Waterfront Warehouse Local 1429
Pension Fund

Board of Trustees Meeting

February 22, 2023

WATERFRONT WAREHOUSES LOCAL NO. 1429 PENSION FUND

AGENDA

FEBRUARY 22, 2023

A. ROLL CALL

B. READING OF THE MINUTES - November 09, 2022

C. ADMINISTRATIVE REPORTS

1. Statement of Changes In Fund Balance (Oct - Dec, 2022)
2. Statement of Fund Balance (December 31, 2022)
3. Schedules (Jan - Dec, 2022)
4. Monthly Pension Payments (Oct - Dec, 2022)
5. Bills to be Approved and Paid (February 22, 2023)

D. UNFINISHED BUSINESS

1. Cybersecurity Policy and Questionnaire
2. Bolton Actuarial Consulting Agreement

E. NEW BUSINESS

1. Retirements: **Sarah Burke (Robert)** **Pre-Ret 50% J&S** **$ 1,462.82** **Effective 09/01/22**
2. Morgan Stanley Graystone Consulting Investment Review
3. PPA Zone Certification
4. SECURE Act 2.0
5. Questions
6. Date of Next Meeting - May, 2023

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, Rob Turner

Others Attending: Tim Boles, Corey Bott, Steven Ford, David Jensen, Meredith Miraglia

The Trustees met on November 9, 2022 at the office of the Administrative Manager.

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

A. The Minutes of the meetings of August 31, 2022 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. Mr. Jensen reported the Cybersecurity Questionnaire was sent to service providers October 25, 2022. Three responses have been received. Once questionnaires are received from all service providers, the Fund will engage with an independent, third party to evaluate the responses. Ms. Bott and Mr. Jensen noted that they continue to search for a provider to meet the Fund's needs relative to review of responses considering the best practices outlined by the Department of Labor in the sub-regulatory guidance.

D. New Business:

1. The Trustees approved the following pensions:

David Beverage	**75% J&S**	**$ 778.12**	**Effective 10/1/2022**
Keith Ogline	**Single Life**	**$2,208.75**	**Effective 11/1/2022**

2. Mr. Steven Ford of the Houser Ford Group reviewed the September 30, 2022 Graystone Consulting report. Market value of assets in the portfolio at quarter end was $7,749,010. For Q3 2022, the portfolio decreased 6.28% net of fees. As of November 8, 2022, the portfolio's investment return for the plan year was negative 18.69% net of fees. Mr. Ford discussed the Western Core Plus Fixed Income Fund's recent underperformance, down 20.71% year to date. He recommended no changes to the portfolio or rebalancing at this time.

3. Mr. Boles of Bolton, Inc. presented the January 1, 2022 Actuarial Valuation. The plan's funded ratio is 96.8% based on actuarial value of assets and the Entry Age Normal (EAN) actuarial accrued liability. The funded ratio is 109.1% based on actuarial value of assets and Present Value of Accumulated Benefits (PVAB). The corresponding funded ratios for the previous year were 108.3% and 123.4%, respectively. The actuarial value of assets at January

1, 2022 was $9,683,081 compared to the market value of assets of $10,300,489. The EAN actuarial accrued liability at January 1, 2022 was $10,005,604 compared to the PVAB of $8,875,436. The Trustees reviewed the report and discussed funding levels, demographics, assumptions, and other items.

4. Mr. Boles then presented the Bolton Partners, Inc. Actuarial and Consulting Services Agreements for the Waterfront Warehouses Local 1429 Pension Fund. The Agreement outlined retainer and non-retainer services being proposed. The annual Retainer Fee for the 2023 Plan Year will be $38,000, payable in four quarterly installments of $9,500. Quarterly fees will be billed in the first month of each Plan Year quarter (January, April, July, and October). Thereafter, such fees will increase 3% annually. Each annual Retainer Fee for a Plan Year will cover the timely preparation and delivery of the Valuation Report, Zone Certification as of the beginning of the Plan Year and the Schedule MB of Form 5500 for the prior Plan Year. The Trustees then excused Mr. Boles, Ms. Miraglia, and Mr. Ford from the meeting.

