DRAFT

MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
PRINTING LOCAL 72 INDUSTRY PENSION FUND
JUNE 11, 2021
VIA VIDEO CONFERENCE

The following Trustees were present:

UNION TRUSTEES
Paul Atwill, Co-Chairman
Richard Barrett
Dennis Larkin

EMPLOYER TRUSTEE
Jay Goldscher, Chairman

Also present were:

Barry Bryant - Dahab Associates
Brian Goddu - The McKeogh Company
Brian Hartsell - The McKeogh Company
Mary Jones - PNC Bank
Greg Moore Esq. - O'Donoghue & O'Donoghue, LLP
Kathy Phillips - Associated Administrators, LLC
Jacob Szewczyk Esq. - O'Donoghue & O'Donoghue, LLP
Dawn Welch - Associated Administrators, LLC

A quorum being present, Chairperson Goldscher called the meeting to order at 10:00AM.

I. MINUTES

The Trustees reviewed the minutes of the regular meeting held February 19, 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 February 19, 2021 are approved as presented.**

II. INVESTMENT REVIEW

A. PNC Bank

The Trustees welcomed Ms. Mary Jones of PNC Bank to the meeting. Ms. Jones reviewed the "First Quarter Globetax Reclaims Status" report. She noted that GlobeTax is currently pursuing nine tax reclamation claims on behalf of the Fund, which are anticipated to be paid between

January and August 2022.

The Trustees thanked Ms. Jones 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. Mr. Bryant reviewed the "Printing Local 72 Pension Performance Review March 2021" report with the Trustees, a copy of which is filed with these minutes. As of March 30, 2021, the Fund's market value of assets was $10,769,390. In the first quarter 2021, the Fund had a net withdrawal of $656,131, net investment gains of $230,384, and income of $44,819, resulting in a decrease of $380,928 in market value during the first quarter 2021.

During the first quarter 2021, the Fund had an investment return of 2.7% net of fees, as compared to the Aggregate Index benchmark return of 1.8%, ranking in the 43rd percentile of the Taft-Hartley universe. During the last-year period, the Fund had an investment return of 31.6% compared to the Aggregate Index benchmark return of 28.9%. The Fund's large cap equities gained 4.6% last quarter, 1.1% below the Manning & Napier Equity Index's return of 5.7% and ranked in the 68th percentile of the Large Cap universe.

Mr. Bryant noted that global equities advanced in the first quarter of 2021 with news of further fiscal stimulus, the vaccine roll-out, and the reopening of the economy. He noted that inflation has been increasing in certain areas of the market (energy, lumber, food, etc.).

C. Investment Manager Report

Ms. Welch noted the "Investment Performance Review for the Printing Local 72 Industry Pension Fund as of May 31, 2021," that was prepared by Manning & Napier was included in the meeting booklet. She informed the Trustees that, according to the report, the Fund's market return year to date was 6.79% gross of fees.

III. ADMINISTRATIVE MANAGER'S REPORT

A. Financial Statement

Ms. Welch reviewed the Administrative Managers Report for April 2021. The report for the period ending April 31, 2021 indicated total income of $776,834 and total expenses of $642,067, producing a net gain of $134,767. The Fund's net assets as of April 2021 were $12,339,867.73.

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

> **RESOLVED to approve the April 30, 2021 Financial Report as presented.**

B. <u>Delinquency Report</u>

There were no delinquent employers to report.

C. <u>Withdrawal Liability</u>

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

D. <u>Invoices</u>

Ms. Welch presented a list of invoices paid from April 1, 2021 to April 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 April 1, 2021 to April 30, 2021, as presented.**

E. <u>Payroll Audit Status Report</u>

The Trustees reviewed the payroll audit status report as provided by Calibre CPA Group, PLLC ("Calibre"). The report noted that the H&W Printing audit continues to be on hold. The employer reports that it can only provide paper records, which would require Calibre to examine the records onsite. Due to Covid-19, Calibre will work with the employer to complete the audit when Calibre is able to do on-site visits again.

