DRAFT

MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
PRINTING LOCAL 72 INDUSTRY PENSION FUND
JANUARY 28, 2022

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEE**
Paul Atwill, Co-Chairman	Jay Goldscher, Chairman (via videoconference)
Dennis Larkin	Anthony Piccirilli
Richard Barrett	

Also present were:

Barry Bryant - Dahab Associates (via videoconference)
Brian Goddu - The McKeogh Company (via videoconference)
Rich Cartier – Manning & Napier (via telephone)
Brian Hartsell - The McKeogh Company
Greg Moore Esq. - O'Donoghue & O'Donoghue, LLP
Kathy Phillips - Associated Administrators, LLC
Jacob Szewczyk Esq. - O'Donoghue & O'Donoghue, LLP
Theodora Washington – PNC Bank (via telephone)
Dawn Welch - Associated Administrators, LLC

A quorum being present, Chairperson Goldscher called the meeting to order at 10:30AM.

I. MINUTES

The Trustees reviewed the minutes of the regular meeting held October 1, 2021, which were pre-circulated.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the minutes of the regular meeting held on October 1, 2021, are approved as presented.**

II. AUDITOR'S REPORT

The Trustees welcomed Mr. Joe Herishen of Calibre CPA Group to the meeting.

A. Audited Financial Statements for Plan Year Ended February 28, 2021

Mr. Herishen reviewed the Financial Statements for the Plan years ended February 28, 2021 and February 29, 2020, a copy of which is attached to these minutes. Mr. Herishen advised the Board that, in Calibre's opinion, the financial statements present fairly, in all material respects, the financial status of the Plan as of February 28, 2021 and February 29, 2020, and the changes in its financial status for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

He reviewed the audit and reported that the net assets available for benefits as of February 28, 2021 were $12,140,203 compared to $12,529,491 as of February 29, 2020, which represented a decrease of $389,288. Mr. Herishen reviewed the Notes to Financial Statements as of years ended February 28, 2021 and February 29, 2020. The Fund's unfunded present value of vested benefits is $42,890,629. He noted that the Fund's administrative expenses are very low.

Mr. Herishen informed the Trustees that it was difficult to file the Form 5500 timely when the Actuarial Valuation is prepared annually as of the last day of the Plan year and asked if the Actuarial Valuation could be prepared annually as of the first day of the Plan year. He noted the Actuarial Valuation is needed to complete the Form 5500 and it is difficult for the actuaries to complete the valuation and provide the assumptions by the required filing date. The Trustees asked Fund Counsel to determine if the end of year actuarial requirement could be changed.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to accept the audited Financial Statements for the Plan years ended February 28, 2021 and February 29, 2020, as presented.**

B. Audit Engagement Letter

Mr. Herishen presented an Audit Engagement Letter for the year ended February 28, 2022, a copy of which is attached to these minutes. Mr. Herishen noted the fee will not exceed $13,600. This represents an increase of $700 over the prior year. Mr. Herishen stated the 5% increase was attributable to the accounting profession experiencing unprecedented staffing demand and overall market inflationary pressures.

C. Payroll Audit

Mr. Herishen reviewed the Payroll Compliance Report as of January 24, 2022. Mr. Herishen noted that the payroll audit of Doyle Printing is complete and no deficiencies were identified. After discussion, the Trustees directed Mr. Herishen to take no further action with respect to the audits for H & W Printing and Caslon Press since both companies are now out of business and any delinquencies discovered in an audit would be uncollectible.

The Trustees also authorized payroll audits of Art & Negative Graphics and Mt. Vernon Printing for the period of January 1, 2019 to December 31, 2021.

The Trustees thanked Mr. Herishen for his presentation, and he was excused from the meeting.

Following discussion, the Trustees on MOTION made, seconded, and unanimously adopted,

> **RESOLVED, to approve the engagement of Calibre for the 2021 annual audit and related service at the requested fee not to exceed $13,600.**

III. INVESTMENT REVIEW

A. PNC Bank

The Trustees welcomed Ms. Washington of PNC Bank to the meeting via teleconference. Ms. Washington reviewed the "GlobeTax Reclaims Status" report. She noted that GlobeTax is currently pursuing eight tax reclamation claims on behalf of the Fund, which are anticipated to be paid between February and August 2022. The estimated reclaim amount is $9,362.54.

The Trustees thanked Ms. Washington for her report and she was excused from the meeting.

