International Union of Operating Engineers
Local No. 77
Annuity Fund

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MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 77
INDIVIDUAL ACCOUNT (ANNUITY) FUND
TUESDAY, MAY 9, 2023

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEES**
J. VanDyke – Chairman	J. Knowles
R. Dennison	B. Mazzella
T. Johnson	R. Mazzella

ALSO PRESENT:

W. Chambers – Associated Administrators, LLC
C. Fuller – McChesney & Dale, P.C.
M. Ligman – Investment Performance Services
R. McKnight – Associated Administrators, LLC
D. Melloh – Investment Performance Services
E. Sarrazin – Empower Retirement

I. CALL TO ORDER

The Chairman called the meeting to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on February 14, 2023 and,

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

RESOLVED that the minutes of the last regular meeting held on February 14, 2023 are approved as presented.

III. FINANCIAL REPORT

Investment Performance Services (IPS) Annual Review

Mr. Ligman from IPS reviewed the Annuity Performance Review presentation which indicated an ending balance of $41,406,753 through March 31, 2023. He noted 76.8 of investments are in target date funds, 7% in domestic equity, 1.1% in international equity, 1.9% in fixed income, and 13.1% in stable value. He noted there are 3,181 participants and an average recordkeeper cost per participant of $74. Mr. Ligman recommended adding the Vanguard Target Retirement 2070 Fund to the offerings available to participants.

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

RESOLVED to add the Vanguard Target Retirement 2070 Fund to the investment selection for participants.

Mr. Ligman recommended the Trustees consider adding a large-cap growth index option (Vanguard Growth Index – VIGAX) and a large-cap value index option (Vanguard Value Index – VVIAX) for the participants to elect.

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

RESOLVED to add the Vanguard Growth Index – VIGAX and Vanguard Value Index – VVIAX to the investment selection for participants.

Mr. Ligman stated IPS conducts a due diligence request for proposal every three to five years on the recordkeeper which is currently Empower. He stated his firm evaluates benchmarking fees, service team, cybersecurity, participant experience, and plan cost structure. He stated 6 recordkeeping services responded (Empower, BPAS, John Hancock, Principal, and Vanguard) and one declined to bid (Fidelity.) Mr. Ligman recommended retaining Empower as the Plan's recordkeeper at the new proposed rate of $55 annual per participant fee.

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

> **RESOLVED to retain Empower as the Plan's recordkeeper at the proposed $55 annual per participant fee.**

Mr. Ligman recommended that the Fund Office coordinate and schedule virtual education meetings at least quarterly in addition to the on-site education that is already scheduled.

Mr. Ligman presented a fee request letter from IPS dated April 19, 2023. He stated his firm is requesting a $10,000 increase which brings the annual fee to $30,000. He stated his request is effective July 1, 2023 through May 31, 2026. Mr. Ligman and Mr. Melloh were excused from the meeting.

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

> **RESOLVED to approve the fee increase request by IPS for $30,000 annually for the period July 1, 2023 through May 31, 2026.**

Empower Retirement

The Trustees welcomed Mr. Eric Sarrazin of Empower Retirement to the meeting. Mr. Sarrazin reviewed his firm's report for the quarter ending March 31, 2023. He stated that as of March 31, 2023 the Fund had a total of 3,156 Plan participants invested for a total of $41,406,607. Mr. Sarrazin reviewed the Plan balances by investment, noting that the Vanguard Target Retirement 2025 Inv. is the largest investment vehicle at 16.22%. Mr. Sarrazin also reviewed account balances by age and investment vehicle.

The Trustees thanked Mr. Sarrazin for his report.

IV. FUND ATTORNEY'S REPORT

Mr. Fuller stated that it would be beneficial for the Fund to adopt the provisions in the SECURE Act 2.0 that raises the Required Minimum Distribution (RMD) age from 72 to 75.

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

> **RESOLVED to raise the Required Minimum Distribution age from 72 to 75 effective January 1, 2023.**

V. OTHER FUND BUSINESS

Mr. McKnight stated the Administrative Services Contract between Associated Administrators, LLC and the International Union of Operating Engineers Local No. 77 Annuity Fund expires on July 31, 2023. Mr. McKnight respectfully asked the Trustees to consider a three-year contract with a 3% increase each year. He stated the new contract would be effective August 1, 2023 through July 31, 2026.

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

> **RESOLVED to approve the three-year contract extension with Associated Administrators effective August 1, 2023 through July 31, 2026.**

VI. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected August 8, 2023, and November 14, 2023, as their next meetings at the offices of Associated Administrators in Landover, Maryland following the Operating Engineers Local 77 Health & Welfare Fund meeting.

VII. ADJOURNMENT

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

Respectfully submitted,

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Joshua VanDyke – Co-Chairman