   After discussing the proposal, the Trustees instructed Ms. Bott to review the proposal and to offer a counter proposal to Bolton, limiting the duration of automatic increase of the retainer agreement at the rate of three percent per year to a three year agreement. Ms. Bott will follow up with Bolton.

5. Date of the next regular meeting: February 22, 2023 at 12:00 p.m. at the offices of Associated Administrators, 911 Ridgebrook Road, Sparks, Maryland 21152.

Adjournment: 1:24 p.m.

Respectfully submitted,

David Jensen
Account Executive

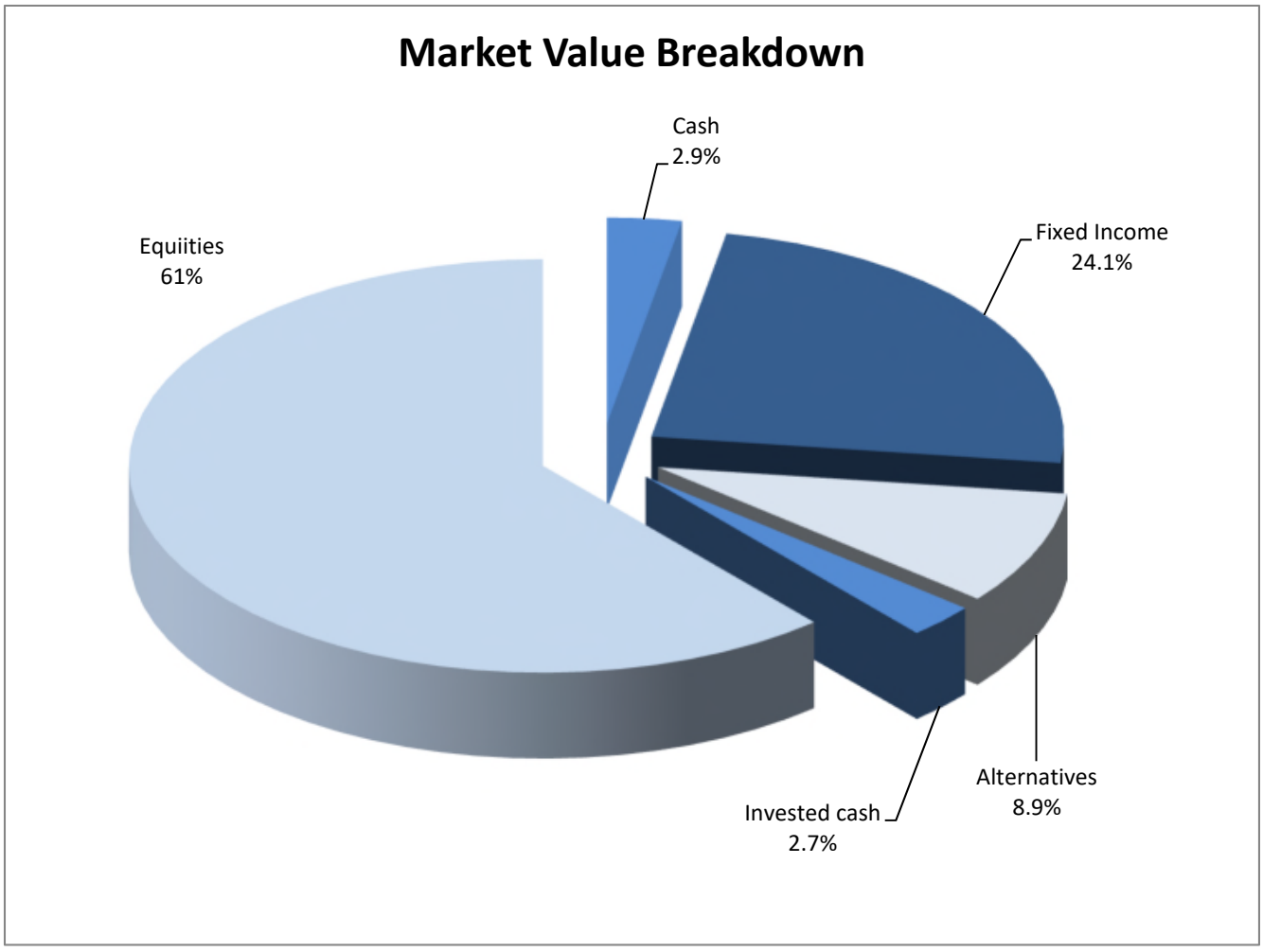
WATERFRONT WAREHOUSE LOCAL 1429 PENSION FUND
STATEMENT OF CHANGES IN FUND BALANCE - CASH BASIS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022

