Operating Engineers Local No. 77
Health & Welfare and Pension Funds

911 Ridgebrook Road
Sparks, MD 21152-9451
Telephone: (410) 683-6500
Toll Free: (877) 850-0977
www.associated-admin.com

8400 Corporate Drive
Suite 430
Landover, MD 20785-2361
Telephone: (301) 459-3020
Toll Free: (877) 850-0977
www.associated-admin.com

**MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
OPERATING ENGINEERS LOCAL 77 PENSION FUND
TUESDAY, MAY 9, 2023**

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEE**
J. VanDyke, Chairman	C. Burke
R. Dennison	B. Mazzella
S. Faulkner	
T. Johnson	

ALSO PRESENT:

W. Chambers – Associated Administrators, LLC
C. Fuller – McChesney & Dale, P.C.
B. Gilroy – Training Coordinator
R. McKnight – Associated Administrators, LLC
D. Melloh – Investment Performance Services, LLC

I. CALL TO ORDER

The Chairman called the meeting to order.

II. MINUTES

The Trustees waived the reading of the minutes of the regular meeting held on February 14, 2023 since the minutes had been previously circulated and,

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

RESOLVED to approve the minutes of the regular meeting held on February 14, 2023 as presented.

III. FINANCIAL REPORT

Investment Performance Services

The Trustees welcomed Mr. Dan Melloh of Investment Performance Services (IPS) to the meeting. Mr. Melloh reviewed the global market returns during the quarter ending March 31, 2023. Mr. Melloh reviewed the investment performance executive summary for the quarter ending March 31, 2023. He noted that the total Fund assets on March 31, 2023 were $187,776,304 compared to $183,801,599 as of December 31, 2022. Mr. Melloh reviewed the Fund's annualized returns for the quarter ending March 31, 2023. He noted a total Fund composite return for the quarter ending March 31, 2023 of 3.2%, and a return over the past 10 years of 8.3% gross of fees.

Asset Allocation

Mr. Melloh reviewed the asset allocation as of March 31, 2023. He noted that all allocations are within policy range. He stated she has no recommended changes and that all allocations will rebalance closer to policy as capital is called.

Manager Review

Mr. Melloh discussed the actions taken in the February 14, 2023 Board of Trustees meeting to terminate Fred Alger Management effective May 1, 2023 and replacing with Northern Trust Russell 1000 Growth Index Fund. He stated Lazard/Wilmington LCAS Global Diversified – CIT is still being monitored for performance but no action is currently required.

The Trustees thanked Mr. Melloh for his report.

IV. ATTORNEY'S REPORT

Mr. Fuller presented the Operating Engineers Local No. 77 Pension Plan restated June 1, 2023. He stated the restated Plan document contained all previous amendment that were adopted since the prior Plan document restatement on January 1, 2015.

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

RESOLVED to adopt the Plan document restated June 1, 2023, as presented.

V. ADMINISTRATIVE MANAGER'S REPORT

Gain/Loss Reports

Mr. McKnight presented the Administrative Manager's Report for the period January 1, 2023 through March 31, 2023. Such report indicated total contributions of $2,354,950, reciprocity income of $95,156, reciprocity payments of $73,583, liquidated damages of $3,229, interest on delinquencies of $2,694, class action settlements of $1,360, interest income of $286,514, dividend income of $132,282, and commission recapture income of $1,040. There were gains in the Wedge account of $211,827, gains in the Wedge Fixed income account of $149,648, gains in the Washington Capital Management - Infrastructure account of $79,118, gains in the TimeSquare account of $629,043, gains in the Hardman Johnston account of $1,031,653, gains in the Grosvenor account of $829,065, gains in the Chartwell account of $17,894, gains in the Lazard account of $181,392, gains in the Alger account of $2,037,992, gains in the Victory Capital account of $593,143, and gains in the Corbin account of $149,333. There were losses on investments in the Ullico account of $13,864, losses in the Principal account of $248,392, losses in the New Tower account of $188,832, losses in the Boyd Watterson GSA account of $40,563, losses in the Boyd Watterson State Government of $1,165,144, losses in the Washington Capital Management – Mortgage of $616. There were expenses totaling $4,142,509. The foregoing produced a net gain for the period January 1, 2023 through March 31, 2023 of $4,070,902.

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

RESOLVED to accept the Administrative Manager's Report as presented.

VI. OTHER FUND BUSINESS

Mr. McKnight stated the Administrative Services Contract between Associated Administrators, LLC and the Operating Engineers Local No. 77 Pension 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.**

VII. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected August 8, 2023, and November 14, 2023. Meetings will take place at the offices of Associated Administrators in Landover, Maryland immediately following the Apprenticeship meetings.

VIII. ADJOURNMENT

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

Respectfully submitted,

Joshua VanDyke, Chairman