Industry And Local 338
Pension Fund

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Minutes of the Meeting of the Board of Trustees

Held on June 30, 2020
via
Conference Call

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEES**
Roberta Dunker	Theresa Bresten
Barry Russell	Chris Palmer
Mickey Smith	

Also present were:

Kristen Barshinger – Associated Administrators, LLC
Pat Blizzard – SEI Institutional Group
Alicia Cochran – Associated Administrators, LLC
Mary Ann Dunleavy – Horizon Actuarial Services, LLC
Dylan Nitta – Horizon Actuarial Services, LLC
Elizabeth O'Leary, Esq. – Kauff McGuire & Margolis LLP

I. CALL TO ORDER

The meeting was called to order at 10:01 a.m.

II. INVESTMENT CONSULTANT REPORT

Mr. Patrick Blizzard of SEI reviewed SEI's report which was previously distributed. He led a discussion on current market conditions, noting that recent events and volatility have highlighted the importance of having a diversified portfolio.

Mr. Blizzard reported that the Fund's ending market value as of May 31, 2020 was $87,556,818, that its fiscal year-to-date total rate of return is 0.16% compared to 0.88% for the index, and that, since inception with SEI (01/31/2011), the rate of return is 7.01%, compared to the 6.55% index return. Mr. Blizzard reviewed the Fund's portfolio allocation as of May 31, 2020 and the performance of each asset class is 10.70% Large Cap Index Fund, 2.90% Small Cap Fund, 21.70% World Equity - US, 13.70% US Equity Factor Allocation Fund, 2.90% Emerging Markets Debt Fund, 2.90% Dynamic Asset Allocation Fund, 13.80% Core Fixed Income Fund, 4.70% Limited Duration Fund, 3.90% High Yield Bond Fund, 1.90% Opportunistic Income Fund, 3.80% Emerging Markets Equity Fund, 3.20% Special Situations Fund CIT, 1.20% Structured Credit Collective Fund, 12.70% Core Property Collective Invest TR, and 0.00% cash and equivalents. He stated that SEI does not recommend any changes to the portfolio at this time. He added, however, that individual managers are making changes to take advantage of opportunities in the market.

The Trustees thanked Mr. Blizzard for his report.

III. ACTUARY REPORT

Ms. Mary Ann Dunleavy and Mr. Dylan Nitta of Horizon Actuarial Services, LLC reviewed Horizon's report.

Ms. Dunleavy and Mr. Nitta presented information on the Plan's July 1, 2020 PPA certification. Ms. Dunleavy reviewed the Plan history under PPA. This included a summary of zone status and the actions that the Trustees have taken over the last 10 years with respect to benefit and contribution changes.

Ms. Dunleavy discussed the 2020 PPA zone certification. She reviewed the key assumptions for the PPA certifications. She noted that in projecting the funded status of the Plan, future contribution increases can only be included if they have already been included in a collective bargaining agreements (“CBAs”).

Ms. Dunleavy reviewed the historical work levels for the Plan, including statistics regarding total Plan weeks and weeks per active by plan year. She noted that during the first 10 months of the current Plan year, average work levels remained relatively stable, even during the COVID-19 crisis. Ms. Dunleavy stated that Horizon’s projections of the Plan’s funded status prepared for this meeting assume 10,000 weeks in each projected Plan year. The Trustees agreed with this industry activity assumption.

Ms. Dunleavy reviewed the previous discussions regarding the discount rate assumption. She reviewed projection results at both the 7.50% discount rate and 7.25% discount rate options. Ms. Dunleavy noted that currently the Plan is expected to be certified in ”green” status at either discount assumption based on the assumption that 10,000 weeks will be worked in each future year. Ms. Dunleavy also noted that when the Plan’s Funding Policy is reflected in the projections, the funding of the Plan is projected to remain healthy in the modeled scenarios, building a cushion against future adverse experience.

Pat Blizzard noted that SEI has completed its capital market assumptions and will present the information at the next meeting of the Board. Trustee Bresten asked about Horizon’s observation regarding the responses to Horizon’s survey of capital market assumptions. Ms. Dunleavy noted a lot of volatility in the responses compared to last year.

IV. APPROVAL OF MINUTES

The minutes of the meetings held via conference call on January 14, 2020, March 4, 2020, and April 14, 2020, which were previously distributed, were reviewed.

MOTION was made, seconded and unanimously adopted to approve the minutes of the meetings held via conference call on January 14, 2020, March 4, 2020 and April 14, 2020.

V. ASSOCIATED ADMINISTRATORS, LLC REPORT

A. Pension Applications – INTERIM ACTION

Ms. Cochran reported that the Trustees, via electronic poll on June 24, 2020, approved five (5) pension applications per the report of June 24, 2020, annexed hereto as Exhibit "A."

MOTION was made, seconded and unanimously adopted to ratify the interim action of the Trustees to approve the five (5) pension applications listed on Exhibit "A."

Ms. Cochran reported that the Trustees, via electronic poll on May 27, 2020, approved four (4) pension applications per the report of May 27, 2020, annexed hereto as Exhibit "B." Ms. Cochran noted that payment to a surviving spouse listed on the report has been delayed pending review of whether a former spouse had obtained a Qualified Domestic Relations Order. She advised that the Fund Office was contacted by the former spouse after the application was presented to the Trustees.

MOTION was made, seconded and unanimously adopted to ratify the interim action of the Trustees to approve the four (4) pension applications listed

on Exhibit "B" subject to Associated's review of the former spouse's claim.

Ms. Cochran reported that the Trustees, via electronic poll on April 22, 2020, approved four (4) pension applications per the report of April 22, 2020, annexed hereto as Exhibit "C."

