss items 4 and 5, above, which could impact the 1429 Pension Fund.

Adjustment to Funding Standard Account Rules

For years 2020 and 2021, solvent multiemployer plans experiencing losses (investment losses and other losses related to the COVID-19 pandemic, including experience losses related to reductions in contributions or employment, and deviations from expected retirement rates as determined by the plan sponsor) may elect to separately amortize experience losses incurred in either or both of the first two plan years ending after February 29, 2020 over a period of 30 years (instead of 15 years).

For years 2020 and 2021, plans are entitled to elect to expand the smoothing period for losses, in effect spreading the difference between expected and actual returns for those years over a period of up to 10 years.

ARPA provides rules regarding the above elections, such as 1) requiring the plan sponsor to provide the notice of election to participants, beneficiaries, and PBGC, 2) applying benefit increase restrictions if this special relief is elected, 3) restricting the election of this relief to plans that have not received financial assistance under ERISA § 4262, and 4) making the relief effective on the first day of the first plan year ending on or after February 29, 2020.

PBGC Premium Increase

The PBGC multiemployer pension insurance program was projected to become insolvent by 2026, as a result of several high-value multiemployer plans that are facing insolvency. As of 2020, there were approximately 120 funds in "critical and declining" status, projected to be insolvent within 20 years. These funds (including Central States Teamsters and New England Teamsters), cover approximately 1.3 million participants – or about 13% of all participants in multiemployer funds. The increased cost of PBGC-guaranteed benefit obligations for these plans would cause PBGC to run out of money, effectively bankrupting the insurance program for multiemployer plans.

In response to this pension funding crisis, ARPA increased the current flat-rate premiums for multiemployer plans ($31 per participant) to $52 per participant beginning in 2031, to be adjusted for inflation thereafter. This change, along with the additional funding relief for critical and endangered plans identified above, at the Congressional Budget Office's projected cost of $86 billion, are intended to prop up pension plans and PBGC until the year 2051. At that time, the pension relief provisions sunset, giving multiemployer plans the next 30 years to adopt structural reforms to protect the retirement benefits for the unionized workforce.