IV. <u>FUND ACTUARY REPORT</u>

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

A. <u>Actuarial Certification</u>

Mr. Hartsell informed the Trustees that the Actuarial Certification for the Plan Year 2021 was filed on May 28, 2021. The Plan is certified as being in critical and declining status for the March 1, 2021 through February 28, 2022 Plan year. The Plan's funded percentage as of March

1, 2021 was 22.9%, a decline from the 2020 funded percentage of 25.4%.

B. Annual Funding Notice and Critical Status Notice

Mr. Hartsell reported that the Plan's Annual Funding Notice and Notice of Critical Status had been completed and provided to the Fund Office for distribution. Ms. Welch confirmed that the notices were mailed to all necessary parties on June 17, 2021.

The Trustees thanked Mr. Hartsell and Mr. Goddu for their report and they were excused from the meeting.

V. FUND COUNSEL REPORT

Mr. Greg Moore and Mr. Jacob Szewczyk reported the following:

Mass Withdrawal Liability

Mr. Szewczyk advised the Trustees that as part of the mass withdrawal of employers, the Fund is required by law to assess withdrawal liability for a mass withdrawal in three stages, the third of which is to reallocate liability among the employers. He advised that the Fund's actuaries calculated the unfunded vested benefits that need to be reallocated and completed the third recalculation of withdrawal liability. The employers were notified of their third and final withdrawal liability amounts timely in March, and a certification was sent to the PBGC in April by Fund Counsel certifying the Plan has complied timely with all legal requirements.

VI. PENSION AWARDS

The following pensions were awarded by the Pension Committee from January 1, 2021 to April 30, 2021:

RATIFICATIONS

Retiree: Lewis Brown

Deferred Vested, Actuarially Adjusted Life Annuity Option
Age: 66
D.O.B.: 10/20/1954
Spouse D.O.B.: N/A
Past Service: -0-
Future Service: 14.06
Benefit Amount: $556.00
Effective Date: 11/01/2020

Surviving Spouse: Nancy Copeland
Retiree: Stephen Copeland
Surviving Spouse Benefit — 50% Joint and Survivor Option with Pop-up
Participant D.O.D.: 11/20/2020
Spouse Age: 68
Spouse D.O.B.: 03/15/1953
Benefit Amount: $161.00
Effective Date: 12/01/2020

Retiree: John Chandler
Early Deferred Vested - Life Annuity Option
Age: 62
D.O.B.: 09/14/1958
Spouse D.O.B.: N/A
Past Service: -0-
Future Service: 21.30
Benefit Amount: $759.00
Effective Date: 02/01/2021

Retiree: Kristopher Dethloff
Early Deferred Vested -100% Joint and Survivor Option
Age: 58
D.O.B.: 12/26/1962
Spouse D.O.B.: 03/21/1963
Past Service: -0-
Future Service: 19.00
Benefit Amount: $429.00
Effective Date: 02/01/2021

Retiree: Joseph Fantozzi
Early Deferred Vested — 100% Joint and Survivor Option
Age: 57
D.O.B.: 01/05/1964
Spouse D.O.B.: 08/29/1959
Past Service: -0-
Future Service: 16.46
Benefit Amount: $350.00
Effective Date: 02/01/2021

Surviving Spouse: Gail Gardiner
Retiree: Francis Gardiner
Surviving Spouse Benefit — 50% Joint and Survivor Option
Participant D.O.D.: 01/07/2021
Spouse Age: 72
Spouse D.O.B.: 09/17/1948
Benefit Amount: $361.00

Effective Date: 02/01/2021

Retiree: Aileen Henderson
Early Deferred Vested — Life Annuity Option
Age: 64
D.O.B.: 07/16/1956
Spouse D.O.B.: N/A
Past Service: -0-
Future Service: 30.08
Benefit Amount: $1,180.00
Effective Date: 08/01/2020

Retiree: Ronald McIntyre
Early Deferred Vested — 50% Joint and Survivor Option
Age: 63
D.O.B.: 01/07/1958
Spouse D.O.B.: 10/19/1956
Past Service: -0-
Future Service: 24.19
Benefit Amount: $854.00
Effective Date: 02/01/2021