MOTION was made, seconded and unanimously adopted to ratify the interim action of the Trustees to approve the four (4) pension applications listed on Exhibit "C."

B. Cash Operating Statement

Ms. Cochran submitted the Cash Operating Statement from July 1, 2019 through March 31, 2020. The report is attached hereto as Exhibit "D."

C. Disbursement Report

Ms. Cochran referred to the Authorization for Disbursements reports for the months of January, February, and March 2020. The reports are attached hereto as Exhibit "E."

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

D. Delinquency Report

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

E. Withdrawal Liability

Ms. Cochran reviewed the report in detail. The report is included at the bottom of Exhibit "F."

F. Employer Contribution Rate Report

Ms. Cochran reviewed the report in detail. The report is attached hereto as Exhibit "G." Ms. O'Leary noted that Westchester Local 860's CBA expired on September 30, 2013 and she asked Trustee Russell whether he has any information on the status of negotiations for a new CBA. Trustee Russell stating that he does not have an update at this time.

G. Active Members & Retirees Receiving Benefits

Ms. Cochran referred to the report for the period from January 2019 through December 2019. The report is attached hereto as Exhibit "H."

H. Administrative Manager's Report

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

I. Recovery of Pension Overpayment Appeal (P20/102-5436)

Ms. Cochran presented an appeal regarding a pension benefit overpayment. She explained that Associated conducted a monthly death search and learned on April 10, 2020 that the pensioner passed away on February 18, 2020, and that no survivor's pension benefits were payable. A letter was mailed to the participant's Estate on April 22, 2020 requesting reimbursement of pension benefits issued on March 1, 2020 and April 1, 2020 which total $2,095.50.

An appeal was received from the participant's niece explaining that she and the participant were victims of a total loss house fire on February 18, 2020, which resulted in the pensioner's death, and requesting that the Fund forgive the overpayment of pension benefits for March and April 2020 due to the circumstances and financial hardship.

The Trustees discussed the appeal, and the Fund's rules regarding recovery of overpayments . After consideration of all the circumstances, they determined that the Fund should be reimbursed in full but agreed to allow installment payments.

MOTION was made, seconded and unanimously adopted to deny the appeal based on the rules of the Plan and to send two demand letters from the administrative manager followed by a letter from Fund Counsel to request payment in full, with the option to pay in installments.

J. Pension Statements

Ms. Cochran reported that annual pension statements were mailed to active and deferred vested participants on April 17, 2020.

VI. COUNSEL REPORT

A. New DOL Rule Regarding Electronic Delivery of Retirement Plan Disclosures

Ms. O'Leary reviewed her memo detailing the Department of Labor's new rule regarding electronic delivery of retirement plan disclosures. She stated that the new rule creates an additional safe harbor for plan sponsors to provide documents electronically to participants, and she summarized the requirements of the safe harbor. She stated that printing and mailing costs for large plans can be significant and that this rule has the potential to help plans achieve cost savings although she noted that, given the Fund's small number of participants, this rule may not be impactful for the Fund. Ms. Cochran responded that Associated will review the new rule and determine whether to implement the new electronic disclosure options. Ms. Cochran led a general discussion regarding Associated's ability to offer participants a website with access to the Summary Plan Description, benefit applications, and other information. The Trustees stated that they would like to offer a participant website. Ms. Cochran stated that she would proceed with doing so as soon as possible.

B. College of New Rochelle

Ms. O'Leary reported that she recently asked Marc Tenenbaum of Virginia & Ambinder, LLP for a status update in the College of New Rochelle ("CNR") bankruptcy case. She advised that Mr. Tenenbaum stated that there is a chance of a small recovery in the distant future, because the remaining members of the Creditors Committee still have time to bring a claim under CNR's Directors and Officers insurance policy. She noted that Mr. Tenenbaum is no longer receiving regular updates from the Creditors Committee because the Fund is no longer a member of the Committee, and that counsel for the Committee is handling the potential claim on a contingency fee which should provide some confidence that the Committee will pursue the claim it if it makes economic sense to do so. Trustee Bresten noted that the Fund and other creditors could have obtained a much better result if the City of New Rochelle had agreed to rezoning, and she asked whether creditors would have any recourse if the City subsequently agreed to rezoning and, as a result, the value of CNR's former property increases substantially. Ms. O'Leary responded that she did not believe that there would be any recourse to creditors in that circumstance, noting the absence of fraud in that scenario and that it would simply be the buyer's good fortune.

VII. OTHER MATTERS

Trustee Bresten requested that the filed Form 5500 be e-mailed to the Trustees. Ms. Cochran stated that she would do so following the meeting.

Trustee Dunker asked about the possibility of a representative from Friesland Campina USA serving as an Employer Trustee. Trustee Bresten responded that this request was previously addressed, and that Friesland Campina USA had been ambivalent at the time about becoming a Trustee and ultimately elected at that time not to pursue serving as a Trustee. She noted that the Employer Trustees had made a determination not to add an

Employer Trustee and that she did not see a reason to change course at this time. Trustee Palmer agreed.

VIII. NEXT MEETING DATE/ADJOURNMENT

The next meeting of the Board of Trustees is scheduled for Tuesday, September 22, 2020 at 1:00 p.m. via Webex. With no further business to come before the Board, the meeting was adjourned at 11:16 a.m.

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Union Trustee	Employer Trustee
___________________________	___________________________
Union Trustee	Employer Trustee
___________________________	
Union Trustee	

Exhibits:

A – Interim Pension Applications

B – Interim Pension Applications

C – Interim Pension Applications

D – Cash Operating Statement

E – Authorization for Disbursements

F – Delinquency and Withdrawal Liability Report

G – Employer Contribution Report

H– Active Members & Retirees Receiving Benefits Report

I – Administrative Manager’s Report