	October	November	December	Current Year To Date	Prior Year To Date
Additions					
Employer Contributions	$ 39,338.81	$ 45,286.31	$ -	$ 443,484.43	$ 417,569.11
Interest Income	2,058.02	3,807.96	1,684.83	26,583.04	21,648.24
Dividend Income	7,812.42	7,299.07	26,625.33	172,717.21	190,810.15
Misc Income	-	-	-	33.76	-
Gain (Loss) On Sale	(26,218.22)	(12,619.63)	36,119.74	(1,767.58)	391,103.19
Gain (Loss) Exchange of Securities	(393.26)	(301.34)	12,714.52	(6,620.14)	45,609.41
Total Additions	22,597.77	43,472.37	77,144.42	634,430.72	1,066,740.10
Deductions					
Pensions Benefits Paid	20,596.09	22,095.91	22,095.91	241,815.81	207,793.23
Old Pension Checks Write/Off	-	-	-	-	-
Actuarial Fees	6,545.00	-	6,630.00	47,821.14	33,996.50
Administration	5,610.50	-	-	22,278.50	21,629.25
Audit Fees	-	-	-	-	13,115.50
Audit Fees - Pensioner Deaths	-	-	-	-	-
Bond	-	-	-	-	1,626.00
Conference	-	-	-	-	-
Consulting Fees	-	-	-	-	-
Dues	1,145.00	-	-	1,145.00	1,100.00
Fiduciary Liability Insurance	-	-	-	2,441.00	2,441.00
Investment Advisor Fees	8,161.04	1,232.59	1,505.84	51,910.73	60,264.12
Legal Fees	3,206.25	731.25	675.00	15,075.00	15,693.75
P B G C	3,904.00	-	-	3,904.00	3,317.00
Postage	-	-	-	75.31	132.40
Printing	17.44	40.39	-	116.79	232.88
Social Security Administration	-	-	-	-	-
Wire Fees	-	-	-	-	-
IRS Filing Fees	-	-	-	-	-
Bank Service Charges	282.71	285.57	319.28	3,380.75	1,598.29
Meeting Expenses	118.21	-	-	227.38	-
Total Deductions	49,586.24	24,385.71	31,226.03	390,191.41	362,939.92
Net Increase (Decrease)	$ (26,988.47)	$ 19,086.66	$ 45,918.39	$ 244,239.31	$ 703,800.18
Fund Balance - December 31, 2021				8,473,788.50	
Fund Balance - December 31, 2022				$ 8,718,027.81	

WATERFRONT WAREHOUSE LOCAL 1429 PENSION FUND
STATEMENT OF FUND BALANCE
AS OF DECEMBER 31, 2022

	Cost Basis	Market Basis
Cash - PNC - Operating	$ 194,652.46	$ 194,652.46
Cash - PNC - Payment	60,895.01	60,895.01
Morgan Stanley - Cash	83,965.09	83,965.09
Morgan Stanley - Savings	150,852.87	150,852.87
Morgan Stanley - Fixed Income	2,502,627.79	2,119,090.73
Morgan Stanley - Equities	4,901,290.87	5,388,062.41
Morgan Stanley - Alternatives	824,317.84	784,210.97
Stale Dated Checks	(1,664.06)	(1,664.06)
Taxes Withheld	38.59	38.59
Tax Refund Receivable	1,051.35	1,051.35
	$ 8,718,027.81	$ 8,781,155.42