B. Investment Consultant Report

The Trustees welcomed Mr. Barry Bryant of Dahab Associates to the meeting via videoconference. Mr. Bryant reviewed the "Printing Local 72 Pension Performance Review December 2021" report with the Trustees, a copy of which is filed with these minutes. As of December 31, 2021, the Fund's market value of assets was $9,675,628, a decrease of $388,051 from the September 2021 ending value of $10,063,679. In the last quarter 2021, the Fund had a net withdrawal of $765,000, net investment gains of $331,686, and income of $45,263, resulting in an increase of $376,949 in market value during the fourth quarter 2021.

During the fourth quarter 2021, the Fund's investment return was 3.9% net of fees, as compared to the Aggregate Index return of 6.0%. During the last-year period, the Fund had an investment return of 12.1% compared to the Aggregate Index return of 14.3%. The Fund's large cap equities gained 6.7% last quarter, 0.7% below the Manning & Napier Equity Index's return of 7.4% and ranked in the 83rd percentile of the Large Cap universe.

C. Investment Manager Report

The trustees welcomed Rich Cartier from Manning & Napier to the meeting via teleconference. Mr. Cartier reviewed the "Investment Performance Review for December 31, 2021. He noted even though Manning & Napier's outlook has become more cautious over the past year they are continuing to find opportunities in both growth-oriented enterprises (cloud computing, gaming and payment processing), as well as in economically sensitive businesses (biotechnology and pharmaceuticals). The prospect of interest rates rising above post-pandemic lows will create a challenging environment for fixed income. Manning & Napier will continue to remain flexible and opportunistic, focusing on risk and reward. The Fund's return, year to date, is 7.63 % net of fees as of December 31, 2021.

The Trustees thanked Mr. Cartier for his report and was excused from the meeting.

IV. ADMINISTRATIVE MANAGER'S REPORT

A. Financial Statement

Ms. Welch reviewed the Administrative Managers Report for November 2021. The report for the period ending November 30, 2021, indicated total income of $1,582,345 and total expenses of $2,761,662, producing a net loss of $1,179,317. The Fund's net assets as of December 2021 were $11,007,397.73.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the November 30, 2021, Financial Report as presented.

B. Delinquency Report

There were no delinquent employers to report.

C. Withdrawal Liability

The Trustees reviewed the Withdrawal Liability reports included in the meeting booklet.

D. Invoices

Ms. Welch presented a list of invoices paid from August 1, 2021, to November 30, 2021. She noted that there were no additions, deletions or changes to the list.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the invoices paid from August 1, 2021 to November 30, 2021, as presented.

Ms. Welch announced that Associated Administrators, LLC ("Associated") had been acquired by Harbour Benefit Holdings, Inc. (Harbour) on November 30, 2021. She noted that Associated will remain its own legal entity and its name will not change and will have no effects on locations, personnel, or Associated's existing agreements.

V. FUND ACTUARY REPORT

The Trustees welcomed Mr. Brian Hartsell and Mr. Brian Goddu from The McKeogh Company to the meeting.

Mr. Hartsell reviewed the Actuarial Valuation Report for the Plan year ended February 28, 2022, which was distributed to the Trustees in advance of this meeting. He noted the Plan was certified to be in the critical & declining status for the Plan year beginning March 1, 2021 for purposes of the Pension Protection Act of 2006. The Actuarial Valuation currently projects the Plan to become insolvent during the Plan year beginning March 1, 2025. The Trustees determined the rehabilitation plan reflects all reasonable measures that can be taken to forestall insolvency and so no further changes were made for the Plan year beginning March 1, 2021.

The minimum funding requirement for the Plan year ending February 28, 2021 was $27.3 million. The contributions for the Plan year were $982,568, therefore, the minimum funding requirement was not met and the Plan has a funding deficiency for the year ending February 28, 2022. The expected contributions for the Plan year ending February 28, 2022 will not be sufficient to meet the minimum funding requirement for that Plan year of $30 million.

The level of projected contributions for the current and future years are not sufficient to provide for the Fund's normal cost or eliminate the unfunded liability. The contribution rate for the Plan year beginning March 1, 2021 pursuant to the collective bargaining agreement are $116.50 per member per week. This results in projected contributions of $104,850 for the Plan year. It is anticipated that there will be an additional $828,000 in withdrawal liability payments for that Plan year.

The return on the market value of assets for the year ended February 28, 2021 was 20.68% and the return on the actuarial value of assets was 3.04%, compared to the 7% assumption.

The Fund's unfunded vested benefit liability, as of February 28, 2021, is $35.7 million compared to the prior year's level of $36.1 million.

Mr. Goddu noted the Fund will be eligible to apply for the American Rescue Plan Special Financial Assistance Program beginning February 11, 2023.

The Trustees thanked Mr. Hartsell and Mr. Goddu for their report.

