Gastronomical Workers Union Local 610
and Metropolitan Hotel Association
Pension Fund
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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE GASTRONOMICAL WORKERS UNION LOCAL 610 AND METROPOLITAN HOTEL ASSOCIATION PENSION FUND HELD OCTOBER 15, 2020 VIA VIDEOCONFERENCE

The following Trustees were present:

Union Trustees	Employer Trustee
J. Rivera, Chairman	D. New, Secretary
M. Vazquez, Secretary	

Also present were:

N. Durkin – Associated Administrators, LLC
L. DuVall – Associated Administrators, LLC
A. Madan – Slevin & Hart, PC
T. Mazur – Quan-Vest Consultants, Inc.
M. Nham – Slevin & Hart, PC
L. Ortiz – Segal

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on May 19, 2020, which were circulated in advance of the meeting. After discussion, and upon a MOTION duly made and seconded, the Trustees

> **RESOLVED, that the minutes of the regular Board meeting held on May 19, 2020 are approved as presented.**

III. INVESTMENT CONSULTANT'S REPORT

The Trustees welcomed Mr. Thomas Mazur of Quan-Vest Consultants, Inc. ("Quan-Vest") to the meeting. Mr. Mazur reported that he had become a minority shareholder of Quan-Vest, Inc. He said that there will be no change to the services provided to the Fund.

A. Performance Report

Mr. Mazur reviewed the Quan-Vest Investment Report for the period ended September 30, 2020. He reported that the market value of the Fund's portfolio as of September 30, 2020 was $1.16 million. He reported that for the one-year period ended September 30, 2020, the Fund's total portfolio returned 4.1% compared to the policy benchmark of 5.3%. The equity portfolio returned 5.5% and the Fund's fixed income portfolio returned 4.4% for the one-year period ended September 30, 2020. He stated that these reported returns were net of investment fees.

B. Asset Allocation

Mr. Mazur reported that the asset allocation on September 30, 2020 was 72.1% in fixed income and 27.9% in domestic equity. He noted that these allocations were within the permissible ranges under the Fund's Investment Policy Statement. He advised that the market value of assets for the combined portfolio was $1,162,595 of which $323,979 was held in the Vanguard Total Stock Fund and $838,616 was held in the Vanguard Short-Term Bond Index Fund. Mr. Mazur noted that each month, the Fund has withdrawn $200,000 from its combined portfolio, comprised of $180,000 from the Vanguard Short-Term Bond Index Fund and $20,000 from the Vanguard Total Stock Fund. In order to maintain the Fund's asset allocations within their permissible ranges, he recommended withdrawing $60,000 from the Vanguard Total Stock Fund and $140,000 from the Vanguard Short-Term Bond Index Fund. After discussion, and upon a MOTION duly made and seconded, the Trustees

RESOLVED, to change the current withdrawal structure to include $60,000 from the Vanguard Total Stock Fund and $140,000 from the Vanguard Short-Term Bond Index Fund.

Mr. Mazur explained that once the last withdrawal of assets takes place, Quan-Vest will resign as advisor and waive any future fees that may have accrued under the contract.

The Trustees thanked Mr. Mazur for his report and excused him from the meeting.

IV. ACTUARY'S REPORT

The Trustees welcomed Ms. Lissette Ortiz of Segal to the meeting.

A. Actuarial Certification of Plan Status as of June 1, 2020

Ms. Ortiz reviewed the Plan's Actuarial Certification, which was filed with the Internal Revenue Service on August 28, 2020. She reported that as of June 1, 2020, the Plan is in critical and declining status. She stated that, based on annual standards described in the Fund's Rehabilitation Plan, Segal certified that the Plan is making scheduled progress since the projected insolvency date is after June 2019.

Ms. Ortiz noted that the Fund experienced return on investments that was higher than anticipated. After review of the Fund's investment returns and its projected expenses, she noted that the Fund's projected insolvency date is May 2021.

The Trustees thanked Ms. Ortiz for her report and excused her from the meeting.

V. ATTORNEY'S REPORT

A. Insolvency

Ms. Nham reported that she and Ms. Madan have been working with the Fund office on the insolvency submission. She said that Segal provided a fee estimate of $7,000 to $10,000 for work related to Plan insolvency. Ms. Madan said that the amount is comparable to what they have seen with other clients for similar work. After discussion, and upon a MOTION duly made and seconded, the Trustees

RESOLVED, to approve Segal performing insolvency work at a cost of $7,000 to $10,000.