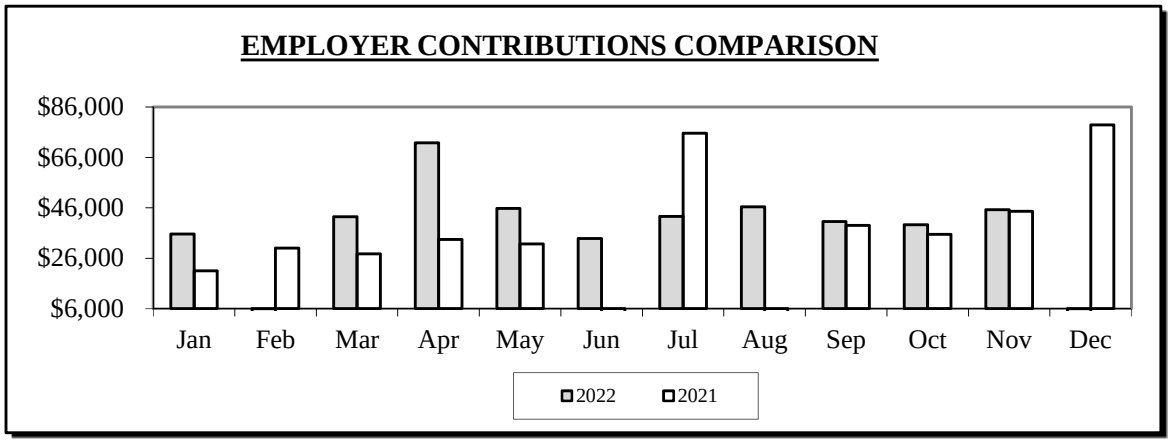
Market Value of Fund Balance as of December 31, 2021	10,276,982.57
Decrease in Market Value of Fund Balance as of December 31, 2022	$ (1,495,827.15)
Increase in Cash	244,239.31
Unrealized Loss on Investments	(1,740,066.46)
	$ (1,495,827.15)



WATERFRONT WAREHOUSE LOCAL 1429 PENSION FUND
SCHEDULES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2022

EMPLOYER CONTRIBUTIONS

Month Received	Current Year To Date	Prior Year To Date	Prior Year Total
January	$ 35,645.19	$ 20,947.50	$ 20,947.50
February	-	29,973.08	29,973.08
March	42,467.75	27,706.20	27,706.20
April	71,740.50	33,511.88	33,511.88
May	45,734.00	31,653.66	31,653.66
June	33,835.75	-	-
July	42,544.94	75,636.95	75,636.95
August	46,366.12	-	-
September	40,525.06	39,097.95	39,097.95
October	39,338.81	35,529.45	35,529.45
November	45,286.31	44,614.62	44,614.62
December	-	78,897.82	78,897.82
	$ 443,484.43	$ 417,569.11	$ 417,569.11
Average per month	$ 36,957.04	$ 34,797.43	$ 34,797.43



PENSIONS PAID

Month Paid	Current Year To Date	Prior Year To Date	Prior Year Total
January	$ 18,312.06	$ 16,793.92	$ 16,793.92
February	18,312.06	16,793.92	16,793.92
March	18,312.06	16,793.92	16,793.92
April	23,001.87	16,793.92	16,793.92
May	19,817.97	16,793.92	16,793.92
June	19,817.97	16,793.92	16,793.92
July	19,817.97	17,172.46	17,172.46
August	19,817.97	18,742.45	18,742.45
September	19,817.97	17,778.70	17,778.70
October	20,596.09	17,778.70	17,778.70
November	22,095.91	17,778.70	17,778.70
December	22,095.91	17,778.70	17,778.70
	$ 241,815.81	$ 207,793.23	$ 207,793.23
Projected Annual Pensions	$ 241,815.81	$ 207,793.23	