Retiree: Son Nguyen
Deferred Vested — 100% Joint and Survivor Option with Pop-up
Age: 65
D.O.B.: 06/22/1955
Spouse D.O.B.: 01/01/1967
Past Service: -0-
Future Service: 11.00
Benefit Amount: $310.00
Effective Date: 03/01/2021

Retiree: Ronald Royal
Early Deferred Vested — 50% Joint and Survivor Option
Age: 62
D.O.B.: 02/22/1959
Spouse D.O.B.: 11/21/1956
Past Service: -0-
Future Service: 14.58
Benefit Amount: $433.00
Effective Date: 03/01/2021

Retiree: Eric Stierstorfer
Early Deferred Vested — 100% Joint and Survivor Option with Pop-up
Age: 62
D.O.B.: 04/11/1959

Spouse D.O.B.: 05/14/1961
Past Service: -0-
Future Service: 37.42
Benefit Amount: $1,020.00
Effective Date: 05/01/2021

Surviving Spouse: Elizabeth Wilson
Retiree: Robert Wilson
Surviving Spouse Benefit — 50% Joint and Survivor Option
Participant D.O.D.: 11/24/2020
Spouse Age: 78
Spouse D.O.B.: 07/30/1942
Benefit Amount: $647.00
Effective Date: 12/01/2020

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.

VII. OTHER FUND BUSINESS

Ms. Welch presented the following:

A. Cyber Liability Policy

Working with Segal Select, the Fund Office received quotes to renew the Plan's cyber liability insurance for the term of July 17, 2021 through July 17, 2022. Competitive bids were obtained by Segal Select from the incumbent carrier, Travelers Insurance ("Travelers"), and from Beazley Insurance Group. Travelers proposed a $965 (39.7%) increase in the current premium of $2,432 to $3,397. Segal Select recommended that the Trustees renew the policy with Travelers since they maintained the capacity, retention levels, admitted status and scope of coverage, despite the increase. They noted that the increase was due to the overall increase in cyber incidents that have occurred across the market.

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

RESOLVED to renew the cyber liability policy with Travelers for the policy period July 17, 2021 through July 17, 2022 at a premium of $3,397.

B. Retiree Information Forms

The third mailing of the Retiree Information Forms were sent by certified mail on February 12, 2021. Five pensioners have not returned the form and their pensions will be suspended for the month of July.

C. Records Retention Policy

The Fund's current Records Retention Policy was drafted in 1996 and did not address electronic records retention. A revised Records Retention Policy has been reviewed by Fund Counsel and will be circulated to the Trustees for review via email.

D. Early Retirement Pension Calculation Report

The Trustees reviewed the results of the early retirement pension study completed by the Administrative Manager that identified the population of early retirement pensioners who had their pension calculated with a rounded age over the last five Plan years. The study noted 27 pensioners had been underpaid and 17 pensioners were overpaid due to their pensions being calculated by the prior Administrative Manager using the participant's age rounded up or down to the nearest age, which is not reflected in the Plan Document. The total amount of underpayments made was $14,876 and the total amount of overpayments through June 1, 2021 was $8,516. After discussion and questions, the Trustees directed Fund Counsel to seek recovery of the overpayments that were made to pensioners from Carday Associates.

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

> **RESOLVED, to grant Fund Counsel the authority to contact Carday Associates and seek full payment of the overpayment made to early retirement pensioners and report back to the Trustees if additional action is needed to obtain payment.**
>
> And,
>
> **RESOLVED, that the Administrative Manager process the underpaid pension payment changes as soon as administratively possible and issue a one-time payment to those participants for the amount they were underpaid including interest.**

Mr. Moore noted that Fund Counsel would prepare a letter to be sent to the underpaid pensioners.

VIII. NEXT MEETING DATE AND LOCATION

The next regular meeting of the Board of Trustees was scheduled for Friday September 24, 2021 at 10:00 a.m. in Landover, Maryland.

IX. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:15 a.m.

Respectfully submitted,

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Jay Goldscher, Chairman Paul Atwill, Co-Chairman