B. Updated Solvency Projections for Rehabilitation Plan

Ms. Nham reported that a memorandum from Segal dated May 26, 2020 regarding a projection of the Fund's future market value of assets was distributed and approved by Trustees between Board meetings in order to update the Fund's Rehabilitation Plan. Based on the projections, the Fund is currently meeting the annual standards set forth in the Rehabilitation Plan. Ms. Nham noted that Segal recommended that the Trustees maintain the same annual standards as reflected in the Third Update to the Rehabilitation Plan and that on May 27, 2020, the Trustees agreed between Board meetings, to maintain the annual standards set forth in the Third Update to the Fund's Rehabilitation Plan, based on Segal's determination that the Fund is currently meeting the annual standards.

C. New Final Regulation on Electronic Disclosure of Plan Documents

Ms. Nham reviewed a Memorandum from Slevin & Hart, PC dated June 29, 2020 regarding the Department of Labor publishing a final rule to expand the ability of retirement funds to electronically distribute disclosures required under Title I of ERISA (the "2020 Safe Harbor"). She said the 2020 Safe Harbor was effective July 27, 2020, and can be used immediately, although it may not be practical for this Fund.

The Trustees thanked Ms. Egan and Ms. Ortiz for their report and they were excused from the meeting.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. DuVall presented the Administrative Manager's Report for March 2020 through May 2020. The report indicated contributions of $582, withdrawal liability income of $11,271, and interest and dividend income of $10,688, producing total income of $22,541. She reported that expenses included $513,190 for pension benefits and $171,767 in operating expenses, producing total expenses of $684,957, which resulted in a net deficit of $662,416 for the period March 2020 through May 2020. She further noted that contributions were made on behalf of two active participants.

Ms. DuVall presented the Administrative Manager's Report for June 2020 through August 2020. The report indicated contributions of $582, withdrawal liability income of $11,271, and interest and dividend income of $7,259, producing total income of $19,112. She reported that expenses included $478,956 for pension benefits and $78,806 in operating expenses, producing total expenses of $557,762, which resulted in a net deficit of $538,650 for the period June 2020 through August 2020. She further noted that contributions were made on behalf of two active participants.

Ms. DuVall presented the pension report for the period May 2020 through September 2020. She reviewed the pension roll, reinstatements, list of deletes/deceased participants, and pension applications submitted for Trustee approval. After discussion, and upon a MOTION duly made and seconded, the Trustees unanimously

RESOLVED, to approve the pension applications as presented.

VII. INVOICES

Ms. DuVall presented a list of invoices dated October 15, 2020. The Trustees reviewed the list and determined that all invoices represented proper Fund expenses. After discussion and upon a MOTION duly made and seconded, it was unanimously

RESOLVED, that the invoices listed in the Administrative Manager's Report dated October 15, 2020 are approved for payment.

Ms. DuVall presented an invoice for approval from Segal in the amount of $2,441.25 for insolvency services rendered in the period January 1, 2020 through June 30, 2020.

RESOLVED, that the invoice from Segal in the amount of $2,441.25 for insolvency services rendered in the period January 1, 2020 through June 30, 2020 is approved for payment.

Ms. Duvall presented an invoice for approval from Associated Administrators, LLC in the amount of $1,705.00 for insolvency services rendered in the period ending September 30, 2020.

RESOLVED, that the invoice from Associated Administrators, LLC in the amount of $1,705.00 for insolvency services rendered in the period ending September 30, 2020 is approved for payment.

VIII. OTHER FUND BUSINESS

Ms. DuVall reported the following:

A. Annual Funding Notice

The Fund's Annual Funding Notice for the Plan year ended May 31, 2020 was filed with the Pension Benefit Guaranty Corporation ("PBGC") on September 24, 2020, mailed to Plan participants and beneficiaries on September 25, 2020, and mailed to the contributing employer and participating union on September 25, 2020.

B. Notice of Critical Status

The Notice of Critical Status for the Plan year beginning June 1, 2020 was filed with the Department of Labor and the PBGC on September 24, 2020, mailed to Plan participants and beneficiaries on September 25, 2020, and mailed to the contributing employer and participating union on September 25, 2020.

C. Notice of Availability of Pension Benefit Statement

The Notice of Availability of Pension Benefit Statement was mailed to Plan participants on September 25, 2020.

D. Retiree Information Form

The number of unreturned 2019 Retiree Information Forms ("RIFs") included seventy-eight retirees and eighteen beneficiaries.

IX. NEXT MEETING DATE AND ADJOURNMENT

The Trustees decided that the next regular Board meeting will be held on January 20, 2021 via video conference starting at 10:00 a.m.

There being no further business to come before the Trustees, the Board meeting adjourned.

Respectfully submitted,

______________________	______________________
Chairman	Secretary
______________________	______________________
Date	Date

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