WATERFRONT WAREHOUSE LOCAL 1429 PENSION FUND
MONTHLY PENSION PAYMENTS
AS OF DECEMBER 31, 2022

	October	November	December	Quarterly Total
Wendell Bean	580.29	580.29	580.29	1,740.87
David Beverage	778.12	778.12	778.12	2,334.36
Donald Bruce	408.81	408.81	408.81	1,226.43
Frances Burkhardt	1,122.96	1,122.96	1,122.96	3,368.88
Raymond Carter	1,974.18	1,974.18	1,974.18	5,922.54
Ameena Coley	531.61	531.61	531.61	1,594.83
James Crawford	747.09	747.09	747.09	2,241.27
Michael Engles	489.25	489.25	489.25	1,467.75
Dennis K Evans, Sr.	991.38	991.38	991.38	2,974.14
Charles Feaster	317.79	317.79	317.79	953.37
Floyd Foster	708.93	-	-	708.93
Carson Freeman	1,591.95	1,591.95	1,591.95	4,775.85
Ramona Gardner	992.66	992.66	992.66	2,977.98
Lynn Jacobs	337.51	337.51	337.51	1,012.53
Jessie Joe	511.99	511.99	511.99	1,535.97
Keith Ogline	-	2,208.75	2,208.75	4,417.50
Wayne Reichart	1,667.19	1,667.19	1,667.19	5,001.57
Edward Schultz	2,054.85	2,054.85	2,054.85	6,164.55
Daryl Shufford	973.35	973.35	973.35	2,920.05
Robert Singletary	739.62	739.62	739.62	2,218.86
Eugene Skinner	157.36	157.36	157.36	472.08
Mark Stanley	910.52	910.52	910.52	2,731.56
Paul Henry Stylc	993.31	993.31	993.31	2,979.93
Sharon Walker	115.11	115.11	115.11	345.33
Paul Young	900.26	900.26	900.26	2,700.78
	$ 20,596.09	**$ 22,095.91**	**$ 22,095.91**	**$ 64,787.91**

WATERFRONT WAREHOUSE LOCAL 1429 PENSION FUND
BILLS TO BE APPROVED AND PAID
February 22, 2023

Payee/Purpose	Period	Check #	Amount
1. Abato Rubenstein & Abato, P.A.			
Legal Fees	9/22	1037	731.25
2. Associated Administrators, LLC	5/22		
Printing		1038	40.39
3. Abato Rubenstein & Abato, P.A.	10/22		
Legal Fees		1039	675.00
4. Bolton Partners, Inc.	11/22		
Actuarial & Consulting Fees		1040	6,630.00
5. Associated Administrators, LLC	1/23-3/23		
Administration Fee		1041	5,610.50
6. Abato Rubenstein & Abato, P.A.			
Legal Fees	11/22	1042	2,475.00
7. Bolton Partners, Inc.			
Actuarial & Consulting Fees	12/22	1043	4,198.75
8. Associated Administrators, LLC	Meeting Expense 11/22		
Meeting Expense & Accurint	Accurint 10/22	1044	147.19
9. PB Mares CPAs & Consultants	2021		
Audit Fees		1045	8,520.00
			$ 29,028.08

James R. Rosenberg •
Paul D. Starr •
Corey Smith Bott
Brian G. Esders •
Shauna Barnaskas •
Ashley E. Macaysa+
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• Also admitted in DC
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MEMORANDUM

To: Waterfront Warehouses Local No. 1429 Pension Fund, Board of Trustees

From: Corey Bott

Re: Consolidated Appropriations Act, 2023 (SECURE Act 2.0)

Date: February 15, 2023

President Biden signed the Consolidated Appropriations Act, 2023 (CAA 2023) into law on December 29, 2022. The CAA 2023 included retirement plan reforms affecting both defined contribution and defined benefit plans, referred to as SECURE Act 2.0 (building on reforms of the original SECURE Act of 2019).

