Industry And Local 338
Pension Fund
911 Ridgebrook Road
Sparks, MD 21152-9451
Telephone No. (855) 412-3797 (toll free)
www.associated-admin.com

Minutes of the Meeting of the Board of Trustees

Held on November 7, 2024
Via
Zoom

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEES**
Dan Maldonado	Chris Palmer
Mickey Smith	Andrea Rutherford
Duane Wright	

Also present were:

Peter Bernstein – Horizon Actuarial Services
Daniel Cappell – SEI Institutional Group
Alicia Cochran – Associated Administrators, LLC
Mary Ann Dunleavy – Horizon Actuarial Services, LLC
Rachel Grant – Associated Administrators, LLC
Elizabeth O'Leary, Esq. – Kauff McGuire & Margolis LLP

I. CALL TO ORDER

The meeting was called to order at 10:07 a.m.

II. INVESTMENT CONSULTANT REPORT

Mr. Daniel Cappell reviewed the SEI report for the period ending September 30, 2024. Mr. Cappell provided commentary on market conditions and economic trends, including inflation and Federal fund rates. He also discussed the market performance across different asset classes.

Mr. Cappell reported that the Fund's ending market value as of September 30, 2024 was $104,972,728, and that its fiscal year-to-date ("YTD") total rate of return is 12.53% compared to the index return of 11.45%. He reviewed the performance for other time periods as well. Mr. Cappell reviewed the Fund's portfolio allocation as of September 30, 2024 consisting of: 10.70% Large Cap Index Fund, 2.90% Small Cap Fund, 19.80% World Equity Ex-US Fund, 14.70% US Equity Factor Allocation Fund, 3.00% Emerging Markets Equity Fund, 3.90% Dynamic Asset Allocation Fund, 11.20% Core Fixed Income Fund, 9.70% Limited Duration Fund, 3.90% High Yield Bond Fund, 3.90% Emerging Markets Debt Fund, 4.20% SEI Special Situations Collective Fund, 5.60% SEI Structured Credit Collective Fund, and 6.50% SEI Core Property Fund CIT.

The Trustees thanked Mr. Cappell for his report and Mr. Cappell left the meeting.

III. <u>ACTUARY REPORT</u>

Ms. Dunleavy and Mr. Bernstein presented information on the Plan's July 1, 2024 PPA certification, a review of a study of Form 5500 data and updated projections of the Plan's funding.

Ms. Dunleavy discussed the 2024 PPA zone certification that was submitted to the IRS on September 19, 2024 and that showed the Plan to be in the "Green Zone" for the July 1, 2024 – June 30, 2025 Plan Year. The discussion included key assumptions used in the projection of liabilities and assets as well as the contribution rates and projected work levels that are included in the funding forecast used as the basis of the certification. Discussion ensued regarding past and future contribution rates and their impact on the Fund.

Mr. Bernstein presented the Study of Form 5500 data covering filings for the period from 2008 to 2022. He noted that the Plan has a July 1 – June 30 plan year, which skews the comparison to the predominately calendar-year plan data. He provided an overview of the study and highlighted the maturity of Plan.

Mr. Bernstein presented projections of the Plan's funding position, including a review of the key assumptions used in the projections. In addition to a scenario reflecting all valuation assumptions being met in the future, he reviewed scenarios showing the sensitivity of the Plan's funding to higher work levels and unfavorable investment performance. Mr. Bernstein reiterated that the maturity of the Plan contributes to the sensitivity of the Plan's funded position to future investment returns.

After questions and answers about the report, Ms. Dunleavy and Mr. Bernstein concluded their presentation.

IV. APPROVAL OF MINUTES

The minutes of the meeting held on August 1, 2024, which were previously distributed, were reviewed.

MOTION was made, seconded and unanimously adopted to approve the minutes of the meeting held on August 1, 2024.

V. ASSOCIATED ADMINISTRATORS, LLC REPORT

A. Pension Applications – INTERIM ACTION

Ms. Cochran reported that the Trustees, via electronic poll on August 23, 2024, approved three (3) pension applications reflected on the report of August 23, 2024, annexed hereto as Exhibit "A."

