Industry And Local 338
Pension Fund
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Minutes of the Meeting of the Board of Trustees

Held on August 1, 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 9:02 a.m.

II. INVESTMENT CONSULTANT REPORT

Mr. Daniel Cappell reviewed the SEI report for the period ending June 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 June 30, 2024 was $100,463,216, and that its fiscal year-to-date ("YTD") total rate of return is 12.68% compared to the index return of 11.42%. He reviewed the performance for other time periods as well. Mr. Cappell reviewed the Fund's portfolio allocation as of June 30, 2024: 10.80% Large Cap Index Fund, 2.90% Small Cap Fund, 19.10% World Equity Ex-US Fund, 14.70% US Equity Factor Allocation Fund, 2.90% Emerging Markets Equity Fund, 3.90% Dynamic Asset Allocation Fund, 11.20% Core Fixed Income Fund, 9.80% Limited Duration Fund, 3.90% High Yield Bond Fund, 3.90% Emerging Markets Debt Fund, 4.30% SEI Special Situations Collective Fund, 5.70% SEI Structured Credit Collective Fund, and 6.90% SEI Core Property Fund CIT.

The Trustees thanked Mr. Cappell for his report.

III. <u>ACTUARY REPORT</u>

Ms. Mary Ann Dunleavy and Mr. Peter Bernstein presented information on the Plan's July 1, 2024 PPA certification and updated projections of the Plan's funding.

Ms. Dunleavy reviewed the zone certification process and discussed the preliminary expectation for the July 1, 2024 – June 30, 2025 PPA zone certification. She noted some of the items involved in the certification including: the funding percentage, credit balance, bargained contribution rates, and industry work levels. Ms. Dunleavy asked the Trustees for input on their expectations for industry work levels. After discussion, the Trustees agreed that an assumption of 9,600 total weeks worked in all future years is reasonable.

Ms. Dunleavy 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, she reviewed scenarios showing the sensitivity of the Plan's funding to higher work levels and unfavorable investment performance. She noted the maturity of the Plan contributes to the sensitivity of the Plan's funded position to future investment returns.

Trustee Palmer reported that, in between meetings, L.P. Transportation, Inc. ("L.P.") had advised the Union, Fund counsel, and the Fund Office that L.P. intended to withdraw from the Fund, effective June 30, 2024. He stated that, after further review, it was determined that L.P. could not withdraw during the ongoing collective bargaining agreement. He stated that this topic will likely be re-visited when the current collective bargaining agreement expires. Ms. Dunleavy discussed the impact of employer withdrawals on the Fund. It was agreed to further review the impact of withdrawals on the Fund. .

After responding to questions and comments from the Trustees. Ms. Dunleavy and Mr. Bernstein were thanked for their report.

IV. <u>APPROVAL OF MINUTES</u>

The minutes of the meeting held on April 19, 2024, which were previously distributed, were reviewed.

> **MOTION was made, seconded and unanimously adopted to approve the minutes of the meeting held on April 19, 2024.**

V. <u>ASSOCIATED ADMINISTRATORS, LLC REPORT</u>

A. <u>Pension Applications – INTERIM ACTION</u>

Ms. Cochran reported that the Trustees, via electronic poll on April 18, 2024, approved one (1) pension application reflected on the report of April 18, 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 application listed on Exhibit "A."

Ms. Cochran reported that the Trustees, via electronic poll on May 15, 2024, approved one (1) pension application reflected on the report of May 15, 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 application listed on Exhibit "B."

Ms. Cochran reported that the Trustees, via electronic poll on June 20, 2024, approved six (6) pension applications reflected on the report of June 20, 2024, annexed hereto as Exhibit "C."

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

Ms. Cochran reported that the Trustees, via electronic poll on July 15, 2024, approved two (2) pension applications reflected on the report of July 15, 2024, annexed hereto as Exhibit "D."

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

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 "E."

C. Disbursements Reports

Ms. Cochran referred to the Authorization for Disbursements reports for January, February, and March of 2024. The reports are attached hereto as Exhibit "F."

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

D. Delinquency Report

Ms. Cochran reported that there was one delinquency as of March 31, 2024.

The report is attached hereto as Exhibit "G."

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 "G."

F. Employer Contribution Rate Report

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

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 "I."

H. Auditor Engagement Letter

Ms. Cochran reported receipt of the auditor engagement letter for the 2023 Plan year, which reflects an annual fee of $40,000 with no increase from the previous year. She also reviewed the payroll audit engagement letter, which reflects a 3% increase in hourly fees for a three-year period. Ms. Cochran stated that the annual audit engagement letter would be distributed for Trustee signature. Trustee Palmer requested a report with the past payroll audit fee increases. Ms. Cochran said she would provide the information at the next meeting.

I. FrieslandCampina Collective Bargaining Agreement ("CBA")

Ms. Cochran reported that the new CBA was received from FrieslandCampina for the period from January 1, 2024 through December 31, 2026. She stated that the CBA did not include any increases to the contribution rate for the duration of the contract.

J. Montefiore New Rochelle CBA

Ms. Cochran reported that the new CBA was received from the Union for the period November 6, 2023 through November 5, 2026. She stated that the CBA did not include any contribution increases for the duration of the contract.

K. Fiduciary Liability Policy – INTERIM ACTION

Ms. Cochran reported that the Fiduciary Liability policy was renewed on June 10, 2024. She stated that, via email poll and based upon Segal's recommendation, the Trustees voted to renew coverage with the incumbent carrier, Ullico/Markel, for the two-year period from June 10, 2024 through June 10, 2026. She stated that Segal confirmed all Waiver of Recourse fees were paid.

VI. COUNSEL REPORT

A. Extension of Special Retiree Work Rule for HP Hood LLC

Ms. O'Leary referred to the Plan Amendment that was adopted in 2023 which provided that, for the period from November 1, 2023 through December 31, 2024, any Pensioner working an overtime relief shift for HP Hood LLC ("Hood") for which no contributions are required to be made to the Fund would not be subject to the Fund's suspension of benefits rules if the following conditions were satisfied: (1) the

Pensioner must be employed by Hood in an overtime relief position for which no contributions are required to be paid to the Fund; (2) the Pensioner must have retired on a Pension and must have received benefits for at least three (3) months prior to the start of such employment; and (3) the maximum number of hours worked under this Special Retiree Work Rule must not exceed 32 hours per week during the period from November 1, 2023 through December 31, 2024.

The Trustees considered whether to extend this special rule. Following discussion,

MOTION was made, seconded and unanimously adopted to extend the Special Retiree Work Rule through December 31, 2025.

B. CSEA Westchester Local 860 Payroll Audit

Ms. O'Leary reported that CSEA Westchester Local 860 has paid the outstanding disputed audit findings.

VII. NEXT MEETING DATE/ADJOURNMENT

The next meeting of the Board of Trustees is scheduled for Thursday, November 7, 2024 at 9:00 a.m. via Zoom. With no further business to come before the Board, the meeting was adjourned at 9:55 a.m.

Exhibits:

A – Interim Pension Applications

B – Interim Pension Applications

C – Interim Pension Applications

D – Interim Pension Applications

E – Cash Operating Statement

F – Authorization for Disbursements

G – Delinquency and Withdrawal Liability Report

H – Employer Contribution Report

I – Active Members & Retirees Receiving Benefits Report