**United Food and Commercial Workers Unions
and Participating Employers
Pension Fund**

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS AND PARTICIPATING EMPLOYERS PENSION FUND VIA VIDEO CONFERENCE SEPTEMBER 12, 2022

The following Trustees were present:

UNION TRUSTEES

J. Chorpenning- Secretary
D. Blitzstein
M. Federici

EMPLOYER TRUSTEES

W. Seehafer - Chairperson
J. Ferrer
P. Lin
V. Marsh

Also present were:

B. Antoshak - Associated Administrators, LLC
P. Hardcastle - Cheiron
J. Herron - Associated Administrators, LLC
T. Hipkins - UFCW Local 27
J. Ianniello - Associated Administrators, LLC
J. Kimble - Morgan, Lewis and Bockius, LLP
B. McKiver - UFCW Local 400
J. Mink - Investment Performance Services
C. Murphy - Associated Administrators, LLC
R. Murray - Cheiron
S. Sanchez - Slevin & Hart P.C.
A. Sims - Associated Administrators, LLC
B. Slevin - Slevin & Hart P.C.
L. Walsh - Associated Administrators, LLC
B. Warren - Cheiron
M. Wilson – UFCW Local 400

I. CALL TO ORDER

Mr. Ianniello reported that he received a written communication on September 7, 2022 from Trustee Wildt, giving his proxy to Secretary Chorpenning. A quorum being present, the meeting was called to order.

II. MINUTES

Mr. Ianniello presented the minutes of the regular meeting held on June 9, 2022, which were previously circulated. On Motion made and seconded, the Trustees voted approval of the following resolution:

> **RESOLVED, that the minutes of the regular meeting held on June 9, 2022, are approved as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Mr. Ianniello reviewed the PNC Summary of Activity report for the period January 1, 2022 through June 30, 2022, which had been previously circulated. The report showed a beginning market value of $130,240,975, receipts of $4,808,923, disbursements of $8,772,916 and an investment loss of $6,097,952, producing an ending market value of $121,966,048 as of June 30, 2022.

B. Investment Performance Services ("IPS")

The Trustees welcomed Jennifer Mink from ("IPS") to the meeting.

1. Master Consulting Services Report – June 30, 2022

Ms. Mink reviewed the Master Consulting Report as of June 30, 2022, which had been pre-circulated. The report indicated a beginning market value of $123,535,157, negative cash flow of $3,392,936 and net investment return of negative $10,550,010 making the ending market value $109,592,211 on June 30, 2022.

2. Asset Allocation

Ms. Mink noted that, because the Fund expects to receive Special Financial Assistance ("SFA") from PBGC after submission of its application, the Trustees should re-evaluate the Fund's asset allocations in the near future. She noted that a portion of the SFA money can be invested in return-seeking assets. The Trustees inquired about various cash allocation scenarios. Ms. Mink said she can model benefit payments based on several different scenarios. She said she would attempt to have such a report by October 17, 2022.

Mr. Slevin reported on the SFA application process. The Trustees discussed this application process and determined that the Fund should file its SFA application as soon as it is permissible to do so.

Ms. Mink reported the Investment Policy amendment has been completed and is ready for the Trustees' review.

The Trustees asked counsel to work with IPS and Cheiron and provide a memo that outlines the various issues the Trustees should consider in conjunction with filing a SFA application including a list of the decisions they will be required to make and the risks associated therewith.

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

IV. ACTUARY'S REPORT

The Trustees welcomed Mr. Peter Hardcastle and Mr. Brett Warren of Cheiron to the meeting.

A. Asset Liability Analysis

Mr. Hardcastle reviewed the 2022 Asset Liability Analysis. The Asset Liability Analysis consists of four different scenarios using the 2021 Valuation, assuming the Fund receives SFA of $188.5 million late in 2023 and assuming the Fund experiences returns of -20% in 2022. Mr. Hardcastle noted that the Fund is projected to emerge from Critical Status under each of the scenarios presented.

B. 2022 Preliminary Valuation

Mr. Warren reviewed the 2022 Preliminary Actuarial Valuation Results. Mr. Warren reported that there were 1,835 active participants, 6,539 terminated vested participants, and 3,545 participants in pay status, resulting in a total of 11,919 participants as of January 1, 2022. Mr. Warren stated that the market value of the assets on January 1, 2022 was $132,528,403, the actuarial value of the assets was $119,904,187, and the present value of accrued benefits and accrued liability was $249,737,982. The Pension Protection Act funding ratio was 48%.

The Trustees thanked Mr. Peter Hardcastle and Mr. Brett Warren and they were excused from the meeting.

V. ATTORNEY'S REPORT

A. Cybersecurity Practices

Ms. Sanchez reported on the DOL's guidance related to cybersecurity best practices. The Trustees agreed that the Fund should request cyber liability insurance quotes from the Fund's broker. After discussion,

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

> **RESOLVED, to issue an RFP for cybersecurity consulting services.**

B. Shopper's Contribution Delinquency

Ms. Sanchez reported on the Fund's delinquency lawsuit against Shoppers Food and Pharmacy.

C. Associated Administrator's, LLC Contract Renewal

Ms. Sanchez reported on the renewal amendment to the Associated Administrators agreement

D. Cheiron Amendment

Ms. Sanchez reported on the renewal amendment to the Cheiron agreement.

VI. ADMINISTRATIVE MANAGER'S REPORT –First Quarter 2022 Report

A. Second Quarter 2022 Report

Mr. Ianniello presented the Administrative Manager's Report for the second quarter of 2022, which had been pre-circulated. The report showed a total income of $1,175,551 and total expenses of $4,349,810, producing a net deficit of $3,174,259 for the quarter. He noted that the Fund received contributions on behalf of 1,471 Plan participants. He reviewed the Stipend Income & Expenses, which showed stipend income of $73,800 and stipend expenses of $74,244 for 54 Plan participants.

Mr. Ianniello reported that there were no delinquencies for the Second Quarter of 2022.

B. Pension Applications

Mr. Ianniello presented the list of pension applications submitted for approval during the second quarter of 2022. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, that the pension applications contained in the Administrative Manager's Report for the second quarter of 2022 are approved for payment.**

C. Invoices

Mr. Ianniello presented a list of invoices dated September 12, 2022. He noted 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, that the invoices on the list dated September 12, 2022, are approved for payment.**

VII. OTHER FUND BUSINESS

A. Cowan Recapture

Mr. Ianniello reported that the Fund had received checks totaling $337.08 from Cowan commission recapture services.

B. Appeals

Appeal #1 P22/107-8238 (Disability Pension Benefit & Recalculation of Credit) – **DENIED**
The Trustees expressed their desire to have more time to review meeting books and materials in advance of Trustees' meetings and asked that the meeting materials be distributed at least a week in advance.

VIII. NEXT MEETING DATE AND LOCATION

The next Board meeting is scheduled for December 1, 2022, via Zoom.

IX. ADJOURNMENT

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

Respectfully Submitted,

Jason Chorpenning, Secretary

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