MOTION was made, seconded and unanimously adopted to ratify the interim action of the Trustees to approve the pension applications listed on Exhibit "A."

Ms. Cochran reported that the Trustees, via electronic poll on October 22, 2024, approved four (4) pension applications reflected on the report of October 22, 2024, annexed hereto as Exhibit "B."

MOTION was made, seconded and unanimously adopted to ratify the interim action of the Trustees to approve the pension applications listed on Exhibit "B."

B. Cash Operating Statement

Ms. Cochran submitted the Cash Operating Statement from July 1, 2023 through June 30, 2024. The report is attached hereto as Exhibit "C."

C. Disbursements Reports

Ms. Cochran referred to the Authorization for Disbursements reports for April, May, and June of 2024. The reports are attached hereto as Exhibit "D."

MOTION was made, seconded and unanimously adopted authorizing the disbursements listed in Exhibit "D."

D. Delinquency Report

Ms. Cochran reported that there was one delinquency as of June 30, 2024 which has since been paid. The report is attached hereto as Exhibit "E."

E. Withdrawal Liability

Ms. Cochran reviewed the report in detail, noting that the three former contributing employers shown on the report are continuing to timely pay their withdrawal liability payments. The report is included at the bottom of Exhibit "E."

F. Employer Contribution Rate Report

Ms. Cochran reviewed the report in detail. The report is attached hereto as Exhibit "F."

G. Active Members & Retirees Receiving Benefits

Ms. Cochran referred to the report for the period from January 2024 through December 2024. The report is attached hereto as Exhibit "G."

H. Annual Funding Notice

Ms. Cochran reported that the Annual Funding Notice was mailed to Plan participants, beneficiaries, bargaining parties, and the PBGC.

I. Cyber Liability Policy – INTERIM ACTION

Ms. Cochran reported that the Trustees, via electronic poll, approved the renewal of the Cyber Liability Policy with Travelers based on Segal's recommendation. The policy period is October 4, 2024 through October 4, 2025.

J. Annual Pension Statements

Ms. Cochran reported that the annual pension statements were mailed to active and deferred vested participants on November 4, 2024.

K. International Foundation of Employee Benefit Plans ("IFEBP")

Ms. Cochran reported on receipt of the Fund's 2025 IFEBP membership renewal invoice in the amount of $1,275.00.

MOTION was made, seconded and unanimously adopted to approve the Fund's 2025 IFEBP renewal fee of $1,275.00.

L. <u>Payroll Audit Engagement Letter</u>

Ms. Cochran reviewed the payroll audit engagement letter which reflects a 3% increase in hourly fees for a three-year period. She noted that the letter was presented to the Trustees at the previous meeting but the decision was tabled for additional information. She reviewed the past payroll audit fee increases from 2013 to current. The Trustees discussed the fees and asked Ms. Cochran to propose to the auditor that the fee increase be effective as of January 1, 2025. Ms. Cochran said she would present the proposal to the auditor and report the response.

VI. <u>COUNSEL REPORT</u>

A. <u>Pension Plan Amendment No. 7</u>

Ms. O'Leary presented Plan Amendment No. 7 which reflects the Trustees' decision at the August 1, 2024 meeting to extend the Special Retiree Work Rule for certain HP Hood LLC retirees through December 31, 2025. After discussion,

MOTION was made, seconded and unanimously adopted to adopt Amendment No. 7 as presented.

The Trustees then reviewed the corresponding Summary of Material Modifications ("SMM") which describes Amendment No. 7 and the earlier adopted Amendment on the increase to the limit for the mandatory cashout of small benefits.

VII. <u>NEXT MEETING DATE/ADJOURNMENT</u>

The next meeting of the Board of Trustees is scheduled for Thursday, February 6, 2025 at 10:00 a.m. via Zoom. With no further business to come before the Board, the meeting was adjourned at 11:07 a.m.

Exhibits:

A – Interim Pension Applications

B – Interim Pension Applications

C – Cash Operating Statement

D – Authorization for Disbursements

E – Delinquency and Withdrawal Liability Report

F – Employer Contribution Report

G– Active Members & Retirees Receiving Benefits Report