VI. FUND COUNSEL REPORT

A. Pension Miscalculations

Mr. Szewczyk provided an update to the Trustees regarding the letter that was sent to BeneSys, the company that acquired Carday, demanding that they make the Fund whole for the overpayments that were made in error due to miscalculations by Carday. Mr. Szewczyk noted that he spoke to Counsel for Benesys and would like to resolve any issues without a lawsuit and requested additional information prior to proposing a resolution.

B. Qualified Domestic Relations Order ("QDRO") Procedure

Mr. Szewczyk informed the Trustees that Section 206 of ERISA requires that funds maintain written procedures addressing how the fund receives and processes potential QDROs. He noted that the procedure for determining QDROs was pre-circulated to the Trustees on December 6, 2021 and included in the meeting booklet.

Mr. Szewczyk stated the QDRO Procedures, as required by law, state that while the Fund Office is reviewing the submitted order using the procedures created by the Fund, the Fund Office will hold back (or "segregate") a portion of the Participant's benefit payment equal to the amount that the order requires the Fund to pay the former spouse. If the Fund Office determines the order is a QDRO, based on the Fund's procedures the withheld amount is paid to the former spouse; if it is not a QDRO, the amount goes to the Participant. In either case, the

Fund pays interest on the withheld amount.

Fund Counsel recommended that the Trustees set the interest rate for such withheld amounts at 5% per year. It is Counsel's opinion that this is a prudent amount of interest to pay on these withheld amounts. The Trustees retain sole discretion to modify this amount at any time.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to adopt the proposed QDRO Procedures and adopt an interest rate of 5% per year on the portion of benefit payments that the Fund is required by law to withhold while determining whether an order is a QDRO.**

C. Department of Labor ("DOL") Cybersecurity Best Practices

Mr. Moore reported on the DOL's informal guidance related to cybersecurity best practices. He presented a cybersecurity information request letter and recommended that the Funds send out the letter to all vendors that handle client and Fund related information to review their cybersecurity practices and determine if security is satisfactory. Vendors will be required to provide a cybersecurity report that addresses the steps they have taken to protect any participant information or plan assets they have as a service provider to the Fund. A copy of an existing cybersecurity policy and details of coverage provided by any insurance policies that cover losses caused by cybersecurity incidents will also be requested.

After discussion, and on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, that the Fund send the cybersecurity information request letter to all Plan professionals**.

VII. PENSION AWARDS

The following pensions were awarded by the Pension Committee from January 1, 2021, to December 31, 2021:

RATIFICATIONS

Surviving Spouse: Mary Boswell
Retiree: Richard Boswell
Surviving Spouse Benefit – 50% Joint and Survivor Option

Participant D.O.D.: 10/06/2021
Spouse Age: 69
Spouse D.O.B.: 04/13/1952
Benefit Amount: $631.50
Effective Date: 11/01/2021

Retiree: Helen Hamor
Deferred Vested, Unreduced – Life Annuity Option
Age: 65
D.O.B.: 05/26/1956
Spouse D.O.B.: N/A
Past Service: -0-
Future Service: 23.84
Benefit Amount: $1,043.00
Effective Date: 10/01/2021

Retiree: Wayland Haydon
Deferred Vested, Actuarially Adjusted - 50% Joint and Survivor with pop-up Option
Age: 68
D.O.B.: 02/24/1953
Spouse D.O.B.: 09/24/1954
Past Service: -0-
Future Service: 39.00
Benefit Amount: $1,537.00
Effective Date: 11/01/2021

Retiree: Raymond Hopfer
Deferred Vested, Unreduced – Life Annuity Option
Age: 65
D.O.B.: 07/25/1956
Spouse D.O.B.: N/A
Past Service: -0-
Future Service: 18.80
Benefit Amount: $703.00
Effective Date: 08/01/2021

After review and discussion of the above pensions, and upon Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to ratify the pensions approved by the Pension Committee, as detailed above.

VIII. OTHER FUND BUSINESS

A. 104(d) Multiemployer Summary Plan Information

Ms. Welch reported that the 104(d) Multiemployer Summary Plan Information Notice was, following review by Counsel, mailed to the appropriate parties on January 19, 2022.

B. PBGC Premiums

Ms. Welch reported that the 2021 PBGC premiums were paid on December 15, 2021 in the amount of $24,521.

IX. NEXT MEETING DATE AND LOCATION

The next regular meeting of the Board of Trustees was scheduled for Friday May 13, 2022, at 10:30 a.m. in Landover, Maryland.

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:00 p.m.

Respectfully submitted,

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Jay Goldscher, Chairman Paul Atwill, Co-Chairman

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