A summary of the changes made by SECURE Act 2.0, affecting multiemployer defined benefit plans, are described below:

Required Beginning Date

Under the original SECURE Act, the Trustees had the option to amend the plan to increase participants' required beginning date for commencement of benefits from age 70 ½ to age 72. Under SECURE Act 2.0, the Trustees may increase the required beginning date to age 73, effective January 1, 2023. SECURE Act 2.0 also permits the plan to increase the required beginning date to age 75 beginning on January 1, 2033.

Overpayments and Recoupment

Effective December 29, 2022, section 301 of SECURE Act 2.0 affords Trustees greater discretion in recovering overpayments mistakenly made to pensioners. SECURE Act 2.0 makes clear that the plan is not required recoup overpayments that were mistakenly made to participants provided the plan satisfies ERISA's minimum funding rules and the overpayment does not put other participant benefits at risk. The plan is also required to maintain and follow procedures to prevent and minimize overpayments.

SECURE Act 2.0 provides that the plan will not violate Internal Revenue Code Section 401(a) because the plan fails to recoup an overpayment. The law also imposes conditions on plans' attempts to collect overpayments.

The recoupment provisions will likely not apply in situations in which the participant or beneficiary is culpable. A culpable individual bears responsibility for the overpayment based on misrepresentations or misstatements or knows that the overpayments were materially in excess of the amount due under the terms of the plan.

Both the IRS and the Department of Labor are expected to issue guidance on the recoupment of overpayments.

Involuntary Distributions

Under current law, the plan may “cash out” a terminated vested participant whose accrued benefit is worth $5,000 or less without the participant's consent. Under SECURE Act 2.0, the involuntary distribution threshold is increasing to $7,000, on or after December 31, 2023.

Self-Correction

SECURE Act 2.0 expands the ability of plans to self-correct certain failures through the IRS Employee Plans Compliance Resolution System. SECURE Act 2.0 allows for the self-correction of any “eligible inadvertent failures” through self-correction. An “eligible inadvertent failure” means a failure that occurs despite the existence of practices and procedures designed to comply with the applicable Internal Revenue Code requirement, but does not include any failure that is egregious, relates to the diversion or misuse of plan assets, or is directly or indirectly related to an abusive tax avoidance transaction. This expanded opportunity to self-correct eligible inadvertent failures is available unless the failure was identified by the IRS before any actions that demonstrate a specific commitment to implement a self-correction with respect to the failure and the self-correction was not corrected within a "reasonable" period of time after the failure was identified.

Retirement Savings Lost and Found

Under current law, the plan must annually report to the IRS information relating to each terminated vested participant covered by the plan. Under SECURE Act 2.0, the DOL will take this information reported to the IRS and establish an online, searchable database known as the “Retirement Savings Lost and Found.” The DOL is expected to issue regulations regarding the information needed to set up the database, but it is not expected to create an additional burden on plans. The database will be created no later than December 29, 2024. The goal of the database is to allow participants to search for missing benefits, and to alleviate the challenges plans face in addressing the problem missing participants.

Considerations for the Plan

We will work with the plan’s Third-Party Administrator and Actuarial Consultant(s) to comply with or address the relevant provisions of SECURE Act 2.0. The recovery of retirement plan overpayment provisions were effective December 29, 2022, and the plan is required to implement any changes necessary. Fund Counsel will review pending actions to recover overpayments and make recommendations attendant to compliance with the same.

The Trustees should also consider whether to amend the plan to increase the plan’s required beginning date to 73 for those participants who attain age 73 on or after January 1, 2023. The deadline to adopt such an amendment is on or before the last day of the first plan year beginning on or after January 1, 2025 (December 31, 2025, for the plan), or such a later date as prescribed by the Secretary of the Treasury.

If you have any questions regarding the SECURE Act 2.0, as it relates to the plan, please contact me at csbott@abatolaw.com.